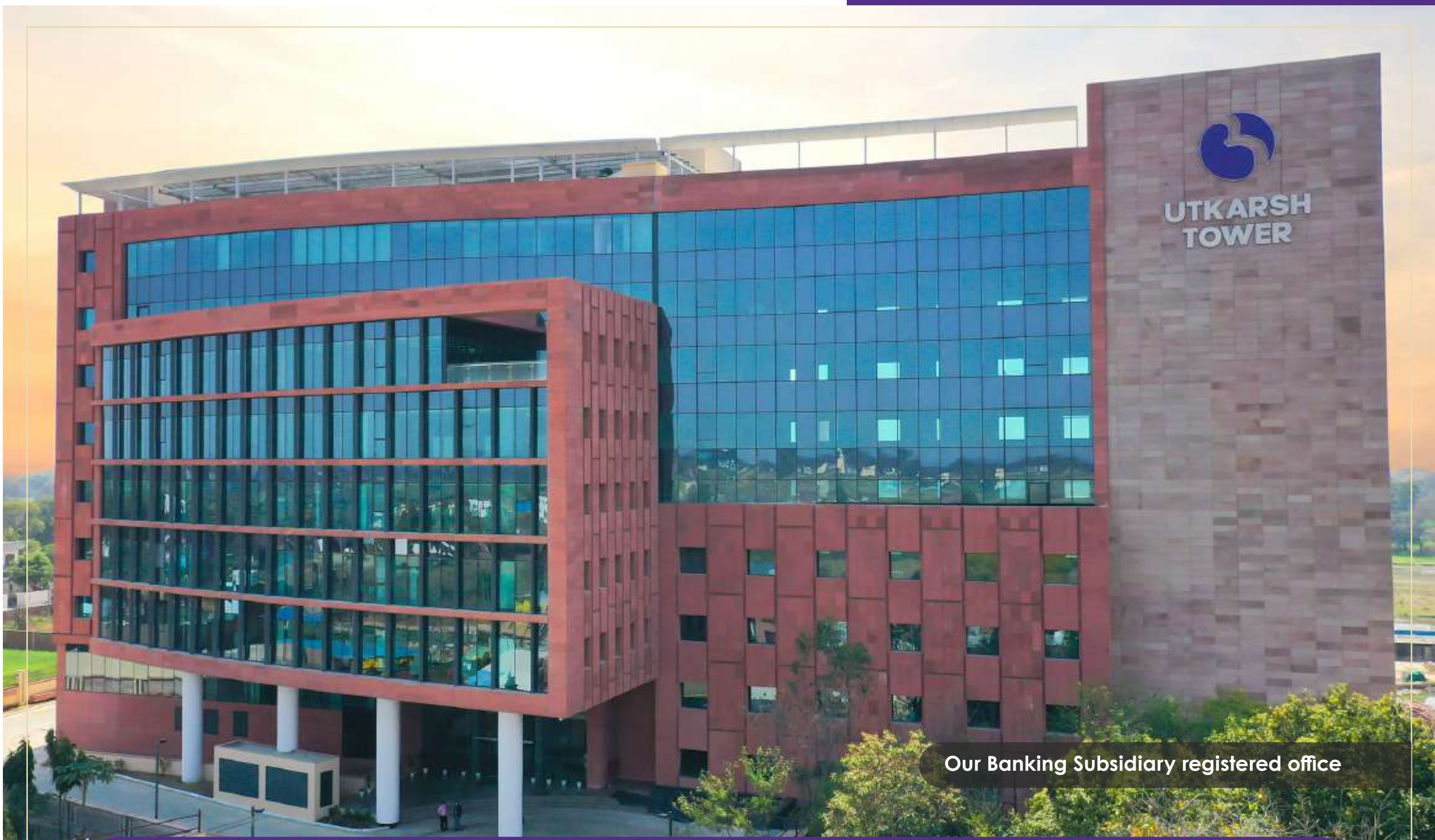
Utkarsh CoreInvest Limited
(Formerly Utkarsh Micro Finance Limited)

ANNUAL REPORT
FY 2024-25

CIN: U65191UP1990PLC045609
RBI NBFC - CIC - NDSI Certificate: C.07.00781

CORPORATE INFORMATION



Our Banking Subsidiary registered office

Corporate Identification No. : U65191UP1990PLC045609

Website: www.utkarshcoreinvest.com

E-mail: secretarial@utkarshcoreinvest.com

Statutory Auditors:
M/s. DMKH & Co. [Firm Registration No. 116886W / 066580]
Chartered Accountants: 803-804, Ashok Heights, NICCO Circle, Near Bhuta School,
Old Nagardas Lane, Gundavali, Andheri (East), Mumbai - 400069, Maharashtra, India
Tel: + 91-22-26824800 / 4900

Secretarial Auditors:
M/s. S. N. Ananthasubramanian & Co.
10/25-26, 2nd Floor, Brindaban, Thane (West) - 400601, Maharashtra, India
Tel: + 91-22-25345648, +91-22-25432704

Company Secretary:
Mr. Neeraj Kumar Tiwari (Membership No. 12101)

Registrar & Share Transfer Agent:
M/s. NSDL Database Management Limited
Unit: Utkarsh CoreInvest Limited
4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013, Maharashtra, India
Tel: +91-22-2499 4720 / 4200

Registered and Corporate Office:
S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar, Near Mahavir Mandir,
Varanasi - 221002, Uttar Pradesh, India

FROM
THE DESK OF
MD & CEO

Utkarsh CoreInvest Limited
(Formerly Utkarsh Micro Finance Limited)

I am pleased to once again connect with you to report company's performance and progress presenting through this 35th Annual Report of Utkarsh CoreInvest Limited.

Utkarsh CoreInvest Limited, an NBFC-CIC middle layer company, doing away from other NBFCs that primarily undertake financial activities, is conceptually passive holding company for financial assets within its group.

I take this opportunity to express our heartfelt gratitude to you for your unstinted support and trust throughout 15 years' journey of many upheavals and challenges faced by the Company but successfully sailed out and achieved a coveted milestone by instituting a banking subsidiary i.e. Utkarsh Small Finance Bank Limited with its registered and corporate office at Varanasi. Our banking subsidiary is now a 'Listed' banking company reaching to the deprived and underserved section of the society providing affordable financial services contributing its share in financial inclusion, an esteemed initiative of the Government of India and a gateway to cover the under-privileged and under-served segment of the society for bringing them to main stream of economy of our country.

Your Company's banking subsidiary being 'Listed' is on the way to fulfilling its licensing conditions but also paves the way of equity dilution of its promoter moving ahead for 'Reverse Merger' process. Apropos the above, the Board of Directors of both the Transferor Company and the Transferee Company provided final approval to the scheme on September 20, 2024 and the scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024 respectively.

Further, the RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Your Company Utkarsh CoreInvest limited now holds 68.92% equity stake in USFBL as at March 31, 2025.

The Financial Stability Report of June 30, 2025 issued by RBI revealed that the Non-Banking Financial Companies (NBFCs) remained healthy with sizeable capital buffers, robust earnings and improving asset quality in the financial year ended March 31, 2025. The system level parameters of NBFCs too are sound with comfortable capital positions and improved GNPA ratios has imprinted its remarkable foot prints in the financial landscape of the country since its' emergence as a significant source of finance for economically unserved and underserved people.

The Indian economy presents a picture of strength, stability, and

SUMAN SAURABH
MD & CEO

opportunity. First strength comes from balance sheets of the five major sectors – corporates, banks, households, government and the external sector. Second, there is stability on all three fronts i.e. price, financial and political providing policy and economic certainty in this dynamically evolving global economic order. Third, the Indian economy offers immense opportunities to investors through 3Ds- demography, digitalisation and domestic demand. Domestic economy exhibited resilience in FY25 supported by robust macroeconomic fundamentals and proactive policy measures.

Our Banking Subsidiary i.e. Utkarsh Small Finance Bank sets a milestone being 'Listed Company' during the year 2024-25 and extends its outreach in 27 states and Union Territories having an expanded net-work of 1092 branches across the country, bringing more than 49 lakh customers in its fold.

The focus of the Bank is to create a future for all where a financial inclusivity, self-reliance, digital access and prosperity are there to bringing a smile to unserved and underserved across its outreach. Deposit base of the Bank reached to ₹21,566 Crore with the growth of 23.4% while loan book has grown by 7.5% to 19,666 crore during FY 2024-25 through 1092 Banking Outlets and 369 ATMs and 761 micro ATMs pan India, spread over 27 States and 4 Union Territories, delivered by over 19,779 employee base. The Bank is carrying forward the endowed legacy of serving to under-banked population of the country promoting financial inclusion. The Bank holds the highest standards of transparency and accountability adhering the best practices coping with the pace of rapid digital and business transformation initiatives.

According to the applicable accounting standard i.e. the Ind-AS based classification and categorizations, the Company has recorded total comprehensive income of 30.26 crore on a standalone basis and (-)419.76 crore at consolidated level. The consolidated level net advances were ₹18,040 crore and the total deposits were ₹22,235 crore as at the close of the financial year. The Company's Net-worth as on March 31, 2025 stood at ₹856.54 crore comprising of paid-up equity capital of ₹99.37 crore and Reserves of ₹756.57 crore (excluding Revaluation Reserve, Investment Reserve and Intangible Assets) on standalone basis. Whereas, on a Consolidated basis, the Net-worth stood at ₹1,727.91 crore comprising of paid-up equity capital of ₹99.37 crore, Reserves of ₹1,628.54 crore and excluding non-controlling interest of ₹780.31 crore.

As at the close of the FY 2024-25, the Bank posted (as per applicable IGAAP accounting rules) a Net Profit of ₹24 crore against ₹497.63 crore in the last year. The Gross Non-Performing Assets (GNPAs) increased to 9.4% at the year ended March 31, 2025 from 2.51% of the last year and the Net Non-Performing Assets (NNPAs) was at 4.8% compared to 0.03% in FY2023-24. An increased ratio of impaired assets and shrinking PAT to double digit in comparison to previous years' bottom lines evolves a distraught but on the other hand compels for introspection and to change the strategy and, so our banking subsidiary puts-forth its steadfast steps to improve upon.

Bank has steadily built an impressive track record in the segment, laying the foundation for sustained growth. While the Bank continues to expand its micro-banking business, it is also building other retail loan products such as MSME (Retail assets), Housing, Commercial Vehicle (CV) & Construction Equipment (CE) loans.

Our Banking Subsidiary 'USFBL' constantly upgrading technology driven process and system, with an aim to provide superior customer experience. Bank is poised to offer the services through digital solutions such as Internet & Mobile Banking, Digi on-boarding for customer acquisition, entering into strategic fin-tech partnerships, UPI Lite for superior user experience with faster real time settlement, e-KYC E-Sign for facilitating faster and flexible process minimizing turn-around-time, RuPay contactless International Debit Card and Utkarsh Vyapar, a complete digital store for merchant payment solution. Apart USFBL also offers a bill payment system and distribution of third party products such as insurance and mutual funds for ease of access to third party products by customers of our Banking Subsidiary.

I wish to express my gratitude, to our Partners, the Shareholders for their remarkable support & patronage and providing strategic inputs through the challenging phase of pandemic.

I also sincerely thank all our (including of our Banking subsidiary) Board Members, investors, partners, employees, customers and all such other stakeholders for reposing their faith towards the Vision and Mission of Utkarsh and their continued support and patronage all throughout the journey. I trust that the same would continue to bring a more synergetic impact in the coming days.

With Best Regards!
Suman Saurabh
Managing Director & CEO

Our Banking Subsidiary registered office

BOARD OF DIRECTORS

Mr. G. S. Sundararajan

(Non- Executive Independent Director, Chairperson of the Board)

- Mr. G. S. Sundararajan is presently serving on Boards of several reputed companies in the Banking and Financial Service Sector. He is also actively involved in the field of Social Entrepreneurship in advisory capacities.

- He was till recently the Group Director, Shriram Group. He joined Shriram Group as the Managing Director of Shriram Capital Ltd., the Holding Company of Shriram Group's financial services and insurance businesses across India and overseas. Sundararajan's experience in the Asian market and his understanding of these countries and the business opportunities therein made Sanlam Emerging Markets induct him into their Board in South Africa in August 2013. In his capacity as Group Director, Mr. Sundararajan was a Director on the Board of the Group's subsidiaries to provide oversight in critical areas of strategic growth opportunities for each of these companies. Specifically, Mr. Sundararajan was responsible for the Retail and MSME business housed in Shriram City Union Finance and the life and non-life Insurance businesses, housed in the two Insurance ventures in collaboration with Sanlam, South Africa.

- Prior to his Shriram stint, Mr. Sundararajan was the CEO & Managing Director of Fullerton India Credit Company Ltd., a registered Non-Banking Finance Company catering to the financial services needs of the retail and commercial mass markets. He was also the Managing Director of Fullerton Enterprises Private Limited, a KPO, which had formed a strategic alliance with the Centurion Bank of Punjab to jointly drive the SME business.

- Mr. Sundararajan was nominated to the Boards of two Financial Services investments of Temasek in China, one in Nanjing for the SME Business and the other in Chengdu in their Village Bank franchise. He was an integral part of Temasek's vision for India in the Banking and Financial Services space that went on to become the fastest growing and largest networked Finance Company in the country.

- Earlier to this, he was the Managing Director and Head of Citibank's SME and Asset Based Finance business in India. He had an exceptional stint at Citibank where he built the SME and ABF (Asset Based Finance) business of the bank across the country. He started his career in Sales with Eicher Mitsubishi and went on to head the captive finance arm of this company in India.

Mr. Atul

(Independent Director)

- Mr. Atul has over three (03) decades of Administrative Service experience with focus on Security, Vigilance and Anti-Corruption. Mr. Atul is an Indian Police Service (IPS) Officer of 1976 batch.

- Mr. Atul had served as Director General of Police (DGP), Uttar Pradesh (UP), DGP CBI in charge of UP and has been in-charge Additional Director General of Police, Crime, Law and Order. Mr. Atul had stints with Personnel Wing of DGP Headquarters as in-charge of IPS and PPS officers at Uttar Pradesh.

- Mr. Atul had been awarded Presidents Medal for distinguished service and has been President of IPS Association in Uttar Pradesh and President of Lucknow University Alumni Association.

- He is an M.Sc. (Physics) and B.Sc. (Physics, Math & Statistics) from Lucknow University.

Mr. Aditya Deepak Parekh

(Nominee Director representing Faering Capital)

- Mr. Aditya Deepak Parekh is the Co-founder of Faering Capital and has over 20 years of global and Indian experience in private equity and investment banking. Mr. Aditya serves on the Board of several Faering Capital portfolio companies including Utkarsh CoreInvest Limited, Finova Capital, and Bikebazaar.
- Prior to founding Faering Capital, Mr. Aditya was Vice President at Old Lane India Opportunities Fund, a private equity fund, where he was responsible for leading investments in the Indian real estate sector and was involved in evaluating opportunities across the infrastructure and financial services sectors.
- Earlier, Mr. Aditya had worked in the Media and Entertainment Investment Banking Group at Merrill Lynch, New York for five (05) years.
- He holds an MBA from the Wharton School, University of Pennsylvania and holds a Bachelor degree in Economics from Cambridge University.

Mr. Suman Saurabh

(Managing Director & CEO)

- Mr. Suman has over 17 years of industry experience especially in Bank and Micro Finance domain. He has handled senior management roles in different control and support functions at Utkarsh Small Finance Bank. Prior to appointment as MD & CEO of UCL, Mr. Suman was with Utkarsh Small Finance Bank (USFBL) as Head Structured finance and Lending. Initially he had joined Utkarsh Small Finance Limited as Head Finance & Corporate Communication.
- Prior to joining Utkarsh, he was with Bhartiya Micro Credit as Director and Chief Executive Officer. He also had stint with Bharitya Harit Khadi Gramudyog Sansthan as Founding Member Secretary, YTS Solutions Private Limited as General Manager Credit Products, Yes Bank Limited as Vice President, Food & Agri Business Research Management, Northern Arc Capital Limited (erstwhile IFMR Capital) as Business Head North and East India, IFMR Mezzanine Finance Private Limited as Senior Analyst, Business Development and Peoples' Association for Research and Development as District Co-ordinator. He started his career as a Field Supervisor with Gramudyog Hastkala Kendra.
- He is a PGDRM (Finance) from Institute of Rural Management, Anand (IRMA) and an Honours Graduate in Geography from Magadh University Bodhgaya.

COMMITTEES OF THE COMPANY

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The details of the Board Committees and the Committee Members are tabulated as under:

Sl. No.	Name of the Committee	Statutory & Regulatory Requirement	Composition of the Committee
1	Audit Committee of the Board (ACB)	Required as per the Companies Act, 2013	1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Atul, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director
2	Corporate Social Responsibility Committee (CSRC)		1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Atul, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director
3	Nomination & Remuneration Committee (NRC)		1. Mr. Atul, Independent Director (Chairperson) 2. Mr. G. S. Sundararajan, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director
4	Share Allotment Committee (SAC)		1. Mr. Atul, Independent Director 2. Mr. Aditya Deepak Parekh, Nominee Director 3. Mr. Suman Saurabh, Managing Director & CEO
5	Group Risk Management Committee (GRMC)	Required as per RBI Directions	1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Atul, Independent Director 3. Mr. Aditya Deepak Parekh, Nominee Director 4. Mr. Suman Saurabh, Managing Director & CEO
6	Promoter Dilution Monitoring Committee (PDMC)	Constituted in terms of Equity Dilution at the Banking Subsidiary ('USFBL')	1. Mr. G. S. Sundararajan, Independent Director (Chairperson) 2. Mr. Aditya Deepak Parekh, Nominee Director 3. Mr. Suman Saurabh, Managing Director & CEO

The Charters of the various Board Committees are as under:

1 AUDIT COMMITTEE OF THE BOARD (ACB)

The Audit Committee meets at quarterly intervals. The major responsibilities of the Committee are as under:

i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
ii. Review and monitoring the auditor's independence and performance and effectiveness of audit process;
iii. Examination of the financial statements and the Auditors' Report thereon;
iv. Approval or any subsequent modification of transactions of the Company with related parties;
v. Scrutiny of inter-corporate loans and investments;
vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
vii. Evaluation of internal financial controls and risk management systems;
viii. Monitoring the end use of funds raised through public offers and related matters.

2 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)

The Corporate Social Responsibility Committee meets minimum once on yearly basis and the CSR Committee shall formulate and recommend to the Board an annual action plan in pursuance of this Policy, which shall include the following:

i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Act;
iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
iv. monitoring and reporting mechanism for the projects or programmes; and
v. details of need and impact assessment, if any, for the projects undertaken by the company:
vi. the mechanism and adherence of necessary compliance under the applicable CSR Act and Rules, including for the unspent CSR Amount, if any.

3 NOMINATION & REMUNERATION COMMITTEE (NRC)

The Nomination & Remuneration Committee meets minimum once in a year and also as and when required. The major responsibilities of the Committee are as under:

i. Ensuring fit and proper status of proposed / existing Directors at the Board of the Company and that there is no conflict of interest in appointment of Directors / KMPs and Senior Management;
ii. Regular review of the structure, size and composition of the Board (including skills, knowledge and experience) taking into account the current requirements and future developments of the Company and making recommendations to the Board with regard to any adjustments that are deemed necessary;
iii. Identification, nomination and recommendation for the approval of the Board, candidates to fill Board vacancies as and when it arises;
iv. Ensuring that on appointment, all non-executive Directors receive formal written terms of appointment;
v. Review the composition of Committees of the Board and to identify and recommend to the Board, the Directors who can best serve as members of each Board Committee;
vi. Recommendation to the Board, the compensation payable to the Chairperson of the Company.

4 SHARE ALLOTMENT COMMITTEE (SAC)

The Share Allotment Committee meets as and when required. The major responsibilities of the Committee are as under:

i. Considering and resolving grievances of shareholders, debenture holders and other security holders;
ii. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, Debentures or any other securities;
iii. Issue of duplicate certificates and new certificates on split / consolidation / renewal, etc.;
iv. Overseeing requests for dematerialization and rematerialization of Securities;
v. Spreading awareness amongst security holders for protection of their rights and interest(s);
vi. Carrying out any other function as assigned by the Board from time to time related to security holders of the company.

5 GROUP RISK MANAGEMENT COMMITTEE (GRMC)

The Group Risk Management Committee meets at quarterly intervals. The major responsibilities of the Committee are as under:

i. Analyse the material risks to which the group, its businesses and subsidiaries are exposed. It must discuss all risk strategies both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the group's overall risk appetite;
ii. Identify potential intra-group conflicts of interest;
iii. Assess whether there are effective systems in place to facilitate exchange of information for effective risk oversight of the group;
iv. Assess whether the corporate governance framework addresses risk management across the group;
v. Carry out periodic independent formal review of the group structure and internal controls;
vi. Articulate the leverage of the Group and monitor the same.

6 PROMOTER DILUTION MONITORING COMMITTEE (PDMC)

The Promoter Dilution Monitoring Committee (PDMC) meets as and when required. The major responsibilities of the Committee are as under:

i. Capital reorganization in Utkarsh CoreInvest Limited (UCL) and / or Utkarsh Small Finance Bank Limited (USFBL) either through an 'Offer for Sale', Capital Structuring, etc;
ii. Private Placement / FPO / Rights / Bonus Issue or any other permissible option as per applicable laws and regulations;
iii. Listing of Banking Subsidiary, i.e. USFBL through Primary Issuance;
iv. Reverse merger of UCL with USFBL, subject to RBI and other regulatory approvals.

SENIOR MANAGEMENT

Mr. Suman Saurabh
Managing Director & CEO

Mr. Suman Saurabh has over Seventeen (17) years of BFSI industry experience especially in the domains of Investors Relationship, Client Acquisition, Corporate Lending, Due Diligence, Structuring, Portfolio Management, Wholesale Banking, Credit Analysis, Product and Process Development, Financial Planning and Analysis, Fund Raising and relating Banking Operations.

Prior to joining Utkarsh CoreInvest Limited, he had stints with Utkarsh Small Finance Bank (USFBL) as the Head of Structuring Desk (team responsible for structured finance). He has also been the Head - Wholesale Banking Business & Process Support and Head - Finance & Corporate Communication being part of the IPO Team.

Earlier he had stints with other entities, including Bhartiya Micro Credit as Director & Chief Executive Officer; Bhartiya Harit Khadi Gramoday Sansthan as Founding Member Secretary; YTS Solutions Pvt. Ltd. as General Manager, Credit Products; Yes Bank Ltd. as Vice President, Food and Agribusiness Research Management (FARM); Northern Arc Capital Limited (Erstwhile Known as IFMR Capital) as Business Head, North & East India; and IFMR Mezzanine Finance Pvt. Ltd. as Senior Analyst, Business Development.

He is a Rural Management Graduate from Institute of Rural Management, Anand (IRMA) and a B. A. (Geography Hons.) Graduate from Magadh University. He also has certifications in 'Rural Marketing' and 'Rural Business Development' from Entrepreneurship Development Institute of India, Ahmedabad.

Mr. Harshit Agrawal
Chief financial Officer

Mr. Harshit has over thirteen (13) years of experience in the fields of Accounts & Finance, Taxation, Micro Credit and Internal Audit. Initially, he had joined Utkarsh Micro Finance Pvt. Ltd. (UMFPL) as a Concurrent Auditor in the Internal Audit Department and is currently overseeing Finance and Accounts verticals as the CFO of the company. Prior to UMFPL, he was with a real-estate company based out of Varanasi in its Finance and Accounts vertical as F&A Supervisor. He is a Chartered Accountant (CA) by profession from Institute of Chartered Accountants of India (ICAI) and a Commerce Graduate from Banaras Hindu University (BHU), Varanasi. He is a Junior Associate of Indian Institute of Bankers (JAIIB) and has other Certifications from IIBF.

Mr. Neeraj Kumar Tiwari
Company Secretary [CS] Chief Compliance Officer

Mr. Neeraj has over eleven (11) years of experience in company secretarial and corporate compliance domain with Utkarsh, ever since its NBFC-MFI format as Utkarsh Micro Finance Private Limited (UMFPL) to in the NBFC-CIC format now as Utkarsh CoreInvest Limited.

Prior to Utkarsh, he had stint with a Corporate law firm at Allahabad as Designated Partner.

He is a Fellow Member of the Institute of Company Secretaries of India and holds a bachelor's degree in law from Veer Kunwar Singh University, Arrah, Bihar.

He is the Member of Managing Committee of Varanasi Chapter of NIRC of ICSI for the FY 2023-24 to FY 2026-27.

MANAGEMENT DISCUSSION & ANALYSIS

Utkarsh CoreInvest Ltd. (UCL, hereinafter referred to as 'the Company'), a registered core investment company (CIC) under RBI's Master Direction – Core Investment Companies (Reserve Bank) Direction 2016 is conceptually passive holding company for financial assets within its group.

UCL is the promoter of a banking subsidiary i.e. Utkarsh Small Finance Bank Limited (USFBL, hereinafter referred to as 'the Bank' or 'the Banking Subsidiary') established in the year 2017 with an objective to focus primarily on ensuring financial inclusion of unbanked or underbanked segment across the country.

The Banking Subsidiary i.e. USFBL began its banking journey with a small 'step' having four (4) branches at Varanasi and diverged its way from limiting periphery to all across the Country reaching to 27 states (including 4 Union Territories) through its 1092 branch outlets in the country bringing in more than 5.0 million customers of varied segments being served by dedicated 19,779 employees of the Bank.

The Banking subsidiary successfully completed eight (08) full years of its banking operations on January 22, 2025. The Bank commits to redefining its business processes, improve efficiency, enhance customer experience through digital transformation and multiple channel experience. The Vision has kept the endeavors focused for being the most trusted, digitized bank that is financially and socially inclusive, and creates value across social strata through insightful and viable solutions. The Core Values drive to 'Reimagine', 'Redefine', 'Rise' encompass to staying competitive, in the fast-paced business landscape and rising to customers and stakeholders' expectations.

In terms of RBI Licensing Guidelines Utkarsh CoreInvest Limited ('UCL') was required to reduce its equity stake in the Bank to 40% within a period of 5 years and thereafter to 26% within a period of 15 years from the date of commencement of business operations by the Bank. Accordingly, the reverse merger of UCL with USFBL is on the way ahead having been primarily approved by the Reserve Bank of India and further approval of the stock exchanges (BSE and NSE)/SEBI. Further approval from the Hon'ble National Company Law Tribunal (NCLT) and other regulatory / statutory bodies, would enable the Bank to meet the aforesaid dilution requirements as required by the RBI. At the financial year end March 31, 2025, the Company was holding 68.9% stake at the Bank. This Management Discussion and Analysis is primarily deriving from the operations of the banking subsidiary i.e., USFBL and the initiatives taken up by the different verticals of the Bank, as highlighted in subsequent paragraphs.

INDIAN BANKING INDUSTRY

India's banking sector continues to play a pivotal role in supporting economic growth through capital mobilization, credit expansion, and financial inclusion. Banks and NBFCs remain the backbone of India's financial sector, providing support to its growth aspirations by meeting the credit requirements of the productive sectors of the economy. Banks in India will continue to nurture and incentivise the development of infrastructure to give a 'digital push' to payments and settlements. They are also committed to playing an enabling role in the adoption of emerging technology, while reinforcing its customer-centric measures and deepening financial inclusion. Maintaining financial stability and being a facilitator of development will continue to remain the overarching goal of Banks in India under the regulatory and supervisory guidance of Reserve Bank of India.

Though gross NPAs fell to a 12-year low of 2.6%, rising defaults in unsecured loans—making up 51.9% of new retail NPAs as of September 2024, pose risks, especially as many borrowers also hold secured loans. The sector remains well-capitalized but must manage emerging credit stress and global uncertainties.

Net interest income is expected to grow in 2025, with moderate growth expected through 2029, reflecting cautious optimism amid evolving dynamics.

Small Finance Banking Industry

Small Finance Banks (SFBs) were established to drive financial inclusion by extending credit to underserved groups and small businesses. While the sector grew strongly in FY24 (24%), growth slowed to 18–20% in FY25 amid rising delinquencies, especially in microfinance. The GNPA ratio rose to 2.6–2.8% (from 2.1% in FY24), and ROA dropped to 1.4–1.6% from 2.1%. A modest ROA recovery to 1.6–1.8% is expected in FY26.

Profitability in H2 FY25 was hit by higher provisions and loan write-offs, needed to maintain asset quality for universal bank license eligibility. Margin pressure persisted due to high funding costs, increased secured lending, and rising operational expenses. Despite near-term challenges, SFBs remain pivotal in advancing inclusive banking through digital innovation and grassroots outreach.

Microfinance Industry

India's microfinance sector remains critical for financial inclusion, supporting underserved individuals and small businesses. Stress levels rose, with NBFC-MFIs seeing 90+ DPDs climb to 3.5% and 60+ DPDs to 5.6% by Q3 FY25, leading to slower disbursements and credit growth.

Profitability was hit by rising credit costs (peaking at 13.5% in Q3) and higher operating expenses. FY25 credit costs are expected to average 9.6%, as asset quality improves. Liquidity buffers remain adequate, but borrower overleveraging is a concern. To address this, a H2 lakh cap on total borrowings has been introduced, along with a new three-lender rule effective April 1, 2025. While growth may While growth may moderate, these measures aim to ensure responsible lending. The NBFC outlook remains negative, but the MFI outlook is stable, supported by the sector's importance and expected recovery in H2 FY26.

Micro, Small and Medium Enterprises (MSME)

The MSME sector remains a key pillar of India's economic growth, contributing 45.7% to exports in FY24 and employing over 25 crore people across 5.93 crore units. As a major driver of entrepreneurship, job creation, and rural development, the sector is central to India's ambition of doubling its economy.

To boost MSME competitiveness, the Union Budget 2025–26 raised the ministry's allocation by 4.6% to H23,168 crore. Key reforms include increased investment and turnover thresholds for classification, expanded credit guarantee coverage, and targeted schemes for first-time entrepreneurs and sectors like footwear, leather, and toys.

MSME exports surged from H3.95 lakh crore in FY21 to H12.39 lakh crore in FY25, with the number of exporting units tripling. The government now focuses on promoting R&D, tech adoption, and global partnerships to enhance product quality and global competitiveness, ensuring sustained growth and resilience for the sector.

Housing Finance

India's housing finance sector has grown significantly, driven by rising incomes, affordability, and strong government support through schemes like PMAY. As of March 2024, the individual housing loan portfolio stood at H33 trillion, growing at a 13% CAGR over six years and comprising 14% of total systemic credit. Public sector banks hold 40% of this market, followed by private banks at 34.5%.

The sector is projected to grow at a 15–16% CAGR through FY30, with strong demand in affordable housing. HFCs' portfolios rose 13.2% to H9.6 trillion in FY24, with NIMs at 3.7%. Challenges include tight liquidity and stable borrowing costs, but NPAs are expected to remain moderate at 1.6–1.8% in FY25–26.

Commercial Vehicle & Construction Equipment Finance

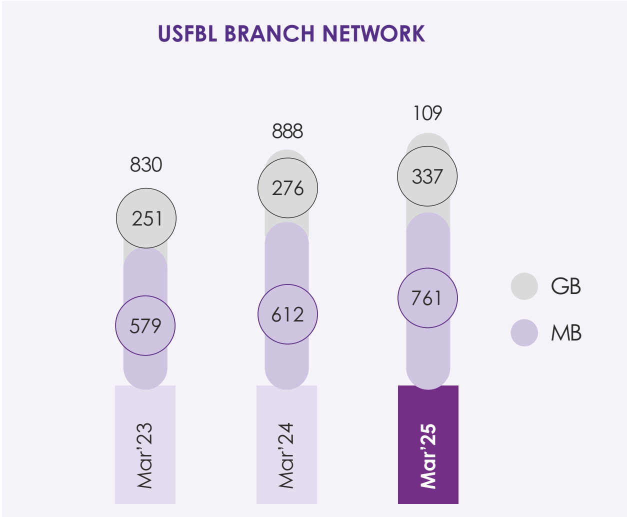
The commercial vehicle & construction equipment finance markets are experiencing steady growth, driven by global trade expansion, infrastructure development, and increasing industrial activity. In 2024, the commercial vehicle market reached $976.15 billion and is expected to grow to $1,067.45 billion in 2025. Key drivers include e-commerce logistics, last-mile delivery, green transport initiatives, and supply chain efficiency.

Meanwhile, the construction equipment finance market, is expected to grow in 2025. This growth is fuelled by rising demand for construction equipment, smart city projects, accessible financing options, and stable resale values. Both sectors are set to benefit from continued infrastructure investment and evolving market dynamics.

Utkarsh Small Finance Bank's Overview

Headquartered in Varanasi, Uttar Pradesh, Utkarsh Small Finance Bank Limited (Utkarsh SFBL) was incorporated on April 30, 2016, as a public limited company under the Companies Act, 2013. As of March 31, 2025, the Bank has established a strong presence nationwide through its 1092 banking outlets spread across 23 States and 4 Union Territories of the country. It maintains a significant presence in rural and semi-urban regions, aligning with its mission to serve underbanked communities.

This strategic focus on underserved areas has not only driven the Bank's growth but also enabled compliance with the Reserve Bank of India's directive that mandates at least 25% of branches be located in Unbanked Rural Centres (URCs). As of March 31, 2025, 27% of Utkarsh SFBL's outlets were situated in URCs. Over the past two financial years, the Bank has added more than 260 branches, a steady expansion that supports its ongoing business growth and strengthens its diversified operational profile.



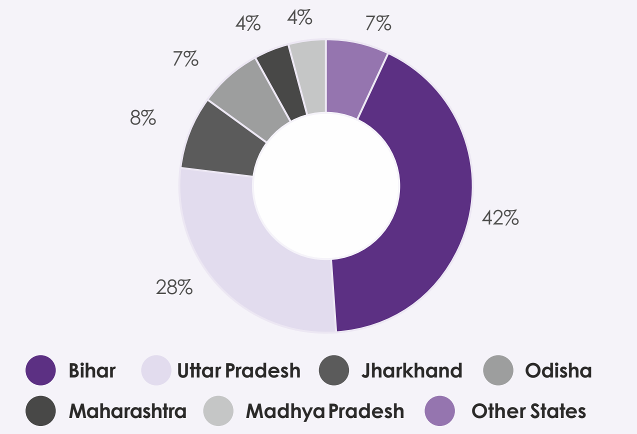
As of March 31, 2025, Utkarsh Small Finance Bank's branch network comprised 761 Micro Banking (MB) branches and 331 General Banking (GB) branches. The MB branches are primarily located in rural and semi-urban areas and focus on micro- banking loans and advancing financial inclusion. In contrast, the GB branches are concentrated in metropolitan and urban centers, offering a broader range of services, including deposit mobilization and lending products such as MSME (retail assets) loans, housing loans, and loans for commercial vehicles & construction equipment.

Utkarsh SFBL is committed to advancing financial inclusion by providing access to banking services for underserved and unserved segments of society. This includes women entrepreneurs, low- to middle-income households, micro and small enterprises, and homebuyers from similar income groups.

To fulfil this mission, the Bank has established a strong presence in financially underserved regions such as Bihar, Jharkhand, and Uttar Pradesh. As of March 31, 2025, these states accounted for 54% of the bank's gross loan portfolio, highlighting both its impact and the significant growth potential in these areas. Utkarsh SFBL actively expands its footprint to address the banking needs of all its customers across the country.

The bank's journey began with micro-banking operations in Uttar Pradesh in September 2009 through its promoter entity, Utkarsh Core Invest Limited (UCL). Since then, it has built a solid reputation in the microfinance sector, laying a strong foundation for long-term growth. While continuing to scale its micro-banking business, the Bank is also diversifying its retail loan portfolio with products focused on MSME (Retail Assets), housing, and commercial vehicle & construction equipment (CV & CE) financing.

As of March 31, 2025, Utkarsh SFBL had a strong workforce of 19,779 employees, serving a customer base exceeding 4.9 million. The bank's gross loan portfolio reached H19,665.59 crores, reflecting continued growth and outreach.



Presence across 13 States / UTs

Utkarsh SFBL offers a wide range of banking services as permissible for small finance banks. Its product suite includes various savings and current account options tailored to meet the diverse saving and transaction needs of its customers. Embracing digital transformation, the Bank provides convenient banking experiences through Internet Banking, Mobile Banking, Bharat Connect Bill Payments, Aadhar Enabled Payment System, ASBA, and E-Nach and UPI-based transactions.

The bank's deposit base also witnessed substantial growth, rising from H17,472.60 crores as of March 31, 2024, to H21,565.70 crores as of March 31, 2025, underscoring increasing customer trust and engagement.

Focusing on financial inclusion, the Bank provides a diverse suite of products and services tailored to meet the unique needs of various customer segments.

Asset Products

Micro-Banking 49%
- Joint Liability Group Loans
- Business Loans

Other Retail Loans 40%
- MSME Loans (Retail Assets)
- Housing Loans
- Other retail loans and BC channel
- CV/CE Loans
- ODFD

Wholesale Lending (FI & SME Segment) 11%

Liability Products

- Current Account
- Savings Account
- Term and Recurring Deposit Accounts
- Certificate of deposits

Other Products & Services

- Insurance Products
- Mutual Funds
- Locker Facilities
- Utkarsh Vyapar
- AePs
- V – KYC
- ICCW
- Integrated Bill Payment system
- Distribution & facilitation of accounts under certain Govt. Schemes

- Internet banking*
- Mobile Banking*
- ATM-cum-debit cards*
- UPI Payment Solutions
- Whatsapp Banking Services
- Utkarsh Vyapar
- AEPS
- Video - KYC
- Interoperable Cardless Cash Withdrawal
- Digital Deposits
- Bharat Connect Bill Payments

Portfolio split % (Mar'25)

*Other Distribution channels

The Bank is led by its Managing Director and Chief Executive Officer, Mr. Govind Singh, who brings over 25 years of experience in the banking and financial services sector. The board comprises members with diverse industry expertise, offering strategic direction that supports the bank's continued growth. Backed by a seasoned senior management team with deep industry knowledge, the Bank remains focused on sustainable and responsible expansion.

Key highlights of our financial performance during FY2024-25

NETWORK	**1092 vs. [888]** Banking Outlets	**27** States & UTs	**19,779 vs. [16,081]** Employees	
ASSETS	**₹ 19,666 cr. vs. [₹18,299 cr.]** Gross Loan Portfolio	**7.5%** Gross Loan Portfolio Growth YoY	**43% vs.[34%]** Share of secured loans in gross loan portfolio	
LIABILITIES	**₹ 21,566 cr. vs. [₹17,473 cr.]** Deposits	**23.4%/ 33.5%** Deposits / RTD Growth YoY	**71% vs. [66%]** Share of CASA + Retail Term Deposits	
FINANCIAL PERFORMANCE	**₹ 23.7 cr. vs. [₹498 cr.]** Profit After Tax	**₹1,007 cr. vs. [₹997 cr.]** Pre-provisioning Operating Profit	**61.6% vs. [56.4%]** Cost to Income	**0.1%/ 0.8% vs.[2.4%/19.5%]** ROAA/ROAE
CAPITAL STRUCTURE	**₹2,975 cr. vs. [₹2,973 cr.]** Capital + Reserves	**20.9% vs.[22.6%]** CRAR*	**86.8% vs [93.7%]** CD Ratio*	
ASSET QUALITY	**9.4% vs.[2.5%]** Gross NPAS	**4.84% vs.[0.03%]** Net NPA	**51.2% vs. [63.3%]** Provision Coverage Ratio (incl. floating provision)	

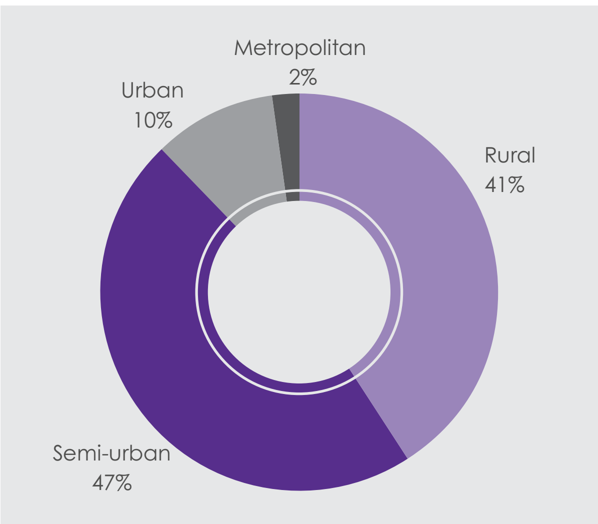
Figures in [ ] represent FY2023-24;
CD Ratio at 78% excl. advances against which refinance is raised

BUSINESS PERFORMANCE

The Bank has built a robust presence in rural and semi-urban areas, with approximately 65% of its branches located in these regions. Its distinctive branch network is designed to deliver customized and relevant financial solutions while maintaining operational cost efficiency. The Bank's micro banking (MB) branches provide micro-credit, a range of retail loans, deposit services, and payment solutions to meet the diverse needs of its customers.

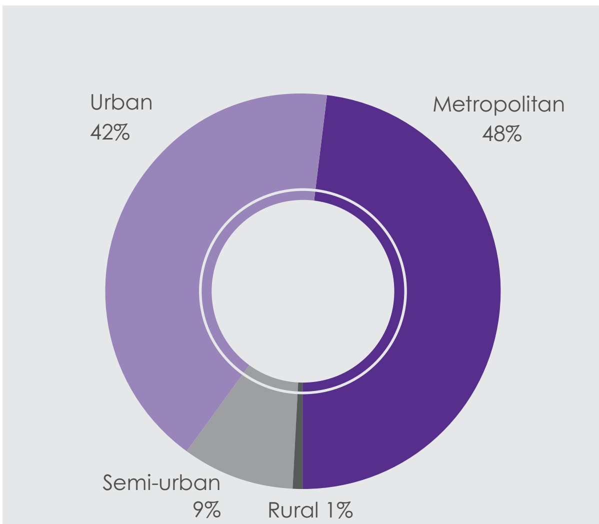
On the other hand, GB branches focus on garnering deposits. The Bank has adopted the strategy to target the top 100 locations that can facilitate deposit mobilisation to expand its GB branches network.

Demographic Break up of MB Outlets



88% MB Branches in Rural & Semi-urban areas

Demographic Break up of GB Outlets

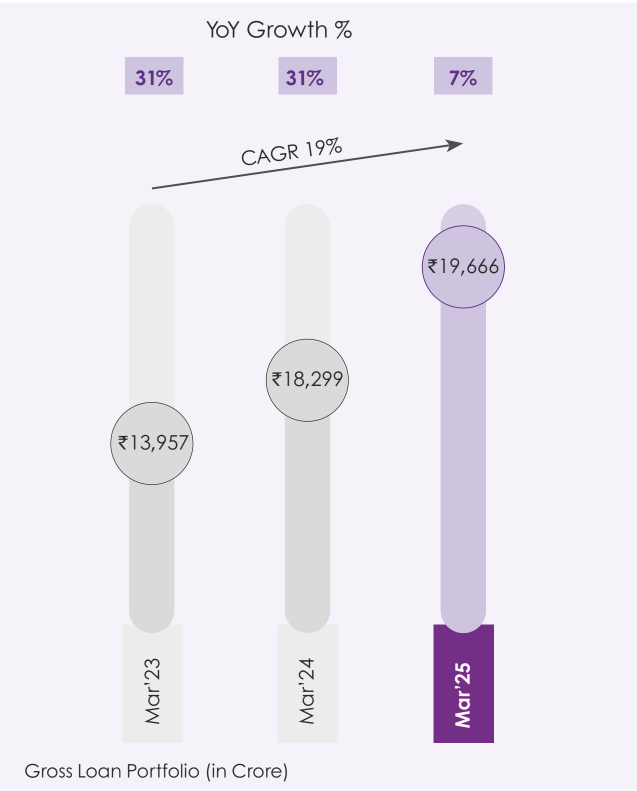


90% Branches in metropolitan and urban areas

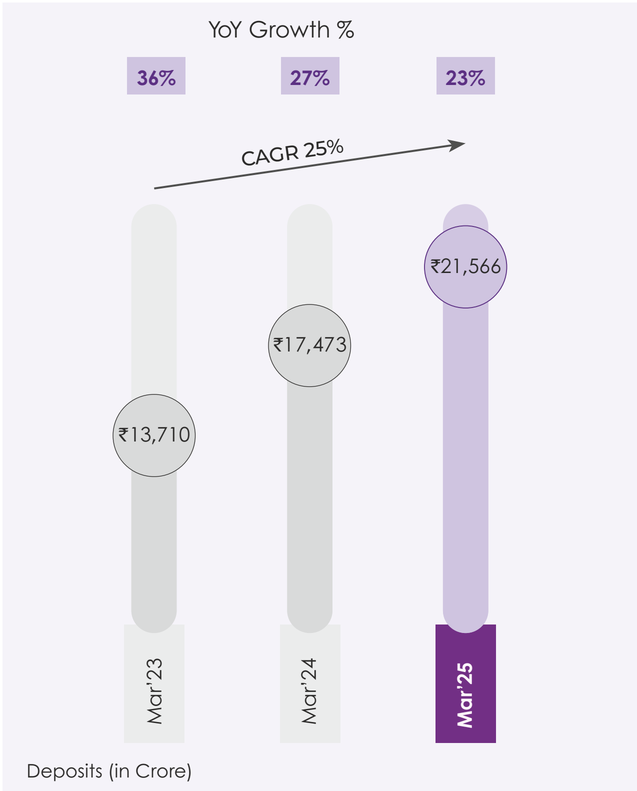
As of March 31, 2025, the Bank operated its MSME (Retail assets), housing loan, and CV & CE loan verticals through 86, 63, and 47 branches, respectively. This extensive branch network not only supports a diversified customer base but also offers strong cross-selling opportunities.

During FY 2024–25, the Bank delivered stable performance, with total assets growing by 18% to ₹28,127.44 crore. This positive growth reflects the bank's strategic expansion and broad portfolio of services. Utkarsh SFBL's gross loan portfolio and deposits grew by 7% and 23%, respectively, reaching ₹19,665.59 crore and ₹21,565.70 crore as of March 31, 2025.

Loan Book Growth



Deposits Growth

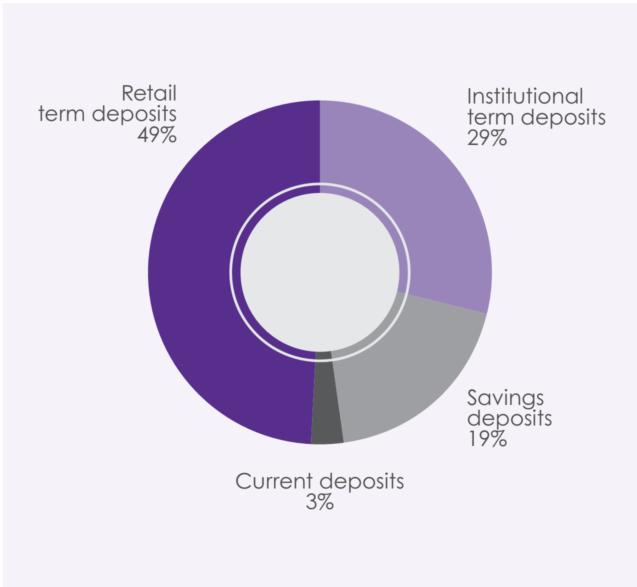


Liabilities – Deposits

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.

Deposits Composition as on March 31, 2025



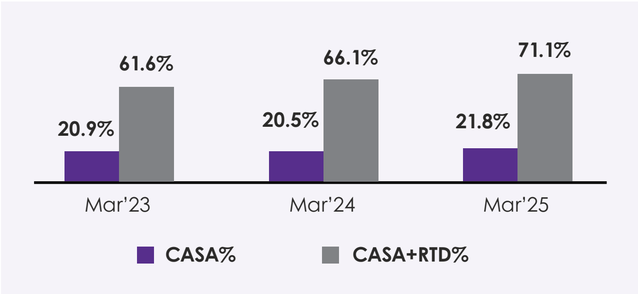
The Bank continues to enhance its digital and fintech capabilities through both direct initiatives and strategic partnerships. Customers can now instantly open savings and term deposit accounts via video KYC on the Bank's website. Moreover, a fintech partnership has enabled the Bank to offer term deposit products to the fintech's existing customer base. Innovations like interoperable card-less cash withdrawal (ICCW) have been introduced, allowing customers to withdraw funds from enabled ATMs without using a physical card. The Bank also participates in the Aadhaar enabled payment system (AEPS) as both an issuer and acquirer, facilitating convenient cash withdrawals and access to micro-ATM services in rural and semi-urban regions.

Deposit's Growth

The Bank has maintained a strategic focus on achieving sustainable and consistent deposit growth, driven by a well-diversified and granular retail deposit portfolio. As a result, the total deposit grew to ₹21,566 crore as of Mar 31, 2025 marking a strong year-on-year (YoY) increase of 23.4%. The Bank's CASA Deposits grew by 31% YOY to ₹4,699 Crore in FY24-25 ,reaching a CASA ratio of 21.8%.

Improvement in CASA Ratio and CASA + RTD Ratio

	Mar'23	Mar'24	Mar'25
CASA (Amount in ₹Crore)	2,864	3,582	4,699



Retail term deposits (RTD) emerged as a key driver, growing by 33.5% YoY to ₹10,635 crore as of Mar'31, 2025. The bulk term deposit book also expanded to ₹6,232 crore as of Mar'31, 2025, reflecting a 5.2% YoY growth. The overall deposit growth was predominantly led by the surge in RTDs.

Key performance metrics saw notable improvements:

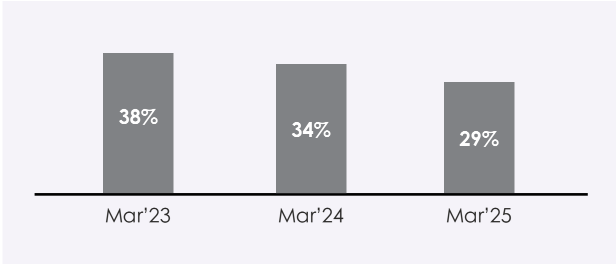
1. CASA Ratio: 21.8%
2. CASA + RTD Ratio: Improved to 71.1%
3. Credit to Deposit (CD) Ratio: Improved to 86.8%
4. Net stable funding ratio (NSFR): Stood at 120.76%

Deposit Portfolio Enhancement

Despite industry headwinds, the Bank was able to grow its CASA deposits by 31.2% YoY, taking CASA Ratio to 21.8% as of Mar'31, 2025. Bank's CASA+RTD ratio improved to 71.1% reflecting healthy retail mix.

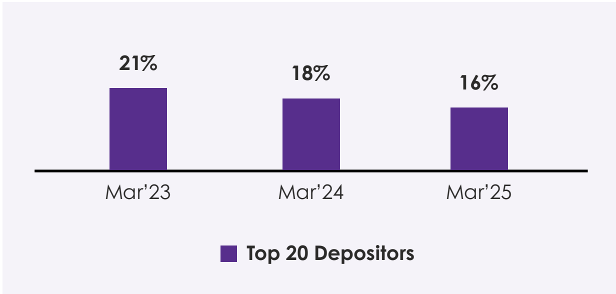
The Bank has strengthened its institutional deposit base by intensifying efforts to acquire and deepen relationships across the Government, TASC (Trusts, Associations, Societies, and Clubs), and Financial Institution segments. Moreover, it has successfully reduced its reliance on high-cost bulk deposits.

Decline in Top-20 Depositors Concentration



Bank focused on building well-diversified customer base. Concentration risk reduced as share of deposits from Top-20 customers brought down to 16%.

Decline in Top-20 Depositors Concentration



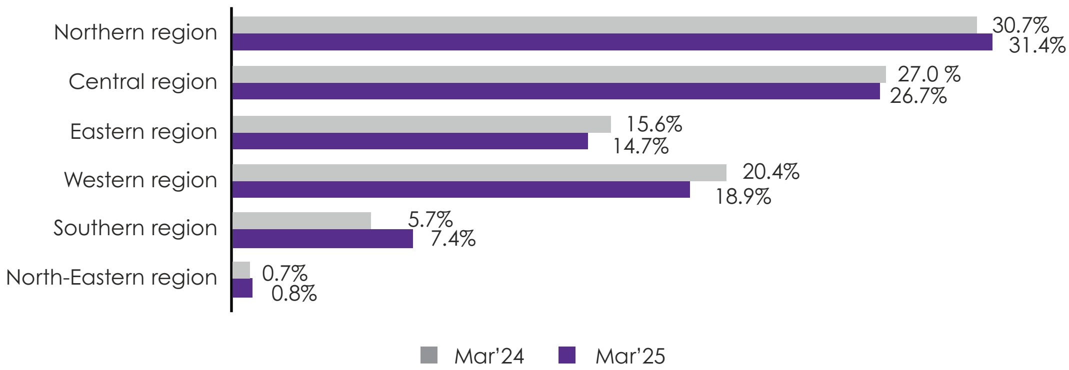
Geographically Well Diversified Mix Of Deposits

The Bank's deposit portfolio is well-diversified across geographies, with no single State or Union Territory accounting for more than 20% of the total deposits. As of March 31, 2025, the Bank had established its presence across 27 States and Union Territories. The largest shares of deposits come from Uttar Pradesh (17.3%), Maharashtra (14.6%), NCT of Delhi (12.3%), Haryana (7.7%), Uttarakhand (5.9%), and Bihar (4.8%). This broad-based distribution reflects the Bank's strategic focus on geographic diversification, supporting a balanced and de-risked deposit profile.

Geographical Split of Deposits

States	% Share in Total Deposit	Total Banking Outlets
Andhra Pradesh	0.3%	4
Assam	0.8%	2
Bihar	4.8%	272
Chandigarh	1.8%	3
Chhattisgarh	1.3%	24
Goa	0.1%	2
Gujarat	4.2%	20
Haryana	7.7%	35
Himachal Pradesh	2.4%	4
Jammu & Kashmir	0.2%	1
Jharkhand	4.3%	99
Karnataka	1.6%	10
Kerala	2.0%	11
Madhya Pradesh	2.2%	53
Maharashtra	14.6%	85
Meghalaya	0.0%	1
NCT of Delhi	12.3%	35
Odisha	1.0%	101
Puducherry	0.1%	1
Punjab	4.3%	10
Rajasthan	2.6%	29
Sikkim	0.0%	1
Tamil Nadu	2.3%	15
Telangana	1.1%	5
Uttar Pradesh	17.3%	225
Uttarakhand	5.9%	27
West Bengal	4.6%	17
Total	**100.0%**	**1,092**

Balanced Regional Deposit Mix



Note –classification as per RBI regional categorization

Northern Region – Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, NCT of Delhi, Punjab, Rajasthan

Central Region – Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Uttarakhand

Eastern Region – Bihar, Jharkhand, Odisha, Sikkim, West Bengal

Western Region – Goa, Gujarat, Maharashtra

Southern Region - Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana

North East Region – Assam, Meghalaya

Product Offerings

The Bank offers a comprehensive suite of demand and term deposit products, complemented by a range of digital and utility services tailored to meet the diverse needs of its customer base. Its product portfolio caters to individuals, senior citizens, high-net- worth individuals (HNIs), non-residents, MSMEs, corporates, and businesses across the retail spectrum.

Seamless digital banking solutions including internet and mobile banking, WhatsApp Banking, UPI, and Digital Fixed Deposits, are central to the Bank's technology-driven approach. Additional services such as debit cards, bill payments, Aadhaar seeding, interoperable card-less cash withdrawals, lockers, POS solutions, and merchant payment soundbox apps are offered alongside insurance and asset products. The Bank has also built a strong asset-liability franchise and distributes third-party products through multiple channels. For institutional clients, the Bank provides specialized solutions such as cash management services, Smart Pay, corporate internet banking, and PFMS integration—delivering a robust and comprehensive institutional banking experience.

To enhance its competitive edge, the Bank has undertaken several strategic initiatives and digital revamps, strengthening its capabilities through both in-house innovation and external partnerships. Bank pursued the following initiatives in the financial year:

- **Non-Resident Banking Services:** Bank launched, on pilot basis, NRO/NRE savings and term deposit products to cater to the Non-Resident segment.

- **Real Estate Regulation Act (RERA) Account:** The introduction of a dedicated proposition for the Real Estate segment is expected to help tap into a large market opportunity in real estate sector, enabling growth in the institutional client base and an increase in CASA balances.

- **PFMS:** Public Financial Management System (PFMS) is an initiative of Ministry of Finance, Govt. of India which provides a web-based application for e-payment of Direct Benefit Transfer (DBT)/ Non DBT payments. Implementation of PFMS payment solutions would be a leverage in building government and TASC segments.

- **E-ASBA (Application Supported by Blocked Amount):** Launch of ASBA services on Internet/Mobile Banking and UPI platforms to serve mass segment.

- **Internet Banking and Mobile Banking:** Bank offers advanced applications to the customers, which is secure and robust and offers ease of operation. Major developments ongoing - onboarding journey simplification, UI-UX improvements and limit enhancements.

- **SPARSH Service Centres:** The Bank is empaneled with the Defence Accounts Department (DAD) to act as a SPARSH Service Centre through all its General Banking Branches for which the Bank entered into an MoU with the Controller General of Defence Accounts, Ministry of Defence. This empanelment enables our Bank to provide last mile connectivity to Defence pensioners, especially those who live in remote areas of the country and those who do not have the means and access to logon to SPARSH Portal.

- **Life Insurance of India (LIC) Current Accounts:** The Bank has signed the MoU with LIC of India for providing banking services to Corporate Office and its Branches/ Zonal / Divisional Offices. This MoU will facilitate opening the Current Account of Head Office of LIC of India for transfer of funds to/ from the Current Accounts of Branches and Divisional Offices as well as for various other purposes.

- **WhatsApp Banking:** The Bank has gone live with WhatsApp banking services enabling mini statements, debit card services, etc.

- **UPI:** Ongoing utility enhancements viz UPI lite, Tap & Pay and Auto Top up.

- **Fintech Partnerships:** Onboarded Money Honey Financial Services and Bajaj Capital Financial Services for sourcing FD via physical and redirection model.

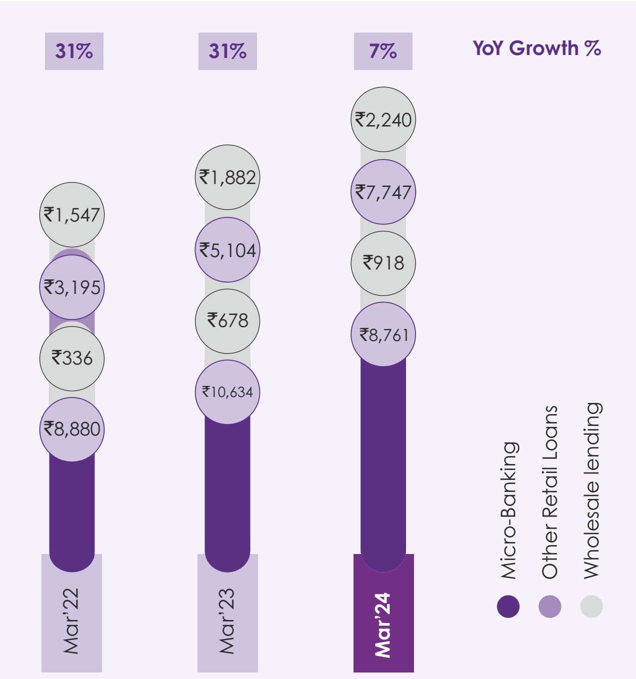
- **Customer Service and Digital Adoption**
  The Bank remains committed to delivering customer excellence by continually enhancing its technology infrastructure and service delivery processes. A well-equipped customer care center, supported by a dedicated relationship management channel, ensures efficient and personalized support across customer segments.

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

ASSETS – LENDING PRODUCTS

Utkarsh SFBL continues to strengthen its retail loan portfolio by focusing on a diverse mix of lending products, including micro-banking loans through the Joint Liability Group (JLG) model, micro-banking business loans, MSME (retail assets) loans, housing loans, and loans for commercial vehicles & construction equipment.

As of March 31, 2025, the bank's gross loan portfolio grew by 7.47% and stood at ₹19,665.59 crore. This expansion was primarily driven by strong performance in non-JLG segments, including other retail loans and wholesale lending, which together registered a robust 45% growth during FY25, albeit on a modest base. However, this growth was partially offset by a 17% decline in the JLG loan portfolio over the same period.



*Excluding BC JLG portfolio; including BC JLG, JLG loan book is H9,207 crore (47% of total portfolio) as of Mar-25;

**Includes PM Svanidhi & PM Vishwakarma loan portfolio of H9 crore as of Mar-25

As of March 31, 2025, the Bank's micro-banking loan book stood at H9,679 crores. Within this, the JLG (Joint Liability Group) segment saw a reduction, tapering down to H8,761 crores at the close of FY25 compared to H10,634 crores in FY24. On the other hand, the micro-banking business loan segment demonstrated a notable expansion, climbing to H910 crores in FY25 from H671 crores a year earlier-reflecting a year-on-year increase of 36%. This uptick was largely driven by onboarding seasoned JLG borrowers and sustained disbursals across recurring loan cycles.

Looking ahead, the Bank anticipates a positive momentum in JLG lending volumes alongside robust growth in business loan advances, underpinned by its established reach in regions that remain underserved. The Bank's tech-led initiatives-ranging from fully digital loan and savings account onboarding to services like e-KYC, e-signatures, personalized QR-based collections, and micro-ATMs-are expected to reinforce a scalable and efficient operating model.

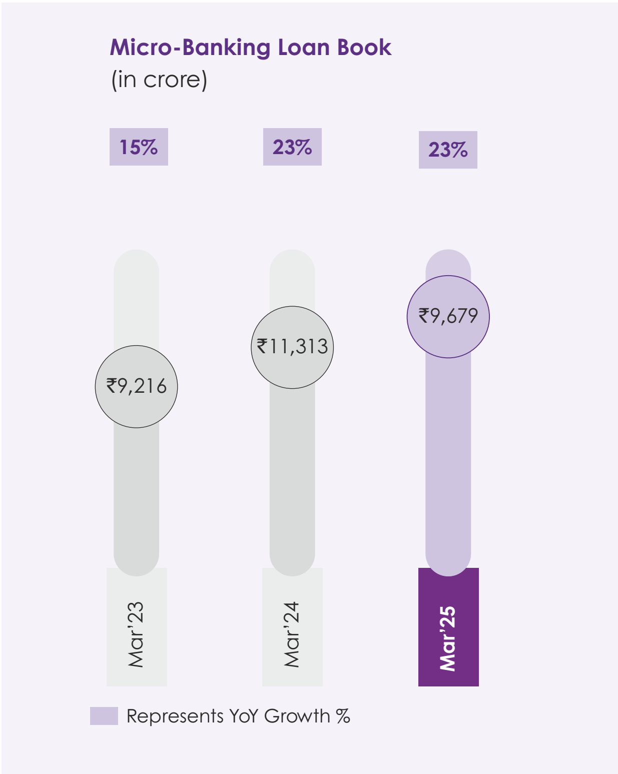
While Bihar and Uttar Pradesh continue to anchor the Bank's micro-banking operations, its geographic footprint has been steadily expanding. As of the fiscal year-end, the micro-banking portfolio extended across 13 states and union territories, catering to over 28 lakh clients. The Bank's presence spans 182 districts and is supported by a network of 761 dedicated micro-banking outlets.

Micro-Banking Lending

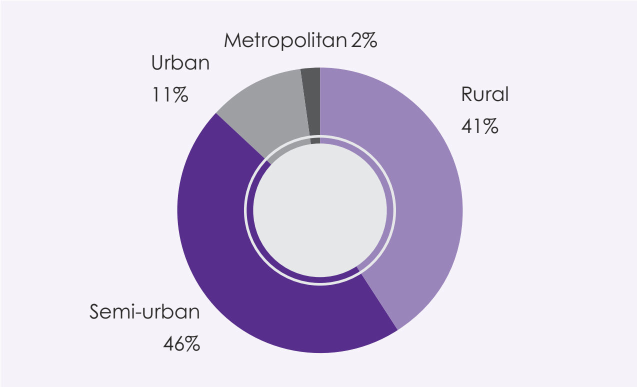
Utkarsh SFBL began its journey in September 2009 from Uttar Pradesh and has since built a strong track record in the micro-banking sector. With a focused presence in rural and semi-urban regions, areas that remain largely underserved, the Bank has played a pivotal role in driving inclusive growth and expanding access to financial services.

The Bank offers Joint Liability Group (JLG) loans, Micro-Banking Business Loans for mature JLG clients, PM SVANidhi loans tailored for street vendors and PM Vishwarkarma to traditional artisans and craftspeople. These financial products are designed to empower low-income and underprivileged individuals who traditionally have limited access to formal banking. By supporting income-generating activities and entrepreneurial ventures, these loans have enabled many customers to improve their livelihoods and pursue their aspirations.

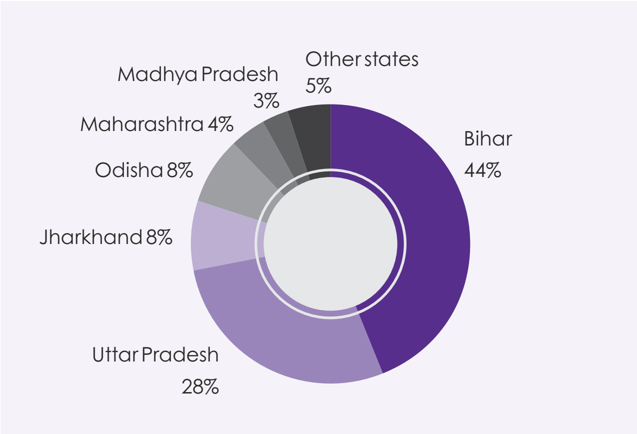
The JLG structure fosters strong credit discipline through frequent and personal interactions with borrowers. This model not only ensures financial sustainability across economic cycles but also delivers meaningful social impact-making micro-banking a true double bottom-line business for Utkarsh SFBL.



Demography wise break-up of Bank's micro-banking Portfolio



State wise break-up of Bank's Micro-Banking Portfolio



Presence across 13 States / UTs

The bank offers cashless disbursement for all micro banking loans, ensuring that funds are transferred directly into the customer's Bank account. In line with its digital strategy, the Bank is actively increasing cashless collections, primarily through customer- specific QR codes and the bill desk payment gateway. This shift is expected to lead to greater adoption of cashless transactions, reducing operational risks associated with physical cash and improving the efficiency of field staff. Furthermore, the cashless payment model provides enhanced convenience and security for customers.

Onboarding micro banking clients is streamlined through E-KYC and E-sign processes, optimizing operational efficiency and ensuring a swift and seamless onboarding experience, ultimately offering a superior customer experience.

Joint Liability Group (JLG) Loans

The Bank offers Joint Liability Group (JLG) loans to clients for income-generating activities, leveraging a group-guarantee model that allows individuals to access loans without the need for collateral or security. This model encourages borrowers to foster credit discipline through mutual support, promoting responsible financial behaviour within the group and ensuring timely loan repayment.

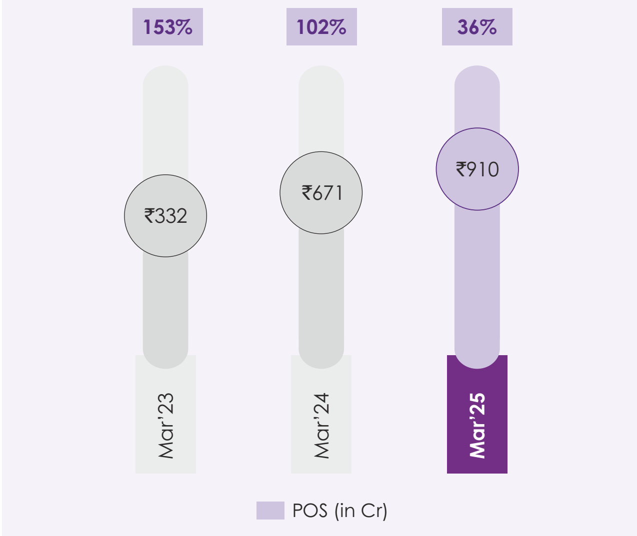
The primary target segment for these loans is women in households engaged in existing or potential income-generating activities. The loan methodology includes regular centre meetings either fortnightly or bi-fortnightly and 'stepped-up' loans, which increase each time a client successfully repays a loan, demonstrating good credit discipline and a need for larger loans.

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

Joint Liability Group (JLG) Loans

To meet the growing funding needs of customers who have completed multiple loan cycles, the Bank offers micro-banking business loans (MBBL) to its matured Joint Liability Group (JLG) borrowers. As of March 31, 2025 we have no. of JLG borrowers >27 Lakh and MBBL customer base is of more than 1 Lakh. Considering MBBL penetration level of ~ 4%, there is significant potential to grow. During FY 2024-25, the bank's MBBL loan portfolio reached H910 crore as of March 31, 2025. Given the Bank has long track record in JLG lending and has a large number of JLG borrowers , the Bank expects significant growth potential in MBBL lending which is also reflected in credit growth registered by the Bank in FY25. Furthermore, as the Bank provides MBBL loans only to its existing borrowers with good track record, asset quality in MBBL loan segment remain healthy.

MBBL Loan Book (in crore)



Saving, Pension and Health Insurance for Micro- Banking Clients

As of March 31, 2025, the Bank had opened more than 25 lakh basic savings bank deposit accounts (BSBDA), aimed at offering appropriate savings and financial products to microfinance borrowers while encouraging a habit of saving.

To further promote financial security among its customers, the Bank offers the Atal Pension Yojana (APY) to savings account holders aged 18 to 40 years. Acting as both a point of presence and aggregator, the Bank enrols subscribers under the National Pension System framework, supporting long-term savings.

The Bank also provides Hospicash, a health insurance product that covers hospitalization expenses and also compensates for wage loss incurred by micro-banking customers during hospitalization, thereby offering both financial protection and income continuity.

Other Retail and Wholesale Lending Book

The Bank has consistently focused on building a well-diversified retail loan portfolio, catering to the varied financial needs of its customers. Over time, it has developed a comprehensive suite of retail loan offerings, including MSME (retail assets), housing loans, commercial vehicle (CV) & construction equipment (CE) loans, among others. The bank's core geographies—Bihar, Uttar Pradesh, and other states—continue to offer substantial growth opportunities for these products as well.

MSME (Retail Assets) loans

The Bank offers a range of lending products to MSMEs, including secured and unsecured business loans, Micro LAP, and overdraft facilities. During FY 2024–25, the Bank expanded its MSME loan footprint to 86 branches, driving a robust 52% year-on-year growth in its MSME loan book-from ₹2,556.99 crore in FY 2023–24 to ₹3,874.53 crore in FY 2024–25. This significant growth was fuelled by the bank's deepening presence in underserved markets and its focus on financial inclusion. The MSME portfolio remains predominantly secured, with over 95% of loans backed by collateral, and the average ticket size ranging between H25 lakh and H35 lakh.

Housing loans

The housing finance segment remains a key driver of economic growth in India. Utkarsh SFBL continues to strengthen its presence in this space by offering affordable housing loans to both salaried and self-employed individuals across formal, informal, and semi-formal income groups. As of March 31, 2025, the Bank provides housing loans through 63 branches.

During FY 2024–25, the housing loan portfolio grew by 36%, increasing from ₹676.59 crore to ₹918.29 crore. This growth can be attributed to the Bank's consistent focus on building the housing loan book, expanding network and a relatively small base of the Bank's housing loan portfolio.

Commercial Vehicle (CV) and Construction Equipment (CE) Loans

Commercial vehicle (CV) & construction equipment (CE) loans continue to be among the key retail lending products for banks and NBFCs across India. Utkarsh SFBL provides financing for both new and used commercial vehicles as well as construction equipment, with used vehicle loans accounting for less than 10% of the total CV & CE loan book as of March 31, 2025.

The Bank primarily serves small fleet operators, focusing on core geographies such as Bihar, Jharkhand, and Uttar Pradesh- regions that remain relatively underserved but offer strong growth potential. Moreover, markets like Chandigarh, Delhi NCR, Rajasthan, and West Bengal are emerging as attractive opportunities for expansion.

With CV & CE loans currently being disbursed through 47 branches, the Bank's loan portfolio in this segment grew significantly from ₹944.44 crore in FY 2023–24 to ₹1,188.13 crore in FY 2024–25.

Business Correspondent (BC)

Utkarsh SFBL introduced the business correspondent (BC) model in FY 2017–18 to expand its reach into untapped geographies and diversify its loan portfolio. Under this model, BC partners operate as an extended arm of the bank—acquiring, managing, and servicing customers while adhering to the bank's internal governance policies and procedures.

The Bank leverages BC partnerships across multiple products, including Joint Liability Group (JLG) loans, small business loans, personal loans. As of March 31, 2025, BC partners collectively manage a loan book of ₹1,093.69 crore, attributing to 5.56% of Gross Loan Portfolio.

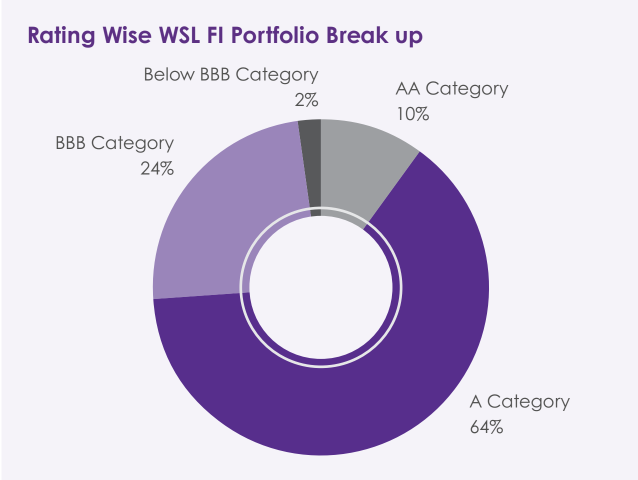
Wholesale Lending (WSL)

Utkarsh SFBL's wholesale loan (WSL) portfolio grew by 19% in FY 2024–25, rising from ₹1,882.41 crore as of March 31, 2024, to ₹2,239.73 crore by March 31, 2025. Despite this growth, the WSL portfolio's share in the bank's total loan book grew slightly from 10.3% to 11.4%, in line with the bank's strategic intent to maintain the WSL share at similar levels going forward.

The wholesale loan portfolio comprises lending to financial institutions (WSL FI) and Business Banking Group (BBG) loans extended to small corporates.

Amount in ₹ Cr

Break up of Wholesale Loan Portfolio	Mar-2024	Mar-2025
WSL FI Lending	₹1,337	₹1,287
Business Banking Group (BBG)	₹903	₹596
Total WSL Portfolio	**₹2,240**	**₹1,882**



WSL FI Lending

Utkarsh SFBL commenced its wholesale lending to financial institutions (WSL FI) in FY 2017–18, aiming to diversify its loan portfolio and extend its geographic reach by leveraging its strong expertise in retail lending. Under this segment, the Bank offers loan facilities to non-banking financial companies (NBFCs), housing finance companies (HFCs), NBFC-MFIs, and other entities engaged in financial services, primarily to support their on-lending requirements.

As of March 31, 2025, 74% of the WSL FI loan book comprises loans extended to entities rated 'A-' category or higher by external credit rating agencies, 24% is allocated to entities rated in the 'BBB' category, while the remaining 2% is allocated to entities rated in the below 'BBB' category.

Business Banking Group (BBG) Lending

Utkarsh SFBL extends both short-term and long-term loan facilities to small and medium enterprises (SMEs) and other entities engaged in manufacturing, services, or trading activities. These loans are designed to support working capital needs and business expansion plans. In addition to fund-based lending, the Bank also offers non-fund-based products such as bank guarantees under its wholesale lending portfolio.

The loans typically range from H1 crore to H10 crore and are primarily secured by immovable property as collateral.

Business Strengths & Strategies

Strong microfinance expertise and rural reach:

Utkarsh SFBL draws on the legacy and deep experience of its promoter company, UCL, to address the financial needs of unbanked and underbanked communities. Serving the underserved is a core element of the bank's vision. With a strong foundation in microfinance and an extensive presence in rural and semi-urban areas, Utkarsh SFBL is well-positioned to tap into growth opportunities in regions that remain relatively underpenetrated.

Expanding and diversifying the retail asset portfolio:

Utkarsh SFBL remains focused on diversifying its retail asset portfolio to better serve the evolving financial needs of customers, particularly from unserved and underserved segments. The Bank aims to offer a comprehensive suite of retail loan products to address varying customer requirements across segments.

Driven by healthy growth in other retail loan categories, the share of micro banking loans in the bank's gross loan portfolio declined from 62% in March 2024 to 49% in March 2025. This trend of decline in share of micro-banking portfolio is expected to continue over short to medium term.

Strengthening deposit base through retail-centric growth:

Utkarsh SFBL offers a comprehensive suite of demand and time deposit products, including savings accounts, recurring deposits, and fixed deposits—designed to meet the needs of a diverse retail customer base at competitive interest rates. The Bank continues to prioritize deposit granularity, with a strong emphasis on growing its current account and savings account (CASA) base, along with retail term deposits.

As of March 31, 2025, the bank's CASA and retail term deposit portfolio stood at H15,334.16 crore, accounting for 71.10% of total deposits, increasing from H11,550.72 crore (66.11% of total deposits) as of March 31, 2024. This consistent growth reflects Utkarsh SFBL's strategic focus on building a stable, retail-led deposit base.

Broadening distribution network with significant cross-selling opportunities; Leverage Bank's extensive franchise and presence further:

As of March 31, 2025, the Bank operates an extensive physical network of 1,092 banking outlets, 708 are located in rural and semi-urban areas, aligning with Utkarsh SFBL's core vision of financial inclusion. The Bank has opened more than 260 branches during last two financial years FY24 & FY25, providing services to a diversified clientele. Furthermore, our franchise and large customer base, in addition to the implementation of Lead Management System(LeMS), offers significant cross-sell opportunities.

Prioritizing risk management and operational efficiency:

Risk management is a central focus of the bank's operations. Utkarsh SFBL has implemented a robust and comprehensive credit assessment and risk management framework designed to identify, monitor, and manage risks across various areas, including credit, market, liquidity, IT, and operational risks.

The Bank employs a range of risk parameters, including real- time monitoring of regulatory changes and market trends both nationally and internationally. It frames policies, guidelines, and products in line with industry best practices, defines acceptable portfolio risk limits for each product, and utilizes an early warning system to track sector performance and establish boundaries for fund allocation to specific industries.

The bank's effective credit risk management is evidenced by its strong portfolio quality indicators. Moreover, the bank maintained a healthy provision coverage ratio (PCR) of 51.18% as on March 31,2025.

The bank's success in managing these risks can be attributed to its efficient management team, composed of highly qualified and experienced professionals. Their deep industry knowledge enables the bank to navigate challenges effectively, fostering a resilient and consistent franchise.

Pioneering technological advancements and expanding digital offerings:

The Bank harnesses advanced, cost-effective technology to streamline its operations and improve efficiency. Utkarsh SFBL is committed to strategically investing in technology to optimize operations, reduce costs, and drive greater efficiency. Moreover, the Bank encourages customers to transition from assisted services to a self-service delivery model. By continuing to invest in cutting-edge technology, Utkarsh SFBL aims to enhance the customer experience and provide a range of tailored financial products that meet diverse customer needs.

Strategic Business Technology Transformation Project

Digital transformation has become a key driver in the evolving financial landscape, placing customer-centricity at the forefront. To manage and implement strategic projects efficiently, the bank has established a transformation management office (TMO) that serves as a centralized project management office (PMO). This office ensures all initiatives are executed within established timelines, while continuously evaluating progress and return on investment.

In collaboration with a leading consulting firm, the bank has also formed an internal team of select professionals to support the TMO. Utkarsh SFBL's strategy focuses on diversifying and expanding its retail asset portfolio and liabilities business, while redefining customer journeys and optimizing operational efficiency. As part of this transformation, the bank is driving automation through the implementation of modern loan origination systems and enhancing the digital onboarding process with the support of an internal development team.

The bank is embracing cloud computing to build a robust and scalable IT infrastructure. Key applications are also being upgraded or replaced to meet the latest technological standards, ensuring a future-ready and efficient operational framework.

Commitment to Financial Inclusion and Focus on Priority Sector Lending

The Reserve Bank of India (RBI) mandates that small finance banks (SFBs) allocate 75% of their loan portfolio to priority sector lending (PSL), compared to 40% for universal banks. On account of higher proportion of PSL as compared to the requirement of the RBI, the Bank has been able to sell the surplus PSL portfolio through Priority Sector Lending Certificate (PSLCs) to earn non- interest income for the Bank. .

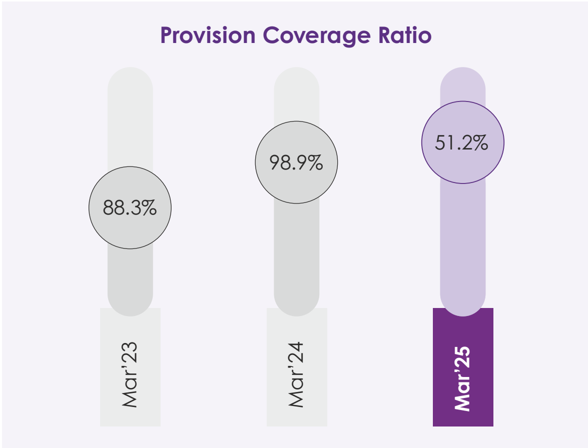
As of FY 2024-25, after accounting for the sale of PSLCs and IBPC, the bank's PSL achievement (based on quarterly averages) stood at 84.79%, significantly exceeding the RBI's minimum requirement of 75%. This surplus PSL portfolio allowed the bank to earn non- interest income from PSLCs, with PSLC income totalling ₹115.17 crore in FY 2024-25.

Moreover, Utkarsh SFBL continues to comply with RBI norms for SFBs, ensuring that loans with a ticket size of up to H25 lakh constitute no less than 50% of its total loan portfolio. The Bank's lending to the ticket size of less than ₹25 lakh was at 65.1% of the gross loan portfolio as on March 31, 2025.

Asset Quality

Bank's Gross NPA Increased from 2.51% during FY 2023-24 to 9.43% as on March 31, 2025. Bank's Net NPA Increased from 0.03% in FY 2023-24 to 4.84% as on March 31, 2025. The Bank has strengthened collections team by adding more manpower as well as separate team for bucket wise and vertical wise collections. The Bank has also implemented EBIX collection application for better tracking of our collection efforts. These have strengthened Bank's collection efforts and are likely to support asset quality & collection efficiency.

The Bank was carrying floating asset provision of ₹189.96 Crore. During the year pursuant to the approval from Reserve Bank of India (RBI), the Bank has fully utilized the floating asset provision as per relevant RBI regulations. Consequently, the provision for NPA ("Provisions and Contingencies") has been adjusted by ₹189.96 Crore for the year ended March 31, 2025. On an overall basis, the Bank had provision coverage ratio of 51.18% as of March 31, 2025, against 98.92% for FY 2023-24.



Financial performance

The Bank recorded a steady financial performance in FY 2024–25, with growth in business volumes and profitability. It reported an annual operating profit (pre-provision) of ₹1,007 crore and a profit after tax (PAT) of ₹23.70 crore for the year.

Amount in ₹ Cr

Key Performance Indicators (KPIs)	FY 2024-25	FY 2023-24
OPERATIONS		
Banking Outlets	1092	888
Gross Loan Portfolio (₹ in crore)	19,666	18,299
Secured Advances as % of Gross Loan Portfolio	43.43%	34.35%
Total Deposits (₹ in crore)	21,566	17,473
CASA Ratio (%)	21.79%	20.50%
CASA + Retail Term Deposits (as % of Total Deposits) (%)	71.10%	66.11%
CAPITAL		
Capital + Reserves (i.e. Net Worth) (₹ in crore)	2,975	2,973
Total Capital Ratio (CRAR) (%)*	20.93%	22.57%
Tier 1 Capital Ratio (%)*	17.88%	20.95%
Cost of Deposits (%)	8.16%	7.72%
Cost of Funds (%)	8.21%	7.80%
ASSET QUALITY		
Gross NPA (%)	9.43%	2.51%
SMA 1 %	2.26%	0.97%
SMA 2 %	1.77%	0.96%
Provision Coverage Ratio (excl. Technical Write-offs) (%)	51.18%	98.92%
Standard Restructured Advances (%)	0.03%	0.06%
Net NPA (%)	4.84%	0.03%
PROFITABILITY		
Net Profit (₹ in crore)	24	498
Yield on Advances (%) (basis Gross Loan Portfolio)	17.85%	19.01%
Net Interest Margin (%)	7.98%	9.44%
Credit Cost Ratio (%)	5.16%	2.20%
Operating Expenses to Total Average Assets (%)	6.26%	6.34%
Cost to Income Ratio (%)	61.61%	56.38%
Return on Total Average Assets (%)	0.09%	2.45%
Return on Average Equity (%)	0.79%	19.54%
OTHERS		
Basic EPS	0.22	4.79
Net Asset Value per Equity Share	27	27.04

Income & Expenses

- The Net interest income (NII) of the bank grew by 7.27% from ₹1,885.80 crore in FY 2023-24 to ₹2,022.86 crore in FY 2024-25. The growth in NII in FY 2024-25 was supported by healthy growth in non-microfinance business during FY 2024-25. Bank's NIMs declined from 9.44% in FY 2023-24 to 7.98% in FY 2024-25 on account of subdued interest rate environment and declining share of high yielding micro- banking loan portfolio.

- The other income of the bank witnessed a growth of 49.8% from ₹400.40 crore in FY 2023-24 to ₹599.83 crore in FY 2024-25 supported by growth in income from sale of PSLCs, higher income from cross-selling of third-party products, fee-based & transaction income and recovery from written-off accounts.

- The operating expenses of the bank increased by 25.36% during FY 2024-25 primarily on account of significant expansion in franchise (>260 new branches during 25.36% during FY 2024-25 primarily on account of significant expansion in franchise (>260 new branches during FY 2023-24 and FY 2024-25). Cost-to-income ratio of the bank increased to 61.61% in FY 2024-25

- During the year ended March 31, 2025, the Bank has changed its accounting policy with effect from April 01, 2024 on recognition of loan processing fees collected from the borrowers and allied expenses for more appropriate presentation of the financial statement and alignment with industry practices. Hitherto the Bank was recognising the income or expense over the tenure of the loan which is now recognised as income or expense when it becomes due.

- Pre-provisioning operating profit (PPoP) of the bank grew by 0.97% year-on-year to ₹1,006.93 crore in FY 2024-25 as compared to ₹997.27 crore in FY 2023-24.

- Overall credit cost was 5.2% for FY 2024-25.

Profit after Tax & Dividend

- Bank's profit after tax decreased by 95% in FY 2024-25 to H23.7 crore in FY 2024-25 vs. ₹498 crore in FY 2023-24. Decline in PAT was mainly due to increase in credit cost resulting from industrywide stress in the asset quality of microfinance portfolio. The return on average assets (ROAA) was at 0.09% during FY 2024-25 and return on equity was 0.79% in FY 2024-25.

Credit-Deposits Ratio

- Bank's credit-deposits (CD) ratio declined from 93.7% as on Mar-24 to 86.8 % as on Mar-25 and the bank targets to reduce CD ratio further.

NPA

- The bank's gross NPAs increased from 2.51% as on March 31, 2024 to 9.43% as of March 31, 2025. The net NPAs increased from 0.03% as of March 31, 2024 to 4.84% as of March 31, 2025. The bank is holding provisional coverage of 51.18% as of March 31, 2025.

CRAR

- The Bank's capital plus reserves remained stable, from ₹2,973 crore as on March 31, 2024 to ₹2,975 crore as on March 31, 2025.

- The bank's capital to risk weighted asset ratio (CRAR) stood at 20.93% as on March 31, 2025 compared to 22.57% as on March 31, 2024. Further, the Tier-I CRAR of the Bank stood at 17.88% as of March 31, 2025, compared to 20.95% as of March 31, 2024.

Particulars	2024-25	2023-24
CRAR	20.93%	22.57%
TIER-I	17.88%	20.95%
TIER-II	3.05%	1.62%

Credit ratings

The Bank's certificate of deposits programme is rated, at the highest credit rating grade, [ICRA] A1+ by ICRA Limited. As on March 31, 2025, the Bank's long-term subordinated bonds were rated at A+ (Stable) rating by ICRA and CARE Ratings.

Rating Agency	Facilities	Credit rating
ICRA Limited	Certificate of Deposit	[ICRA]A1+
	Subordinated Debt Programme	[ICRA]A+(Stable)*
CARE Ratings	Long Term Tire II Bonds	CARE A+(Stable)**

* On May 22, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

** On June 12, 2025, rating reaffirmed, and outlook revised to Negative from Stable.

OUTLOOK

The reported year witnessed an increase in secured lending while there was a de-growth in JLG Segment. The Bank has reported annual operating profit (pre-provisions) of H1,007 crore in FY25. The Bank's deposits registered healthy business growth of 23.4% and reached H21,566 crore backed by increased branch penetration in urban and metropolitan areas. The bank opened 204 branches during the year including 55 GB branches which are poised to augment deposit accumulation capability of the bank. The Bank also witnessed improvement in secured lending portfolio which have increased to 43% of gross loan portfolio from 34% in FY24 and in the process providing more stability to the bank. Our high yield JLG portfolio underperformed during the year which we are expecting to improve going forward considering our good experience in Microfinance sector and other technological and human interventions. The Bank believes that there are significant growth opportunities available in the core operational geographies, owing to robust growth potential and relatively low financial penetration in FY26.

Utkarsh SFBL strives to be a retail-focused Bank, providing financial services to mass markets. The Bank intends to develop and offer a comprehensive suite of assets and liabilities products that will acquire new customers and strengthen the relationship with existing customers. Utkarsh SFBL will continue to augment the liabilities franchise further by expanding franchise, deepening relationship and targeting the top 100 districts of the country in terms of overall deposits, including tapping of metropolitan and urban areas by promoting savings accounts and other deposit products.

Material Orders passed by the Regulators

There were no significant material orders passed by the Regulators, Court, Tribunal or any other legal institution during FY 24-25, that can impact the growth of the organisation.

Internal Ombudsman (IO)

The Internal Ombudsman Scheme is introduced with the objective of enabling and ensuring a proper and speedy resolution of complaints of Bank customers at the Bank level by an independent apex level authority within the Bank. Internal Ombudsman deals only with the complaints that have already been examined by the Bank's internal grievance redressal mechanism and have remained partly or wholly un-redressed.

Further, the Internal Ombudsman also analyses the pattern of complaints such as product/category wise, consumer groups wise, based on geographical location etc. and suggests means for taking actions to address the root cause of complaints of different nature. The Internal Ombudsman holds meetings with concerned functionaries/department of the Bank and seeks records/ documents available with the Bank that are necessary for examining the complaint. Furthermore, in its endeavor to achieve fair, transparent, and customer-centric grievances redressal system, the Bank has synchronized its Internal Ombudsman mechanism with the Customer Relationship Management System.

In the backdrop of above, the presence of Internal Ombudsman at the apex level of Grievance Redressal Mechanism of the Bank is helping to enhance the impartiality of the mechanism, as the grievance resolution have an independent viewpoint as a precursor to Banking Ombudsman.

Grievances closed by IO in FY 2024-25:

No. of grievance received by the bank during 2024-25	No. of cases rejected by Bank partly/fully during 2024-25	No. of cases reviewed by IO during 2024-25	No. of grievances closed by IO during 2024-25	No. of grievances outstanding as on March 31, 2025
5,799	399	399	399	0

Disposal of grievances by Bank during FY 2023-24:

No. of grievances at the Beginning of 2024-25	No. of grievances received by the Bank during 2024-25	No. of grievances disposed of by the Bank in 2024-25	No. of grievances outstanding as on March 31, 2025
72	5,799	5,761	110

Credit function

The Credit Department has different verticals such as Retail Lending, Wholesale Credit, Micro Business Individual Loans, Credit Administration (CAD) & Credit Support.

The credit department's major objectives are as follows:

Largely responsible for development of Credit and Risk management strategies for loans acquisition ensuring sustainable business growth & healthy portfolio for Retail lending and Wholesale lending products.

- Leverage on Technological tools for various credit appraisal and financial analysis. process. Leverage on Score card based underwriting model for Retail Lending products.
- Prudent monitoring framework on Portfolio behavior and asset quality.
- Adoption of a forward-looking and market responsive approach within the framework of policy guidelines for moving into profitable new areas of lending which are emerging in the market.
- Fulfilling responsible lending objectives.

The Credit function largely performs the following to achieve the defined objectives

- Ensuring credit expansion to productive sectors with an emphasis on asset quality.
- Utilizing the sanctioning powers judiciously by following the credit norms, risk management considerations and due diligence while appraising Wholesale & Retail loans.
- Ensuring prudent credit risk management practices and high standards of due diligence to protect and improve asset quality at both transaction and portfolio levels.
- Leverage on various smart technological tools like "Perfios" tool for financial & banking analysis, "SaveRisk" & "Probe" tools for analysis of Companies' financials and other critical parameters history, "Hunter & Sherlock" tools for borrowers' adverse history enabling prudent due diligence, key lending decisions and optimization.
- LOS systems for loan applications processing and leverage on Rule Engine for adherence of various product guidelines, automation of various processes, monitoring of early warning signals etc.
- Lending for the sustenance of profitability, implying the need to nurture superior credit appraisal skills through specialization and competence building.
- Ensuring KYC norms are strictly followed, and the borrowers are carefully selected after proper pre-sanction scrutiny and thereafter monitoring the account constantly to maintain asset quality.
- Post disbursement Portfolio & covenant monitoring on wholesale lending products with periodic reviews and monitoring visits to Companies.

Collection Mechanism

The Bank presently has an in-house team for collections. The team comprises Head Collections and Zonal and Regional teams to monitor over 150 feet on street (FOS) and control delinquencies. The field teams are well trained in the Bank's policies and code of conduct. The Bank also utilises an outsourced call centre for pre-EMI calling and reminding customers in case of over-dues for businesses other than the JLG lending business. The Bank also has an in-house legal team for the recovery of dues. There is a well laid down process and policy for the entire collections cycle: from tele-calling, customer servicing, legal notices, repossession, to auction of assets.

The Bank has established a robust and structured in-house collections framework to effectively manage and control delinquencies across its lending portfolio. The collections team is led by the Head of Collections, supported by Zonal and Regional Collection Managers, who oversee and coordinate the activities of over 150 Field Officers (Feet on Street - FOS) deployed across various geographies.

These field teams are thoroughly trained in the Bank's internal policies, operational procedures, and the Code of Conduct, ensuring that all customer interactions are handled professionally and ethically.

In addition to the in-house field force, the Bank leverages an outsourced call center to manage pre-EMI (Equated Monthly Installment) calling and to issue reminders for overdue payments. This outsourced support is utilized for all lending segments except the Joint Liability Group (JLG) lending business, which is managed separately.

To support legal recovery efforts, the Bank also maintains a dedicated in-house legal team. This team is responsible for initiating and managing legal proceedings related to overdue accounts, including the issuance of legal notices and coordination of repossession and auction activities.

The Bank follows a well-defined and comprehensive collections policy, which governs the entire lifecycle of the collections process. This includes:

- Tele-calling and customer engagement
- Field visits and follow-ups
- Issuance of legal notices
- Repossession of secured assets
- Auction and disposal of repossessed assets

This structured approach ensures consistency, compliance, and efficiency in managing delinquencies while maintaining a customer-centric and legally sound recovery process

Treasury

The bank conducts its treasury operations from its dedicated office in Mumbai, operating under a structure that ensures independence among the dealing desk, settlement and operations team, and risk function. This separation promotes strong internal controls and enhances operational efficiency.

The treasury plays a vital role in managing the bank's liquidity and financial stability. It oversees asset and liability management (ALM) and maintains the liquidity coverage ratio (LCR), ensuring that the bank consistently meets its payment obligations and supports asset growth by participating in money and securities markets.

The function is governed by a board-approved comprehensive investment policy, along with other internal management policies. These guidelines help optimise investment portfolio yields while managing the overall cost of funds through a strategic mix of deposits. The treasury also ensures strict compliance with regulatory requirements, including those related to the cash reserve ratio (CRR) and statutory liquidity ratio (SLR).

To mitigate operational risks, the treasury has implemented a robust business continuity plan (BCP), which includes periodically conducting operations from alternate sites to ensure uninterrupted functionality.

Risk Management

Risk management forms a critical pillar of the bank's strategic planning process, fostering informed, collaborative, and unbiased decision-making. The bank's ability to effectively manage diverse categories of risks—while complying with current regulations and proactively preparing for emerging ones—positions it as a resilient and future-ready financial institution.

The bank follows a structured and integrated risk management approach encompassing credit risk, market and liquidity risk, operational risk, IT and cyber security risk, and other emerging risk domains. This framework is underpinned by robust systems involving people, processes, data, and technology to identify, assess, monitor, and mitigate risks in a timely manner. The bank ensures that risk management roles are handled by qualified and experienced professionals who receive continuous training to stay abreast of evolving risks.

The bank's risk philosophy focuses on safeguarding the interests of depositors, customers, employees, and other stakeholders while maintaining the integrity and reputation of the institution. To cultivate a strong risk-aware culture, the bank conducts regular training through mandatory induction programs, refresher courses, and weekly risk workshops.

Oversight of the risk function is exercised by the risk management committee of the Board (RMCB), which periodically reviews the overall risk framework and strategic risk exposures. The bank also has dedicated senior management committees, including the credit risk management committee (CRMC), operational risk management committee (ORMC), asset liability and market risk committee (ALCO), and the information security committee, to manage specific risk domains. Furthermore, the bank's internal capital adequacy assessment process (ICAAP) ensures comprehensive assessment of significant business risks to maintain capital adequacy and financial stability.

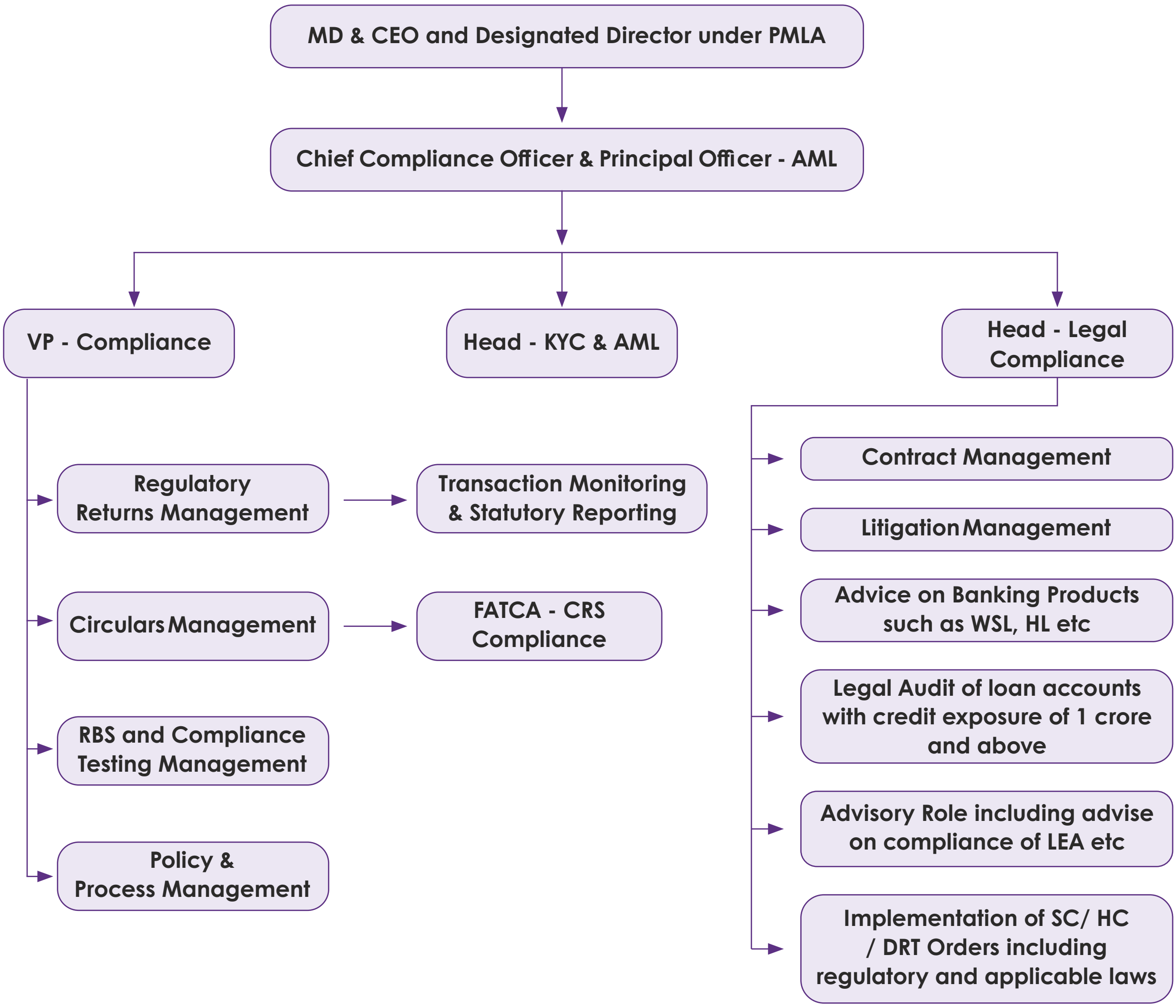
The bank has appointed a senior official as the chief risk officer (CRO), entrusted with the overall responsibility of managing key risk verticals, including credit risk, market and liquidity risk, operational risk, information security risk, and other emerging risk areas. Operating under the framework of board-approved risk management policies, the CRO plays a pivotal role in implementing and overseeing the bank's risk strategy. The CRO maintains regular engagement with the risk management committee of the Board (RMCB), providing timely updates and insights on risk- related developments, challenges, and mitigation strategies.

Risk	Impact	Mitigants
Credit Risk	The bank defines credit risk as the potential for loss arising from a borrower or counterparty's failure to meet their obligations as per the agreed terms. This type of risk can negatively impact the bank's revenue and margins, posing a significant challenge to financial stability.	The credit risk management committee (CRMC) is responsible for overseeing and reviewing credit risk within the bank. The committee ensures the monitoring of prudential limits on large credit exposures, portfolio concentration, loan review mechanisms, and overall risk concentration. Furthermore, it addresses provisioning, regulatory compliance, and other credit- related matters. The bank has implemented various credit risk policies to limit the exposure to credit risk. Portfolio review and monitoring are carried out through an early warning framework and close monitoring of high-value customers. The CRMC follows the following approach: • Adhering to RBI's guidelines and policies regarding credit risk and NPA management • Establishing a governance framework to ensure effective oversight, proper segregation of duties, and management of credit risk • Setting and monitoring credit risk appetite and limits, and taking appropriate action in case of breaches • Creating a system for identifying and monitoring early warning signals and red flag accounts

Risk	Impact	Mitigants
		• Enhancing the use of structured internal and external data to make informed decisions and utilizing scorecards for decision-making • Conducting stress testing and taking necessary actions based on results • Monitoring global and domestic developments, analysing industry trends, and issuing necessary guidelines and directions
Market Risk	Risks stemming from fluctuations in market prices could affect the bank's ability to generate revenue.	The investment committee and the asset-liability management committee of the bank oversee investment and market risk, approving the framework and its associated thresholds. The mid- office prepares and analyses daily reports on the bank's treasury activities, closely monitoring various limits, including stop losses. A comprehensive market and liquidity risk dashboard is shared with senior management monthly, providing detailed insights into the investment portfolio, liquidity position, deposits, and borrowings, supporting well-informed decision-making.
Operational risk	Inefficiencies or failures in internal processes, systems, or human resources can negatively affect the profitability of the business.	Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank. All the new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team, through the PPMC process. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after a thorough review by the Third-Party Risk Management team. The Bank has set up a comprehensive structure for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all businesses. The Bank has a comprehensive operational risk management policy, with a framework to identify, assess and monitor risks and strengthen controls to improve customer service and minimise operational losses. The Bank has well established Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical units to ensure readiness to meet various contingency scenarios and take corrective actions wherever any issues are observed. The Bank has been effectively managing its operations by adapting to the checks and controls of various continuity plans.
Fraud Risk	Fraud risks include cyber threats, scams, processing errors, and document mishandling, all of which can impact the bank's reputation and revenue generation capabilities.	To mitigate this risk, the Bank has put together a Fraud Risk Management (FRM) department as an independent group in the Bank to enable fraud prevention, monitoring, investigation, reporting and awareness creation. Fraud Risk Management Unit (FRM): The Fraud Risk Management (FRM) unit works within the overall risk management framework of the Bank. The responsibilities of the FRM Unit include effective application of fraud control measures, strategies and procedures. It is responsible for handling fraud complaints, desktop investigation, Fraud case mgmt., internal and regulatory reporting. Risk Containment Unit (RCU): RCU conducts risk-based evaluation of applications i.e. Screening & Sampling for any new account relationship in both Asset (Pre-sanction) as well as Liability (Post A/c Opening) Businesses at the time of on-boarding, on a sample basis. RCU Screening & Sampling (S&S) involves review / scrutiny of applications/documents based on dynamic trigger observed as well as inputs received from online checks such as CUG check i.e. Hunter/Sherlock checks. The objective behind RCU S&S Is to ensure that the submitted KYC documents are reviewed to ascertain any inconsistency or discrepancy in the documents or information submitted to the bank, for taking timely preventive and corrective actions to detect and prevent fraudulent applications at on-boarding stage. Transaction Monitoring (TM): TM team monitors digital debit transactions carried out through various channels and payment modes, to safeguard our customers from any abnormal/ suspicious/fraudulent transactions. Transactions are monitored via near real time & real time account alerts generated by volumes and/or velocity based preventive rules built in IFRM and EFRM Transaction Monitoring Tool/Solutions

Risk	Impact	Mitigants
IT Risk	The risks tied to the growing adoption of technology encompass system and process unavailability, which can lead to business losses due to both unintentional issues (such as faulty usage) and intentional events (such as cyber fraud).	To effectively manage IT risk and safeguard the confidentiality and integrity of business and customer information, the bank has implemented security controls in line with the RBI cybersecurity framework. Regular security monitoring is conducted, and the bank adheres to regulatory guidelines as they are updated. To ensure business continuity while maintaining security, the bank has established controls such as VPN with multi-factor authentication, business continuity plans (BCP), and incident response protocols to address both operational and security risks.
Liquidity Risk	An asset-liability mismatch can lead to liquidity risk for the bank, potentially forcing it to raise new liabilities at a higher cost or sell assets at a higher discount rate, which could negatively impact the bank's margins.	The bank's asset liability management (ALM) policy establishes a framework for managing liquidity risk, ensuring that the bank can meet its liquidity obligations and endure periods of liquidity stress, whether caused by internal or market-wide factors. The bank's liquidity profile is closely monitored both statically and dynamically, using key liquidity ratios and periodic liquidity stress tests. Liquidity positions and stress test outcomes are regularly reviewed by the bank's ALCO and the risk management committee of the board. In addition to regulatory limits, the bank has set prudential internal limits on liquidity gaps, borrowings, deposits, and placements. The bank also adheres to the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) in line with RBI guidelines, ensuring alignment with the defined risk appetite.
Cyber Risk	The bank's interconnected structure, both internally and externally via the internet, along with the complexity of its people, processes, and technology—such as delivery channels, cloud services, partners, and remote workers—the bank is susceptible to cyber threats. These include risks like man-in-the-middle (MiTM) attacks, distributed denial of service (DDoS) attacks, and ransomware, which could lead to financial losses, data breaches, and reputational damage.	The bank has established a robust and efficient cybersecurity framework, in line with RBI guidelines, to enhance its cybersecurity posture. The bank has a cybersecurity policy, cyber crisis management plan (CCMP), and information security policies, all approved by the board. A dedicated governance and management process has been put in place, defining roles and responsibilities to ensure these policies are implemented, maintained, assessed, and periodically updated. In line with regulatory requirements, the bank has set up a cybersecurity incident response team (CSIRT) and a cyber crisis management team (CCMT), as outlined in the CCMP. The security operations centre (SOC) operates 24/7 to monitor and protect the bank's assets in real-time. The bank has fully complied with the baseline cybersecurity resilience requirements of the RBI and has implemented a layered defence strategy, covering perimeter, network, application, data, and physical security. The bank runs a comprehensive cybersecurity awareness program for customers, employees, and partners. Cyber risk insurance coverage has been secured as a fallback for cyber incidents. The bank is ISO 27001:2013 certified and has been recognized with consecutive awards from the Indian banks' association (IBA) for its excellence in cyber risk management over the past two years.

Compliance Architecture



The bank's compliance department encompasses regulatory compliance, AML (anti-money laundering) compliance, and legal compliance. It plays a critical role in ensuring adherence to applicable laws, regulations, and internal policies by facilitating structured oversight and proactive engagement with regulatory authorities.

The department follows a well-defined process for:

- Circular management process
- Returns management process
- Policy management process
- AML/Transaction monitoring process
- Compliance risk assessment framework (compliance testing)
- Risk-Based Supervision (RBS) data management
- Legal management

Circular management process
All scheduled commercial banks (SCBs) in India are required to comply with various guidelines issued by the reserve bank of India (RBI) and other regulatory bodies. The bank has institutionalized a structured circular management process, which includes the systematic dissemination, tracking, and monitoring of regulatory circulars until their complete implementation across relevant departments.

Returns management process

In accordance with regulatory requirements, SCBs are mandated to submit periodic returns to the RBI and other authorities. The bank's compliance department has implemented a robust returns management process to ensure timely and accurate submission of all statutory and regulatory returns, thereby minimizing the risk of non-compliance.

Policy, management process

The compliance department maintains a central repository of all policies approved by the board of directors. To promote transparency and regulatory alignment, all departments are required to seek inputs from the compliance and legal teams when drafting new policies or reviewing existing ones. The department closely monitors the policy lifecycle to ensure timely review and approval by the Board within the defined timelines.

AML/Transaction monitoring process under PMLA 2002.

The bank's AML cell, functioning under the compliance department, is responsible for ensuring adherence to transaction monitoring guidelines as prescribed under the Prevention of Money Laundering Act, 2002 (PMLA). It also oversees statutory reporting to the financial intelligence unit – India (FIU-IND) to ensure full compliance with applicable AML regulations.

Compliance risk assessment framework

The compliance risk assessment framework enables the bank to identify and assess compliance-related risks across departments, products, and services. Through periodic compliance testing, the department evaluates the effectiveness of existing controls and recommends corrective actions to address any identified gaps, thereby strengthening the overall compliance posture of the bank.

Risk-Based Supervision (RBS) data management.

In addition to the regular and ad hoc submission of statutory returns to the reserve bank of India (RBI) and other regulatory authorities, the bank undergoes periodic inspections by the RBI under the risk-based supervision (RBS) framework. The compliance department is responsible for coordinating the submission of data elements required for RBS and acts as the primary interface with the RBI's onsite inspection teams.

Further, the bank is also regulated and supervised by other authorities such as UIDAI, IRDAI, SEBI, and FIU-IND, depending on the scope of its operations. The compliance department functions as the single point of contact (SPOC) for these authorities, representing the bank in all regulatory matters and ensuring prompt response to information requests and inspections.

Legal management

The Legal Department of Utkarsh Small Finance Bank Limited is structured to provide comprehensive legal support across all business verticals, ensuring compliance with applicable laws, regulations, and internal policies. The legal management process encompasses the following core responsibilities:

1. Legal Advisory Support

Providing legal opinions, clarifications, and approvals to various internal departments including:

- Branches / branch operations team – on matters like account opening, HUF formation, partnership account issues, etc.
- Central processing centre (CPC) – on operational and documentation queries.
- Recovery and collections teams – on recovery and enforcement actions.
- HR department – in relation to employee investigations, enquiries, and disciplinary matters.

2. Contract Management

Drafting, vetting, negotiating, and standardizing various legal agreements and documentation, including but not limited to Non-Disclosure Agreements (NDA), Master Service Agreements (MSA), Software License Agreements (SLA), Referral Associate Agreements (RFA), Direct Selling Agent (DSA) Agreements, Branding/Co-Branding & Sponsorship Agreements, Manpower, Housekeeping & HR Contracts, Recovery Agent & Auction Purchaser Agreements, Call Centre & Collection Agreements, Agreements with Payment Aggregators / Gateways, Merchant Agreements (e.g., Zomato, Flipkart, etc.), All other vendor/contractor/sub- contractor arrangements

3. Legal advisory and policy development

- Advising on loan and security documentation
- Issuing circulars on state-wise stamp duty rates
- Recommending delegation of powers for legal and operational decisions
- Advising on loss of documents and related procedures

4. Product papers and policy vetting

Legal review and sign-off on product notes, policies, guidelines, and procedural manuals prepared by business and functional departments.

5. Vigilance matters

- Legal advice on vigilance proceedings against employees
- Vetting of legal representations made to authorities/ courts
- Tracking and sharing of FIRs filed by employees
- Liaising with empanelled/local advocates for legal support in such cases
- Support during internal enquiries initiated by HR or Vigilance

6. Statutory notices and regulatory responses

Responding to legal notices and queries from government and enforcement authorities including:

- Police, Courts, DRTs, Cyber Crime, CBI, ED, GST, EPFO, ESIC, Income Tax, Revenue Authorities, Arbitration Forums, Tehsildars, etc.
- Advisories related to freeze orders, title search reports, property documentation and mortgage loan compliance
- Handling Banking Ombudsman (BO) complaints and customer grievances arising out of service deficiencies

7. Litigation and advocate management

- Empanelment/Disempanelment of legal counsel
- Drafting, reviewing, and filing replies to legal notices, RTIs, and court proceedings

8. Legal audit and RBI compliance

Conducting legal audits in alignment with:

- Master Direction on Frauds – Classification and Reporting by commercial banks and select FIs (July 01, 2016)
- Master Direction on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions (July 15, 2024)

9. Corporate transactions and strategic actions

Legal support for all strategic and transactional matters, including:

- Drafting, vetting, and review of documents for reverse merger and corporate restructuring
- Support in regulatory filings with SEBI, RBI, NSE, BSE, NCLT, ROC
- Drafting and negotiation of Engagement Letters for Valuers, Merchant Bankers, Legal Advisors, Trustees, etc.
- Review of fundraising documentation:
  - » GID, KID, DTA, DTD – for issuance of Non- Convertible Debentures (NCDs)
- Vetting of Shareholders Agreements (SHA) and Share Subscription Agreements (SSA) for equity deals

10. Legal audit and RBI compliance

- Advising on title perfection and property due diligence
- Supervising legal research, analysing key judgments and regulatory updates
- Issuing advisories to prevent non-compliance or avoidable litigation
- Coordinating with internal departments on emerging legal trends impacting the Bank

In addition to the interaction with the regulators, the compliance department periodically apprises the Bank's management, Board of Directors, and Board Committees on the changes in the regulatory environment and the status of compliance thereof in the Bank. Necessary steps have been initiated towards cultivating and building a strong compliance culture within the Bank.

Audit and Internal Control Systems

The Bank's Internal Audit function plays a pivotal role in ensuring robust governance, risk management, and control processes. With a team of skilled professionals, the function provides assurance and advisory services that enhance the organization's overall operational efficiency & objective evaluation of the adequacy and effectiveness of internal controls, information security controls, risk management and processes on an ongoing basis to provide assurance that the policies, regulations, and internal standards defined for management of the various risks are operating effectively.

A key focus area for the function is leveraging technology to enhance audit efficiency and effectiveness. In this regard, IT/ IS audits emerge as a prominent area of emphasis, enabling the function to assess the organization's technology infrastructure and identify potential vulnerabilities. Additionally, system-based offsite audits are being successfully implemented, allowing for more comprehensive and remote assessments. In congruence with the Reserve Bank of India's Guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust Internal Audit Policy and undertakes a comprehensive Risk Based Audit of operating units.

The audit function is strengthening its data analytics capabilities to conduct data-driven audits and review on a continuous basis, enabling trend analysis of the issues with agility, utilizing advanced tools and techniques to analyse large datasets and identify potential risks. Computer-Assisted Audit Techniques (CAATs) tools are being extensively used to scrutinize financial transactions, detect anomalies, and provide valuable insights in audit recommendations. Additionally, it performs end-to-end reviews of new product, processes & systems, ensuring the alignment with Bank's strategic objective & regulatory requirement.

The Internal audit practices are guided by the globally recognized standards and best practices outlined by The Institute of Internal Auditors (IIA). The department adopts the IIA's Quality Assurance and Improvement Program (QAIP) framework to ensure the quality and effectiveness of its internal audit activities. This commitment to quality and best practices enables the department to maintain its high standards and deliver effective support to the organization.

The Head – Internal Audit functionally reports to the Audit Committee Board (ACB), ensuring the Independence, and for administrative purpose, reports to the Managing Director & CEO. The Internal Audit Department works under the guidance of Audit Committee Board (ACB) and the ACB reviews the efficacy of the Internal Audit Department, the effectiveness of controls laid down by the Bank and compliance with internal and regulatory guidelines, thus ensuring the alignment with the Best Practices on corporate governance.

Vigilance Mechanism

The Bank's Vigilance and Security Department play a multi- dimensional role in the Bank. The department investigates all types of internal fraud cases such as corruption, cash misappropriation as well as external fraud cases such as cash snatching, theft, robbery, dacoity, untoward incidents and policy and procedural violation cases including whistle blower complaints.

All investigations are reported directly to the Bank's HR department for initiating suitable disciplinary action once upon categorizing into 'vigilance' or 'non-vigilance' angle.

The Vigilance department imparts periodical training to the bank officials on vigilance awareness, surveillance, safety and security of the Bank's assets. The department also does surprise visits to branches to facilitate preventive vigilance.

The Bank's Vigilance Tele calling team contacts and receive feedback on its vigilance measures. The Bank also works closely with police department and other related government departments. Furthermore, Utkarsh SFBL issue timely reminders on vigilance and security awareness. In cases of security issues, the team files police report and send to concerned business teams for filing criminal cases against the guilty.

Information Technology (IT)

In today's rapidly evolving technological landscape, meeting shifting customer expectations is paramount. Automation and digitization are key enablers in leveraging technology to address the unique needs and preferences of Bank's customers, thereby driving business growth.

As part of the Bank digital transformation journey, the Bank has launched several initiatives this year to provide seamless access to the Bank services. These include the introduction of new secured credit card products, a personal loan platform, Aadhaar Enabled Payment Systems (AEPS), and multiple automation initiatives within Bank's Micro Banking segment. These efforts aim to expand the Bank product offerings while embedding robust operational controls into Bank's systems. Additionally, Bank introduced WhatsApp Banking to enhance customer service accessibility.

The Bank have also strengthened Bank's technological capabilities through collaborations with multiple fintech partners to enhance the Bank liability, asset, and card product portfolios. The Bank Know Your Customer (KYC) process has been fortified with the integration of Video KYC (VKYC), biometric verification, and facial authentication. Furthermore, The Bank has upgraded existing products with features such as cardless cash withdrawals at ATMs, eMandates for NACH, and ASBA functionalities via Internet and Mobile Banking. Enhancements to Bank's Digi Onboarding platforms have significantly improved customer acquisition turnaround times (TAT). The Bank has also enriched various features in Bank's existing business applications to improve product offerings and customer service, while reinforcing operational controls and efficiency.

In line with Bank's unwavering commitment to innovation, The Bank has re-architected and refreshed Bank's systems to enhance scalability, reliability, and security. Strategic technology acquisitions and investments in automation tools, analytics, and machine learning have been made to boost operational efficiency and risk management. Key focus areas include API banking and middleware platforms, low-code/no-code development platforms, cloud infrastructure, and extended collaboration through Office365. Several infrastructure-led initiatives have been implemented to revamp and upgrade platforms, thereby enhancing business- critical applications to support increased business volumes.

The Bank has also completed a comprehensive blueprint for Bank's Business Transformation project, which includes a detailed review of existing products, operational processes, and Bank's current technology stack. This initiative is being led by a specialized team known as the Transformation Management Office (TMO), which oversees the Bank's transformation journey. The project is currently in the "Implementation" phase, during which various internal systems, processes, and applications are being modernized. As part of this effort, the Bank has embarked on a major Core Banking replacement project, transitioning to the Infosys Finacle Core Banking platform.

At Utkarsh, the Bank places their Bank's employees at the heart of everything Bank do. Bank's human resources framework is designed to promote inclusive growth, transparency, and equity. With a structured HR setup spanning recruitment, operations, training, and employee engagement—supported by a zonal structure—Bank ensure last- mile connectivity. Bank's technology-driven HR services, including a mobile-enabled platform, support real-time access to key functions. As of March 31, 2025, Bank's workforce grew to 19,779, reflecting Bank's ongoing expansion and commitment to creating a collaborative, diverse, and growth-oriented workplace.

Learning and development remain central to Bank's people strategy. Through programs like Utkarsh Aarambh, Utkarsh Pragati, Udaan, Saksham, and Manthan, Bank offer employees opportunities to build functional, leadership, and compliance skills. In FY 2024–25, over 28,700 new joiners attended induction, and more than 7,600 existing employees engaged in developmental programs. Initiatives like the Probationary Officer Program, JUMPP 2.0, and

Bank's partnership with IPB and Baddi University ensure Bank cultivate talent aligned with Bank's mission.
To foster a culture of continuous learning and engagement, Bank rolled out initiatives such as 360-degree feedback, management development programs, and succession planning for key roles. Bank digitized many aspects of the employee lifecycle—from hiring to ID issuance—and onboarded apprentices under government schemes for future-ready talent. Bank's focus also included virtual training and leadership workshops aimed at improving performance across sales, liabilities, and assets.

Bank promote employee well-being through structured engagement activities, wellness initiatives, and recognition programs. From celebrating milestones like Bank's 8th anniversary to awarding long-serving employees and recognising top performers, Bank's aim is to motivate and retain talent. Bank's POSH policy, applicable to all employees and stakeholders, reinforces Bank's zero-tolerance stance against harassment. These initiatives underscore Bank's commitment to building a supportive, safe, and purpose-driven workplace.

Cautionary Statement

Statements included in this MD&A describing the Bank's priorities, forecasts, predictions, general market conditions, expectations, etc., can constitute 'forward-looking statements' within the scope of applicable legislation. Such factors and uncertainties include, but are not limited to, the Bank's ability to execute plans for development and expansion, variation between anticipated and actual non-performing advances, credit loss reserve, technological change, investment income and various risk profiles.

DIRECTORS' REPORT

To
The Members
Utkarsh CoreInvest Limited

Dear Shareholders

On behalf of the Board of Directors, it is our pleasure to present the 35th Annual Report on the business and operations of Utkarsh CoreInvest Limited ('UCL' or the 'Company'), together with the Audited Financial Statements of the Company for the year ended March 31, 2025.

The Company has adopted Ind AS since April 01, 2018 and accordingly, the financial statements have been prepared in accordance with the Indian Accounting Standard ("Ind AS"), as notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standard) Rules, 2015 and as amended from time to time.
The Company has recorded the following audited financial performance (on Standalone basis) for the year ended March 31, 2025:

(Amount in ₹ crore)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	Change in %
Total Income	43.45	4.52	861%
Profit Before Interest, Depreciation & Tax (EBITDA)	**40.59**	**2.03**	**1899%**
Finance Charges	-	-	-
Depreciation	0.02	-	-
Provision for Income Tax	10.30	0.59	1660%
Profit / (Loss) After Tax	**30.27**	**1.45**	**1995%**
Other Comprehensive Income Actuarial gain / (loss) on defined benefit obligation	(0.01)	(0.03)	(66%)
Total Comprehensive Income	**30.26**	**1.41**	**2041%**

**Absolute amount for FY2024-25 ₹1,09,418 (₹3,24,390 for FY2023-24)*

Further, the Company has recorded the following audited financial performance (on consolidated basis) for the year ended March 31, 2025:

(Amount in ₹ crore)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	Change in %
Total Income	4,155.62	3,383.55	23%
Profit Before Interest, Depreciation & Tax (EBITDA)	**1,294.40**	**1,845.46**	**(30%)**
Finance Charges	1,714.39	1,298.16	32%
Depreciation	135.48	108.89	24%
Provision for Income Tax	(133.17)	108.57	(223%)
Profit / (Loss) After Tax	**(422.30)**	**329.84**	**(228%)**
Other Comprehensive Income	2.53	24.28	(90%)
Total Comprehensive Income	**(419.77)**	**354.12**	**(219%)**

A. FINANCIAL DISCLOSURES

Dividend
Your Directors have not recommended any Dividend for this financial year ended March 31, 2025.

Net Worth
The Company's Net-worth as on March 31, 2025 stood at ₹855.94 crore comprising of paid-up equity capital of ₹99.37 crore and Reserves of ₹756.57 crore (excluding Revaluation Reserve, Investment Reserve and Intangible Assets) on Standalone basis. Further, on a Consolidated basis, the Net-worth stood at ₹1,727.91 crore comprising of paid-up equity capital of ₹99.37 crore, Reserves of ₹1,628.54 crore while excluding the non-controlling interest of ₹780.31 crore.

B. CORPORATE GOVERNANCE

The Company's Philosophy

The Company has a Corporate Governance framework that lays out various requirements of Corporate Governance as set out under various regulations and the best practices.

Constitution of the Board of Directors

The Board of Directors of the Company is constituted in accordance with the provisions of the Companies Act, 2013 (CA 2013) and the Articles of Association ('AoA') of the Company.

The Board consists of eminent persons with considerable professional expertise in Audit, Banking, Compliance, Finance, Risk, Strategy, Technology and other related fields. Their experience and professional credentials have helped the Company to gain insights for strategy formulation, monitoring control framework and direction setting for the Company, thus adding value to set a strong foundation enabling the overall growth objective of the Company.

The Board of the Company comprised of four (04) Directors consisting of two (02) Independent Directors, one (01) Nominee Director and one (01) Managing Director & CEO as on March 31, 2025.

All the Independent Directors have given the declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013. Based on the declaration of independence provided by them, all the aforesaid two (02) Independent Directors would qualify to be classified as Independent Directors under Section 149 of the Companies Act, 2013.

The Independent Directors on the Board of the Company are included in the Director's Data Bank of MCA. One of the Independent Directors, Mr. Sundararajan, is not required to pass Online Proficiency Self-Assessment Test (OPSAT) in terms of exemption from OPSAT, while Mr. Atul, Independent Director of the Company has passed the OPSAT on January 26, 2022 for Independent Director's Databank.

Committees of the Board of Directors

For effective decision-making, the Board acts through various Committees, which oversee specific operational or strategic matters falling within the ambit of the specific terms of reference of those Committees. The Board has constituted six (06) Committees. All the Board Committees have specific charter aligning with Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued on October 19, 2023 and these Committees monitor activities falling within their respective terms of reference.
Composition of the Committees and attendance of the Directors at the Committee Meetings and the Board Meetings held during the financial year under review have been given as Annexure - 'A' to this report.

Board Evaluation and Remuneration Policy

The Independent Directors of the Company carried out an Annual Performance Evaluation of the entire Board, the Chairperson and the individual Directors, as well as the evaluation of the working of its Committees.

The Board has framed a Corporate Governance Policy, which inter alia deals with remuneration structure and criteria for selection and appointment of Directors.

Management Discussion & Analysis

Management Discussion & Analysis (MDA) is formed part of Annual Report of the company for the year ended March 31, 2025.This part has been elucidated on the points of the task taken by the management in terms of the relevant Act and Regulations and this affair of the company along with its banking subsidiary.

C. STATUTORY DISCLOSURE

Conservation of Energy and Technology Absorption

The particulars to be disclosed under Section 134(3)(m) of the Companies Act, 2013, relating to conservation of energy and technology absorption are not applicable to the Company as the Company is not engaged in these types of activities as per the Memorandum of Association (MOA) & Articles of Association (AOA) of the Company.

Foreign Exchange Earnings / Outgo

As the Company has not carried out any activities relating to the export and import during the financial year, there are no foreign exchange expense and foreign exchange income during the financial year under review.

Whistle Blower Policy (Vigil Mechanism / Anti Bribery)

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and the guidelines issued by Reserve Bank of India (RBI) and other applicable laws, the Company has established the Vigil Mechanism, as part of its Whistle Blower Policy, for the employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Additionally, the Company places zero tolerance for any integrity issue. Towards this, all the new as well as the existing employees are trained to maintain high standards of integrity in their work area. The Company's Whistle Blower Policy thus enables the employees to escalate, including any perceived integrity issues. The policy also encourages stakeholders, other than the employees to escalate such concerns.

In the FY 2024-25, no case of bribery or whistle blower disclosures or any case of corruption have been reported to the Company.

Risk Management Policy

Pursuant to the circular on 'Review of Guidelines of Core Investment Company' as issued by Reserve Bank of India on August 13, 2020, the Risk Management Policy of the Company has been introduced and adopted post approval of the Board. Further, in terms of the circular issued by RBI on 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued on October 19, 2023, the Risk Management Policy of the Company has been revised, updated with the changes and adopted post approval of the Board of the Company.

There is no element of risk, which has been detected so far as a threat to the existence of the Company.

Statutory Auditors

Pursuant to Section 139 and 141 of the Companies Act, 2013, M/s. DMKH & Co., Chartered Accountants (Firm Registration Number 116886W / 066580) was appointed as the Statutory Auditor of the Company for a period of five years (05) from FY 2021-22 upto FY 2025-26.

Issue of Employee Stock Options

As part of the HR Policy for retention of employees in Utkarsh Group, the Company has Board approved ESOP policy. During FY 2024-25, as per policy, the ESOPs of the Company have also been allotted to, including the employees of the subsidiary – 'Utkarsh Small Finance Bank Limited' (USFBL). The employees of the subsidiary and of the Company were assessed and recommended by the Board Committees and the Options at the employee level were decided by the respective Boards or as delegated by the Board.

Details of ESOPs offered during the year are as below:

Particulars	March 31, 2025		March 31, 2024	
	Number of share options (in Units)	Average exercise price per share (in ₹)	Number of share options (in Units)	Average exercise price per share (in ₹)
Outstanding options at the beginning of the year	13,09,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125	30000	125
Add: Adjustment of previous year (negative impact)	2,43,354	110.61	-	-
Less: Lapsed/ forfeited during the year	2,93,875	116.63	10,91,634	115.38
Less: Exercised during the year	6,27,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	6,48,731	120.68	13,09,227	119.40
Options vested and exercisable at the end of the year	6,13,888	120.44	9,91,210	117.60

Deposits

The Company is a non-deposit taking company i.e., Non-Banking Financial Company - Non-Deposit taking - Systemically Important - Core Investment Company (NBFC-ND-SI-CIC) and thus has not accepted any deposits during the FY 2024-25.

Details of Top Ten (10) employees in terms of Remuneration of the Company

The Company had only seven (07) employees during FY 2024-25, the details of which are as under:

#	Name	Designation	DOJ	Qualifications	Age	Exp.	Total Remuneration (₹)*	Last Employment
1.	Mr. Suman Saurabh	Managing Director & CEO	30-Sep-23	MBA PGDRM	43 Years	16 years +	60,00,000	USFBL
2.	Mr. Harshit Agrawal	Chief Financial Officer	02-Apr-18	CA	35 Years	12 years +	18,87,564	USFBL
3.	Mr. Neeraj Kumar Tiwari	Company Secretary	10-Nov-14	CS	34 Years	11 years +	10,34,556	-
4.	Mr. Raju Pandey	Assistant Manager, Accounts	04-Oct-18	M. Com	31 Years	11 years +	5,85,804	USFBL
5.	Mr. Vikas Kumar Singh	Assistant Manager, HR, IT & Admin	23-Sep-19	MCA	35 Years	14 years +	5,23,716	CMS IT Services Pvt. Ltd.
6.	Mr. Jai Kapoor	Assistant manager - Internal Audit	07-Feb-22	B. Com, CA Inter	36 Years	9 years +	3,93,036	ARSAN & Co., Chartered Accountants
7.	Miss Anjali	Senior Executive-HR & Training	01-Apr-24	MBA	26 years	1 year	3,00,000	-

Cost To Company

Other Statutory Disclosures:

a. All related party transactions entered into FY 2024-25 were at Arm's Length basis in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large;

b. There were no significant / material orders passed by the Regulators / a Court / Tribunal, etc. during FY 2024-25, which would impact the going concern status of the Company and its future operations;

c. There were no adverse observations / qualifications in the Statutory Auditors' Report;

d. All recommendations of the Audit Committee were approved by the Board;

e. Proper internal financial controls were in place, and that the financial controls were adequate and were operating effectively;

f. There were no material changes and commitments, affecting the financial position of the Company, that have occurred between April 01, 2024 and the end of the Financial Year of the Company i.e. March 31, 2025.

D. OTHER DISCLOSURES

Code of Conduct

The Company has adopted a Code of Conduct for all the Directors and Key Managerial Personnel. Some of the areas which are covered by the Code of Conduct are fairness of employment practices, protection of intellectual property, integrity, customer confidentiality and conflict of interest.

Vigilance

Your Company is responsible, both to the members and to the communities in which the Company operates and aspires to be transparent in all the dealings. The Code of Conduct requires the employees not to be engaged in integrity related issues. The Code mentions that the Company maintains the highest level of professional ethics and personal integrity to avoid situations in which an individual's personal interest may conflict or appear to be in conflict with the interest of the Company.

Secretarial Auditors

Pursuant to the section 204 of Companies Act, 2013 and relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. N. Ananthasubramanian & Co. [ICSI Unique Code: P1991MH040400] as the Secretarial Auditor for the FY 2024-25. The Secretarial Auditor has carried out the Secretarial Audit, a copy of which is enclosed as Annexure 'B' to this Report.

Corporate Social Responsibility (CSR)

Your Company has Board approved policy for CSR, which is drawn in line with the existing regulations. The CSR initiatives of the Company is routed through CSR Implementing Agency, i.e. Utkarsh Welfare Foundation (UWF).

Your Company has been providing for CSR contribution in line with statutory requirements (currently 2% of average of last 3 years' profit), every year as part of its CSR initiatives to UWF, for undertaking various welfare activities.

As per the above provision, the obligation towards CSR contribution amounted to ₹5.00 lakh, towards CSR contribution for FY2024-25.

The CSR Activities are monitored by the CSR Committee of the Board, comprised of the following members:

i. Mr. G. S. Sundararajan, Independent Director, Chairperson
ii. Mr. Atul, Independent Director
iii. Mr. Aditya Deepak Parekh, Nominee Director

Prevention of Sexual Harassment of Women at Workplace (POSH)

Pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act, 2013), Utkarsh CoreInvest Limited ('UCL' or 'the Company') upholds working women's fundamental right to equality and dignity at the workplace and abides by three key obligations as advised under the POSH Act 2013:

1. Prohibition
2. Prevention, and
3. Redressal

Group Company Policy on POSH Act, 2013 is adopted and circulated amongst employees of the Company and is updated on the website of the company. In view of the small structure (establishment) of the Company, as advised thereby, the establishment having less than 10 workers, a Local Complaints Committee (LCC) structure which is required to be constituted by the District Officials is applicable to deal with in case of complaint(s) received.

WEB LINK FOR ANNUAL RETURN

The Company is having its website i.e. www.utkarshcoreinvest.com; and the Annual Return of the Company has been published on such website at the web-link:
https://www.utkarshcoreinvest.com/index.php/InvestorRelations/annuals_reports

E. Directors' Responsibility Statement

In pursuance of Section 134(3)(c) of the Companies Act, 2013, your Directors do hereby confirm and declare that:

a. in the preparation of the annual accounts for financial year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures from the same;

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the FY 2024-25 and of the profit or loss of the Company for the FY 2024-25;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis; and

e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

F. Acknowledgment

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from all the stakeholders including shareholders, bankers, regulatory bodies and other partners during the year under review.

The Directors of the Company are thankful to the customers for posing their faith in the products and services offered by the Banking Subsidiary, i.e. Utkarsh Small Finance Bank Limited and their continued patronage.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all the employees of the Company, resulting in the committed performance of the Company and its subsidiary during the year under review.

For and on behalf of the Board of Directors

G. S. Sundararajan	**Suman Saurabh**
Chairperson	Managing Director & CEO
DIN- 00361030	DIN- 07132387
Date: August 29, 2025	Date: August 29, 2025
Place: Chennai	Place: Varanasi

Annexure 'A'

COMMITTEES OF BOARD OF DIRECTORS

The Board functions either as a full Board or through various Committees which oversee operational or strategic matters.

The Board has constituted various such Committees of Directors, required including as per the Companies Act, 2013, to monitor the activities falling within their respective terms of reference. The composition, dates of meetings and names of the members of these Committees as on March 31, 2025 are given below:

Sl. No.	Name of the Committee	Composition of the Committee	No. of Meetings held During the FY 24	Date of Meetings
1	Audit Committee of the Board (ACB)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Atul, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director	4	21 May,2024 07 Aug, 2024 30 Dec, 2024 04 Mar, 2025
2	Corporate Social Responsibility Committee (CSRC)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Aditya Deepak Parekh, Nominee Director 3.Mr. Atul, Independent Director	1	21 May,2024
3	Nomination & Remuneration Committee (NRC)	1.Mr. Atul, Independent Director (Chairperson) 2.Mr. G. S. Sundararajan, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director	3	21 May,2024 19 Sep, 2024 04 Mar, 2025
4	Share Allotment Committee (SAC)	1.Mr. Atul, Independent Director 2.Mr. Aditya Deepak Parekh, Nominee Director 3.Mr. Suman Saurabh, MD & CEO	1	04 Mar, 2025
5	Group Risk Management Committee (GRMC)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Atul, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director 4.Mr. Suman Saurabh, MD & CEO	3	07 Aug,2024 30 Dec,2024 04 Mar,2025
6	Promoter Dilution Monitoring Committee (PDMC)	1.Mr. G. S. Sundararajan, Independent Director (Chairperson) 2.Mr. Atul, Independent Director 3.Mr. Aditya Deepak Parekh, Nominee Director 4.Mr. Suman Saurabh, MD & CEO	0	-

BOARD MEETINGS

The Board of Directors of the Company met five (05) times during FY 2024-25. The maximum gap between any two (02) Board meetings was not more than one hundred and twenty (120) days at any point of time. The details of the Meetings conducted are as under:

Sl	Members	Directorship	No. of Meetings	Dates of Meeting
1.	Mr. G. S. Sundararajan	Chairperson, Independent Director	5	21 May, 2024 07 Aug, 2024 20 Sep, 2024 30 Dec, 2024 04 Mar, 2025
2.	Mr. Atul	Independent Director		
3.	Mr. Aditya Deepak Parekh	Nominee Director		
4.	Mr. Suman Saurabh	Managing Director & CEO		

Attendance of the Board of Directors

The details of the attendance of Directors at the Board Meetings, Committee Meetings and Annual General Meeting held during FY 2024-25 along with the number of other Directorships and Committee Membership(s) / Chairmanship(s) held by them, is given below:

Sl	Name of Director	DIN	Category	BOD	ACB	CSRC	NRC	SAC	GRMC	PDMC	No. of Directorship	
	Number of meetings held during the FY2024			**5**	**4**	**1**	**3**	**1**	**3**	**0**	**Public**	**Private**
1.	Mr. G. S. Sundararajan	00361030	Chairperson, Independent Director	5	4	1	3	-	3	-	5	1
2.	Mr. Atul	07711079	Independent Director	5	4	1	3	1	3	-	-	-
3.	Mr. Aditya Deepak Parekh	02848538	Nominee Director	4	3	1	2	1	2	-	1	4
4.	Mr. Suman Saurabh	07132387	Nominee Director	5	-	-	-	1	3	-	-	1

^BCD - Board of Directors
^ACB - Audit Committee of Board
^CSRC - Corporate Social Responsibility Committee
^NRC - Nomination & Remuneration Committee
^SAC - Share Allotment Committee
^GRMC - Group Risk Management Committee
^PDMC - Promoter Dilution Monitoring Committee

SECRETARIAL
AUDIT REPORT

S.N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES
10/25-26, 2nd Floor, Brindaban, Thane (W) – 400 601
T: +91 22 25345648 | +91 22 25432704
E: snaco@snaco.net | W: www.snaco.net
ICSI Unique Code: P1991MH040400

FORM No. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Utkarsh Coreinvest Limited,
CIN: U65191UP1990PLC045609
S-24/1-2, 4th Floor, Mahavir Nagar, Orderly Bazar,
New Mahavir Mandir, Varanasi, Uttar Pradesh - 221002

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Utkarsh Coreinvest Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March, 2025**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March, 2025** complied with statutory provisions listed hereunder and also, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: Not applicable as the securities of the Company are not listed on any Stock Exchange;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: Not applicable to the extent of Overseas Direct Investment and External Commercial Borrowing during the period under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not applicable as the securities of the Company were not listed on any Stock Exchanges during the period under review;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The management has identified and confirmed the following laws as being specifically applicable to the Company:

a) Reserve Bank of India Act, 1934 and guidelines made thereunder;

b) Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, and circulars issued, guidelines made thereunder;

c) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 and modifications thereof.

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with the Stock Exchanges; Not Applicable as the Securities of the Company are not listed on any Stock Exchange during the period under review.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. There has been no change in the composition of Board of Directors during the period under review.

(ii) Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) As recorded in the minutes, all the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on the representation made by the Company and on the basis of the compliances taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines, and We further report that during the financial year ended 31st March, 2025 following major event has occurred which had a bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

We further report that during the financial year ended 31st March, 2025 following major event has occurred which had a bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

a) The Members of the Company, at their Extra-Ordinary General Meeting held on 29th May, 2024, approved the following:

- Amendment of Article 13 and relevant texts of the Articles of Association (AOA) of the Company for the extension of timeline by three (03) years period i.e. up to January 22, 2027 towards the allotment of up to 3% (three percent) of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016 ("Permitted Sponsor Issuance"), pursuant to the Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders Agreement, dated April 26, 2024 (collectively "SHA"), each executed by the Company, Mr. Govind Singh, Ms. Revati Govind and the Trust and other shareholders of the Company.

b) The Members of the Company, at their Extra-Ordinary General Meeting held on 29th June, 2024, approved the following:

- cancellation of the entitlement of RAAG Family Private Trust ("Trust") to the right to be issued and allotted Equity Shares/Share Equivalents/other securities aggregating up to 3% (three percent) of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016 ("Permitted Sponsor Issuance"), pursuant to the Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders Agreement, dated April 26, 2024 (collectively "SHA"), each executed by the Company, Mr. Govind Singh, Ms. Revati Govind and the Trust and other shareholders of the Company.

- in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, payment of an amount aggregating to INR 30 Crore to the Trust by the Company, constituting a full and final settlement for the Trust, for the waiver / termination / cancellation of its right in relation to the Permitted Sponsor Issuance.

- amendment of the Articles of Association of the Company, reflecting the cancellation of the entitlement of Trust to the right to be issued and allotted Equity Shares/Share Equivalents/other securities aggregating up to 3% (three percent) of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016.

As informed by the Company, and based on a legal advice obtained, the aforesaid cash settlement was carried out with the approval of the Board of Directors and the Shareholders, towards the waiver, termination, or cancellation of rights associated with the Permitted Sponsor Issuance. In our view, there is neither any explicit provision under the Act and/or legal precedents, nor is there any restriction under the Act which prohibits such cash settlement in lieu of a waiver of such rights.

c) The Board of Directors of the Company at their meeting held on 20th September, 2024 has approved the Scheme of the Amalgamation of Utkarsh CoreInvest Limited ("Transferor Company") with Utkarsh Small Finance Bank Limited ("Transferee Company") subject to regulatory approvals, as may be required.

This Report is to be read with our letter of even date annexed as Annexure – A which forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955G000469527
28th May, 2025 | Thane

S.N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES

Annexure-A

To,
The Members,
Utkarsh Coreinvest Limited,
CIN: U65191UP1990PLC045609
S-24/1-2, 4th Floor, Mahavir Nagar, Orderly bazar,
New Mahavir Mandir, Varanasi, Uttar Pradesh – 221002

Our Secretarial Audit Report for the financial year ended **31st March, 2025** of even date is to be read along with this letter.

Management's Responsibility:

It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
5. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer:

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Managing Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955G000469527
28th May, 2025 | Thane

S.N. ANANTHASUBRAMANIAN & CO. ★ COMPANY SECRETARIES ★
S.N.
VISWANATHAN
PARTNER
ACS 61955
COP No. 24335

INDEPENDENT AUDITOR'S REPORT (STANDALONE)

INDEPENDENT AUDITOR'S REPORT

To the Members of
Utkarsh CoreInvest Limited
(Formerly known as Utkarsh Micro Finance Limited)

Report on the Audit of the Standalone Financial Statements

Opinion
We have audited the accompanying Standalone financial statements of Utkarsh CoreInvest Limited (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, Standalone Statement of Profit and Loss (including Standalone Other Comprehensive Income), Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity for the year ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone financial statements and Auditor's Report Thereon
The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone financial statements
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We have also:

- Identify and assess the risks of material misstatement of the Standalone financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we did not identify any matters that were of such significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2025, that they would be considered key audit matters. Accordingly, no such matters have been described in our auditor's report. Furthermore, there were no circumstances where disclosure was precluded by law or regulation, or where adverse consequences were expected to outweigh the public interest benefits of such communication.

Other Matter:

We draw attention to the Note No. 35 of Financial Statements- Scheme of Amalgamation (the "Scheme") involving [UCL/Transferor Company] and [USFBL/Transferee Company], as approved by the respective Boards of Directors on February 13, 2024, and March 14-16, 2024, with the final approval provided by both the Boards on September 20, 2024. The Scheme has been formulated in compliance with the dilution requirements stipulated under the guidelines issued by the Reserve Bank of India (RBI) for Small Finance Banks (SFB Guidelines) and the RBI (Acquisition Directions), which require the promoter's equity stake in the Transferee Company to be reduced to 40% within five years, and further to 26% within 15 years, from the commencement of business operations.

Pursuant to the Scheme, the equity shareholding of the Transferor Company in the Transferee Company would be reduced to nil upon the dissolution of the Transferor Company, and no shareholders of the Transferor Company will qualify as promoters of the Transferee Company. Consequently, this amalgamation is intended to ensure compliance with the above-stated regulatory requirements.

The RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Further, the approval from Stock Exchanges is awaited.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **'Annexure A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with schedule V to the companies Act, 2013 in respect of the remuneration paid by the Company to its directors during the year. The remuneration paid is in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note no.22 to the standalone financial statements.

      ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv.(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      iv.(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and

      iv.(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

      v. The Company has not declared or paid dividend during the year.

vi. Based on our examination of the books of account and other relevant records of the Company, and according to the information and explanations given to us, we report that the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operative from 1st April, 2023 for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

	For DMKH & CO,	**CA Manish Kankani**
Place: Mumbai	Chartered Accountants	Partner
Date: May 30, 2025	Firm Registration No.: 116886W	Membership No.:158020
		UDIN: 25158020BMIZKU4703

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the Company and Books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b) The Company has maintained proper records showing full particulars of intangibles assets.

c) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

d) According to the information and explanations given by the management, there are no immovable properties held by the company; hence the said clause is not applicable to the company.

e) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2025.

f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii The Company is a Non-Banking Finance Company ("NBFC"). Accordingly, it does not hold any inventory. Hence the provisions of Clause 3(ii) of the said order is not applicable to the company.

iii a) During the year, the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

b) The investments made by the Company, during the year, are not prejudicial to its interest. During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

c) The Company has not granted any loans to its employees during the year, Accordingly, the requirement to report under clause 3(iii)© of the Order is not applicable to the Company.

d) There are no amounts of loans and advances in nature of loans granted to companies, Firms, Limited Liability Partnerships, or any other parties which are overdue for more than ninety days.

e) There were no amounts of loans and advances in nature of loans granted to companies, Firms, Limited Liability Partnerships or any other parties which has fallen due during the years, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

f) The Company has not granted loans and advances in the nature of loans, either repayable at demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (f) of the Order are not applicable to the company.

iv. There are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 of the Companies Act 2013 are applicable. The Company being NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the companies Act, 2013, for the services rendered by the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employee's state insurance, income tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were in outstanding, at the year ending, for a period of more than six months from the date they become payable.

b) The dues of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, cess and other statutory dues have not been deposited on account of any dispute are as follows :

Nature of payment	Nature of the dues	Amount in (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending.
Income Tax Act, 1961	Income Tax Demands	1.04	AY 18-19	Income-tax Appellate Tribunal (ITAT)

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirements to report on clause 3(viii) of the Order is not applicable to the Company.

ix. a) The Company did not have any outstanding loans or borrowings due to any lender during the year. Accordingly, the requirements to report on clause 3(ix)(a) of the Order is not applicable to the Company.

b) The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

c) The Company did not have any term loans outstanding during the year, hence the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable.

e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries or associates.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments), hence the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debenture during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to Company.

xi. a) No Fraud by the Company or no fraud on the Company has been noticed or reported during the year.

b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government.

c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints received during the year by the company.

xii. The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. a) The Company has an internal audit system commensurate with the size and nature of its business.

b) The Internal Audit reports of the company issued till the date of the audit report, for the period under audit, have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirements to report to clause 3(xv) of the Order is not applicable to the Company.

xvi. a) The Company has obtained the requisite registration as a Non-Banking Financial Institution under section 45 – IA of the Reserve Bank of India Act, 1934.

b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

c) The Company is a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, and continues to fulfil the criteria of a CIC.

d) There is no Core Investment Company as a part of the Group, Hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has neither incurred cash losses in the current financial year nor in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report Clause 3(xviii) of the Order is not applicable to the company.

xix. On the basis of the financial ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. a) In respect of other than ongoing projects, there are no unspent amounts in respect of CSR that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note no. 19 to the financial statements.

b) In respect of ongoing projects, there are no unspent amounts in respect of CSR, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note no. 19 to the financial statements.

Place: Mumbai
Date: May 30, 2025

For DMKH & CO,
Chartered Accountants
Firm Registration No.: 116886W

CA Manish Kankani
Partner
Membership No.:158020
UDIN: 25158020BMIZKU4703

Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Utkarsh CoreInvest Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ("ICAI"). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement including, the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A company's internal financial controls over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial Reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2025, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

	For DMKH & CO,	**CA Manish Kankani**
Place: Mumbai	Chartered Accountants	Partner
Date: May 30, 2025	Firm Registration No.: 116886W	Membership No.:158020
		UDIN: 25158020BMIZKU4703

Audited Financial Statements (Standalone)

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Balance Sheet as at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Assets			
Financial assets			
Cash and cash equivalents	3	1.25	24.96
Bank balance other than above	4	531.85	463.48
Investments in subsidiaries	6	7,899.58	7,898.78
Other financial assets	5	6.86	3.12
Non-financial assets			
Current tax assets (net)	-	122.55	124.16
Property, plant and equipment	7	3.11	-
Other non-financial assets	8	0.19	0.19
Total assets		**8,565.39**	**8,514.69**
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding due to micro and small enterprises	9	0.57	0.75
- Total outstanding dues of creditors other than micro enterprises and small enterprises		0.94	2.02
Other financial liabilities	10	3.41	2.64
Non-financial liabilities			
Provisions	11	0.43	0.36
Other non-financial liabilities	12	0.59	4.01
Equity			
Equity share capital	13	993.72	987.44
Other equity	14	7,565.73	7,517.47
Total liabilities and equity		**8,565.39**	**8514.69**

Summary of material accounting policies 2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Other income	15	434.54	45.20
			45.20
Total income		**434.54**	
Expenses			14.36
Employee benefits expenses	16	15.630	-
Depreciation	17	0.190	10.54
Others expenses	18	13.040	
Total expenses		**28.86**	**24.90**
Profit/(Loss) before tax		405.68	20.30
Tax Expense:			
Current tax	56	102.98	5.85
Profit/(Loss) for the year		**302.70**	**14.45**
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
-Actuarial gain/(loss) on defined benefit obligation*		(0.11)	(0.32)
Total			
		(0.11)	**0.32**
Total Comprehensive Income for the year			
*Absolute amount for 31 March 2025: INR 109,418, (31 March 2024: INR 3,24,390)		**302.59**	**14.13**
Earnings per equity share			
Basic earnings per share of INR 10 each			
Diluted earnings per share of INR 10 each		3.06	0.15
		3.05	0.15
Summary of material accounting policies	29		
The accompanying notes are an integral part of these standalone financial statements.	29		
As per our report of even date attached.	2		

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
A. CASH FLOW FROM OPERATING ACTIVITES			
Net Profit/(loss) before Tax		405.68	20.30
Adjustments for:			
Depreciation and amortisation		0.19	-
Dividend income		(379.64)	-
Interest income		(40.59)	(34.42)
Sharebased payment adjustment		(0.36)	(7.96)
Actuarial gain/(loss) on defined benefit obligation		(0.11)	(0.32)
Operating (Loss)/profit before Working Capital Changes		**(14.83)**	**(22.40)**
Adjustments for:			
(Increase) in bank balance other than above		(68.25)	(38.85)
Decrease/(Increase) in other financial assets		(3.74)	(1.73)
Decrease in other non financial asset		0.00	0.05
(Decrease)/Increase in trade payables		(1.26)	0.03
(Decrease)/Increase in other financial liability		0.77	0.70
(Decrease)/Increase in other non financial liability		(3.42)	3.20
Increase/(Decrease) in provision		0.07	(0.55)
Cash Flow before taxation		**(75.83)**	**(37.16)**
Income Tax (paid)/ refund - Net		(101.37)	(8.23)
Net cash flow from operating activities		**(192.03)**	**(67.79)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		379.64	-
Interest income		40.47	33.51
Purchase of property, plant and equipments		(3.30)	
Net cash used in Investing Activities		**416.81**	**33.51**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Shares including Securities premium		51.51	59.19
Payment to shareholder under Shareholder agreement		(300.00)	-
Net cash flow from Financing Activities		**(248.49)**	**59.20**
Net (Decrease)/Increase in Cash and Cash Equivalent Flow (A+B+C)		(23.71)	24.92
Opening Cash and Cash Equivalent	3	24.96	0.04
Closing Cash and Cash Equivalent	3	1.25	24.96

Summary of material accounting policies 2

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
"Standalone statement of changes in equity Balance as at 31 March 2025"
(Amount in millions unless otherwise stated)

A Equity Share Capital

	Balance as at 1 April 2023	Changes during the year	Balance as at 31 March 2024	Changes during the year	Balance as at 31 March 2025
Paid up share capital	984.21	3.23	987.44	6.28	993.72
	984.21	**3.23**	**987.44**	**6.28**	**993.72**

B

	Reserves and Surplus									Other comprehensive income		Total
Other Equity	Share application money pending allotment	Equity component of financial instruments	Statutory reserve	Other Equity - Fair valuation changes	Capital redemption reserve	Securities premium	ESOP reserve	Treasury shares	Retained Earnings	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	Actuarial gain / loss on post employment defined benefit plan	Total
Balance as at 1 April 2023	-	**(109.01)**	**215.28**	**4,121.67**	**90.00**	**6479.52**	**142.77**	**(2.45)**	**(3,323.07)**	**(160.62)**	**(0.13)**	**7,453.96**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	14.45	-	(0.32)	14.13
Share options exercised	-	-	-	-	-	17.75	(17.75)	-	-	-	-	-
Transfer to / from retained earnings	-	-	2.87	-	-	-	(35.73)	-	32.86	-	-	(0.00)
Equity settled share based plan	-	-	-	-	-	-	(6.57)	-	-	-	-	(6.57)
Share Issued	-	-	-	-	-	-	-		-	-	-	34.41
Share application money received	2154	-	-	-	-	34.41	-	-	-	-	-	21.54
Balance as at 31 March 2024	**21.54**	**(109.01)**	**218.15**	**4,121.67**	**90.00**	**6531.69**	**82.71**	**(2.45)**	**(3,275.76)**	**(160.62)**	**(0.45)**	**7,517.47**
Total Comprehensive Income for the half year	-	-										
Share options exercised	-	-	-	-	-	32.16	(32.16)	-	302.70	-	(0.11)	302.59
Transfer to / from retained earnings	-	-	60.60	-	-	-	(8.75)	-	-	-	-	-
Equity settled share based plan	-	-	-	-	-	-	0.44	-	(51.85)	-	-	0.44
Share Issued	(21.54)	-	-	-	-	66.34	-	-	-	-	-	45.00
Payment to shareholders under shareholder agreement	-	-	-	-	-	-	-	-	(300.00)	-	-	(300.00)
Share application money received	**0.23**	-	-	-	-		-	-	-	-	-	0.23
Balance as at 31 March 2025	**0.23**	**(109.01)**	**278.75**	**4,121.67**	**90.00**	**6630.39**	**42.24**	**(2.45)**	**(3,324.91)**	**(160.62)**	**(0.56)**	**7,565.73**

Summary of significant accounting policies 2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

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Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
3 Cash and Bank Balances			
Cash and cash equivalents			
Balances with Banks			
- On current accounts		1.25	24.96
Total		**1.25**	**24.96**
4 Bank balance other than Cash and cash equivalents			
In Bank deposits		531.85	463.48
Total		**531.85**	**463.48**
5 Other financial assets			
Receivable from Utkarsh Small Finance Bank Limited		5.77	2.18
Other recoverable		0.02	0.01
Plan asset receivable for leave encashment provision		1.07	0.93
Total		**6.86**	**3.12**
6 Investments in subsidiaries			
Investment in -			
- 759,272,222 (31 March 2024: 759,272,222) Equity shares of Utkarsh Small Finance Bank Limited		7,899.58	7,898.78
Total		**7,899.58**	**7,898.78**
Out of Above		7,899.58	7,898.78
In India			
Outside India		-	-

Subsidiary details			Proportion of the ownership interest	
Name of the entity and Relationship	**Principal place of business**	**Principal activities**	**As at 31 March 2025**	**As at 31 March 2024**
Utkarsh Small Finance Bank Limited-Subsidiary	Varanasi	Banking Business	68.92%	69.06%

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
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7 Property, Plant and Equipment

	Gross value				Depreciation				Net Value
Particulars	**As at 1 April 2024**	**Additions**	**Disposals**	**As at 31 March 2025**	**As at 1 April 2024**	**For the year**	**Disposals**	**As at 31 March 2025**	**As at 31 March 2025**
Owned Assets									
Vehicles	0.10	-	-	0.10	0.10	-	-	0.10	-
Computers	2.98	3.30	-	6.28	2.98	0.19	-	3.18	3.11
Total	**3.08**	**3.30**	**-**	**6.38**	**3.08**	**0.19**	**-**	**3.27**	**3.11**

	Gross value				Depreciation				
Particulars	**As at 1 April 2023**	**Additions**	**Disposals**	**As at 31 March 2024**	**As at 1 April 2023**	**For the year**	**Disposals**	**As at 31 March 2024**	**As at 31 March 2024**
Owned Assets									
Vehicles	0.10	-	-	0.10	0.10	-	-	0.10	-
Computers	2.98	-	-	2.28	2.98	-	-	2.18	0.00
Total	**3.08**	**-**	**-**	**3.08**	**3.08**	**-**	**-**	**3.08**	**-**

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	Note	As at 31 March 2025	As at 31 March 2024
8 Other non-financial assets			
Pre-paid expenses		0.19	0.19
Total		**0.19**	**0.19**
9 Trade payables			
Total outstanding due to micro and small enterprises (Refer Note 21)		0.57	0.75
Total outstanding dues of creditors other than micro enterprises & small enterprises		0.94	2.02
Total		**1.51**	**2.77**

Trade payables ageing schedule:

As on 31 March 2025

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	-	0.57-		-	-	-	0.57
(ii) Others	0.43	0.51	-	-	-	-	0.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-		-	-	-	-	-
Total	**0.43**	**1.08**	**-**	-	-	-	**1.51**

As on 31 March 2024

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	0.75	-	-	-	-	-	0.75
(ii) Others	1.55	-	0.47	-	-	-	2.02
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**2.30**	-	**0.47**	-	-	-	**2.77**

	As at 31 March 2025	As at 31 March 2024
10 Other financial liabilities		
Employee benefits payable	3.41	2.64
	3.41	**2.64**

Information about the Company's exposure to liquidity risk is included in Note 31

	As at 31 March 2025	As at 31 March 2024
11 Provisions		
Provision for employee benefits		
Provision for gratuity	0.12	0.01
Provision for other employee benefits	0.31	0.35
Total	**0.43**	**0.36**
12 Other non-financial liabilities		
Statutory dues payable		
TDS payable	0.36	3.61
GST payable	0.15	0.34
PF payable	0.08	0.06
	0.59	**4.01**

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
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	Note	As at 31 March 2025	As at 31 March 2024
13 Share capital			
Authorised			
Equity shares			
10,00,00,000 (31 March 2024: 10,00,00,000) Equity shares of INR 10 each		1,000.00	1,000.00
Issued, subscribed and paid-up			
Equity shares			
9,93,71,965 (Previous year 9,87,44,490) equity shares of Rs. 10 each, fully paid up		993.72	987.44
		993.72	**987.44**

(a) Reconciliation of the number of shares outstanding is set out below:

	31 March 2025		31 March 2024	
	Number of shares (in units)	Amount	Number of shares (in units)	Amount
Outstanding as at the beginning of the year	98,744,490	987.44	9,84,20,960	984.21
Issued during the year	627,475	6.28	323,530	3.23
Outstanding at the end of the year	**99,371,965**	**993.72**	**98,744,490**	**987.44**

(b) Rights, preferences and restrictions attached to equity shares

(i) Equity shares

"The Company has single class equity shares having a par value of INR 10 per equity share. They entitle the holders to participate in the dividends in proportion to the number of shares held.

However, as per the Shareholders Agreement, in the event of liquidation, the net proceeds shall be distributed in the following manner:

- First preference shall be given to the Investors (ABF, AGIMDC II, AVMS, CDC, FCIEF II, FCIEF III, HDFC Ergo, HDFC Life, HDFC Ltd., Hero, ICICI Pru, IFC, JIF, Lok CGF, NMI, rAPM, RBL, Sarva Capital, SFRE-SICAV-SIF, Shriram and SIDBI), shareholders which have been allotted equity shares pursuant to ESOP plan 2010 and other shareholders (other than the shareholders which have been allotted equity shares pursuant to grant of employee stock option of the Company excluding ESOP Plan 2010).
- Second preference shall be with shareholders which have been allotted equity shares pursuant to grant of employee stock options of the Company (excluding ESOP Plan 2010) and sponsors of the Company.
- Remaining shareholders shall have third preference over the residual assets of the Company at the time of liquidation. "

(c) Details of shareholder holding more than 5% shares is set below:

Equity shares	31 March 2025		31 March 2024	
Name of the shareholder	**Number of shares (in units)**	**% of Holding**	**Number of shares (in units)**	**% of Holding**
British International Investment PLC	13,726,978	13.81%	13,726,978	13.90%
(Formerly known as CDC Group PLC)	8,581,150	8.64%	9,702,950	9.83%
RBL Bank Limited	7,702,602	7.75%	7,702,602	7.80%
NMI Frontier Fund KS, Norway	7,660,082	7.71%	7,660,082	7.76%
Faering Capital India Evolving FUND II	**37,670,812**	**37.91%**	**38,792,612**	**39.29%**

(d) Shares reserved for issue under options - Refer Note 26 for details of shares to be issued under employee stock option plan.

(e) Pursuant to Shareholder Agreement dated September 27, 2016 (post receipt of RBI's in-principle approval for issue of SFB licence) and subsequent amendments thereto, Mr. Govind Singh was to be issued upto three percent (3%) of the paid up share capital of the promoter company either by the promoter company or by the SFB entity on a fully diluted basis within a period of Seven (7) years from the date of commencement of banking operations i.e. upto January 22, 2024.commencement of banking operations i.e. upto January 22, 2024.

Subject to RBI approval, the Board of Directors of the Bank has, vide the resolution passed at its meeting held on January 14, 2020, read along with resolution passed by it on July 20, 2020, approved the grant of options equivalent to 0.60% of the paid up share capital of the Bank as of March 31, 2020 constituting 45,55,633 Equity Shares to Mr. Govind Singh, Managing Director and Chief Executive Officer of the Bank under the MD & CEO ESOP Plan. However, In response to the Bank's letter dated January 21, 2021 in the matter seeking RBI approval, Department of Regulation, RBI Central Office vide its reply letter dated June 9, 2021 has stated that the said remuneration proposal does not have RBI approval.

The Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders' Agreement dated April 26, 2024 ("SASRASHA"), (collectively, "SHA") and Amendment of the Articles of Association of the Company dated May 27, 2024 (as amended from time to time) executed amongst the Company, the sponsors and the other shareholders provides that the Company has agreed to issue Equity Shares/Share Equivalents/other securities that are equal to 3% of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016, to RAAG Family Private Trust ("Trust") ("Permitted Sponsor Issuance"), within a specified time period as reflected in the SASRASHA, at a price not less than [₹109.36 per share] and as amended from time to time.

Further in this regard, basis discussions between the Company, Trust and the Investors (as defined in the SHA), including calls with Investors dated [January 18, 2024 and April 30, 2024], it was proposed that the Company makes a settlement to the Trust, for an amount aggregating to INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Settlement amount"), in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, which will constitute a full and final settlement for the Trust, for such waiver/ termination/ cancellation of the Permitted Sponsor Issuance.

Apropos the above, the Board of Directors of the company accorded its approval dated June 07, 2024 towards settlement to the trust amounting to ₹30 crore subject to approval by the shareholders of the company. The Company vide Extra-Ordinary general meeting of shareholders held on June 29, 2024 received requisite approval towards the above stated payment to the trust and thereby extinguishment/ waiver/ cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company. Further, the Company provisioned the above amount of ₹30 crore in its books of accounts during June 2024, out of which an amount of ₹10 crore has been paid to the trust dated June 29, 2024 and the balance of ₹20 crore paid dated August 12, 2024.

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	Note	As at 31 March 2025	As at 31 March 2024
14 Other equity			
Capital redemption reserve			
Balance as at the beginning of the year		90.00	90.00
Add: Transfer from surplus in Statement of Profit and Loss		-	-
Balance as at the end of the year		**90.00**	**90.00**
Securities premium			
Balance as at the beginning of the year		6,531.69	6,479.52
Add: Transfer from stock option outstanding		32.16	17.75
Add: On issue of shares during the year		66.54	34.41
Balance as at the end of the year		**6,630.39**	**6,531.69**
Employees stock options outstanding			
Balance as at the beginning of the year		82.71	142.77
Add: Compensation for options granted		0.44	(6.57)
Less: Transfer to Retained Earnings		(8.75)	(35.73)
Exercise of stock options		(32.16)	(17.75)
Balance as at the end of the year		**42.24**	**82.71**
Equity component of financial instruments			
Balance as at the beginning of the year		(109.01)	(109.01)
Balance as at the end of the year		**(109.01)**	**(109.01)**
Remeasurement of defined benefit plans			
Balance as at the beginning of the year		(0.45)	(0.13)
Other comprehensive income		(0.11)	0.32
Balance as at the end of the year		**(0.56)**	**(0.45)**
Statutory reserve			
Balance as at the beginning of the year		218.15	215.28
Add: Transferred from surplus		60.60	2.87
Balance as at the end of the year		**278.75**	**218.15**
Other Equity - Fair valuation changes			
Balance as at the beginning of the year		4,121.67	4,121.67
Add: Fair valuation of equity share capital		-	-
Less: Loss on extinguishment		-	-
Balance as at the end of the year		**4,121.67**	**4,121.67**
Retained earnings			
Balance as at the beginning of the year		(3,275.76	(3,323.06
Add: Profit/(loss) for the year		302.70	14.45
Add: Amount transferred to statutory reserve (created under Section 45-1C of RBI Act, 1934)		-	(2.87)
Add: ESOP Reserve Adjustment		(51.85)	35.73
Less: Payment to shareholder under shareholder agreement		(300.00)	-
Balance as at the end of the year		**(3,324.91)**	**(3,275.76)**
Share Application money pending allotment			
Balance as at the beginning of the year		21.54	-
Shares issued during the year		(21.54)	-
Share application money received during the year		0.23	21.54
		0.23	**21.54**
Treasury shares			
Balance as at the beginning of the year		(2.45)	(2.45)
Treasury shares exercised during the year		-	-
Balance as at the end of the year		**(2.45)**	**(2.45)**
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss			
Balance as at the beginning of the year		(160.62)	(160.62)
Total Comprehensive Income for the year		-	-
		(160.62)	**(160.62)**
Total		**7,565.73**	**7,517.47**

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Nature and purpose of other reserve :

Capital Redemption Reserve
Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Companies Act, 2013.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ESOP Reserve
The said amount is used to recognise the grant date fair value of options issued to employees under Utkarsh CoreInvest Ltd and its subsidiary Utkarsh Small Finance Bank.

Equity component of financial instruments
This represents the equity component of the financial liability created on account of classification of equity share capital as financial liability.

Remeasurement of defined benefit plans
Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits: (a) actuarial gains and losses (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Statutory reserve
The said reserve has been created under Section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-Banking Financial Company shall create a reserve fund and transfer a sum not less than 20% of net profit every year before declaration of dividend.

Other Equity - Fair valuation changes
The said reserve represents the premium amount paid by the shareholders transferred on account of reclassification of equity share capital as financial liabilities. During the year ended 31 March 2019, due to substantial modification of the shareholder agreement, the Company has reclassified the equity share capital from financial liability to equity. Accordingly, the amount debited to said reserve in the previous periods was credited. Further, on the date of said reclassification, the Company has recorded the equity at the fair valuation on the date of reclassification and accordingly, the impact of the same has been booked in other equity. Loss on extinguishment of financial liability has been recorded in the said reserve.

Retained Earnings
The said amount represents accumulated surplus/(deficit) of the profits earned by the Company. The company has provided for INR 30 million to RAAG trust in lieu of issuing 3% of share capital on fully diluted basis as per share holder agreement and article of asssociation

Share Application money pending allotment
This amount represents amount received from share holders against which shares are yet to be allotted.

Treasury shares
The said amount represents shares issued to the ESOP trust and subsequently issued to the employees of the Company.

Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss
The said amount represents fair value changes on financial liabilities designated at fair value through profit or loss relating to own credit risk which is recognised in other comprehensive income.

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	Note	As at 31 March 2025	As at 31 March 2024
15 Other income			
Dividend Income		379.640	-
Dividend income from current investments		40.590	34.42
Recovery from written off portfolio		-	-
Miscellaneous income		12.70	10.68
		1.61	0.09
Total		**434.54**	**45.20**
16 Employee benefit expenses			
Salaries and bonus		12.91	14.08
Contribution to provident and other funds		0.51	(0.09)
Share based payment to employees		1.98	0.18
Staff welfare expenses		0.23	0.19
Total		**15.63**	**14.36**
17 Depreciation			
Depreciation of property, plant and equipment		0.19	-
Total		0.19	**-**
18 Other expenses			
Repairs and maintenance		0.02	0.02
Contribution towards Corporate Social Responsibilities		0.50	0.40
Legal and professional charges		6.58	5.18
Loss on sale of property, plant and equipment		-	-
Director sitting fees		3.67	3.13
RBI Compounding fees		-	-
Communication expenses		0.07	0.06
Miscellaneous expenses #		1.32	0.84
Lease rent *		0.88	0.93
Total		**13.04**	**10.54**

* Represents lease rentals for short term leases in the current year
\# -Includes INR 1,91,172 /- for year ended 31 March 2025 for director travel (INR 1,33,162 for the year ended 31 Match 2024)

	As at 31 March 2025	As at 31 March 2024
19 Details of corporate social responsibility expenditure		
Average net profit of the Company for last three financial years	20.99	15.14
Gross amount required to be spent by the company during the year	Nil	Nil
Corporate Social Responsibility expenses for the year	0.50	0.40
Various Head of expenses included in above:		
Other expenses (Contribution towards Corporate Social Responsibilities)	0.50	0.40
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.50	0.40
Details of related party transactions	0.50	0.40
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the year	0.50	0.40
Less: Provision utilised during the year	0.50	0.40
Closing Balance	-	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	Nil	Nil
The total of previous years' shortfall amounts	Nil	Nil
The reason for above shortfalls by way of a note	-	-
The nature of CSR activities undertaken by the Company	Contribution made towards CSR activities	Contribution made towards CSR activities

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee of the Board of Directors. The CSR Committee has also approved a CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, has been identified.

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20 Auditors remuneration (Included in legal and professional charges, excluding taxes)

Payments to auditor (excluding tax)		
- Statutory auditor	0.90	1.06
- Other services	0.03	-
- Reimbursement of expenses	-	
		0.00
Total	**90.03**	**1.06**

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21 Amounts payable to Micro and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount remaining unpaid to any supplier as at the end of the year.	0.58	0.75
Interest due thereon remaining outstanding as at the end of the year.	Nil	Nil
The amount of interest paid by the buyer as per Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

22 A. Contingent liabilities

Claims against the company not acknowledged as debts in respect of Income Tax is INR 10.39 (31 March 2024: INR 10.39).

B. Commitments

There are no commitments as at 31 March 2025 and 31 March 2024.

C. Contingent assets

There are no contingent assets as at 31 March 2025 and 31 March 2024.

23 Details of pending litigations

	As at 31 March 2025	As at 31 March 2024
Proceedings by Company against theft*	2.51	2.51
Income Tax CIT (A) - Refund	114.30	114.30
Income-tax Appellate Tribunal (ITAT) - Demand	10.39	10.39

*An amount of INR 0.14 (31 March 2024: 0.14) has been recovered in earlier years and INR 2.37 (31 March 2024 : 2.37) is yet to be recovered. The total unrecovered amount (against theft) is written off in the previous years.

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24 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

		As at 31 March 2025			As at 31 March 2024		
(I)	**Assets**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
A	**Financial assets**						
	Cash and cash equivalents	1.25	-	1.25	24.96	-	24.96
	Bank balance other than above	-	531.85	531.85	-	463.48	463.48
	Investment in subsidiary	-	7,899.58	7,899.58	-	7,898.78	7,898.78
	Other financial assets	6.86	-	6.86	3.12	-	3.12
	Total financial assets	**8.11**	**8,431.43**	**8,439.54**	**28.08**	**8,362.26**	**8,390.34**
	Non-financial assets						
B	Current tax assets (net)	-	122.55	122.55	-	124.16	124.16
	Property, plant and equipment		3.11	3.11	-	-	-
	Other non-financial assets	0.19	-	0.19	0.19	-	0.19
	Total non-financial assets	0.19	125.66	125.85	0.19	**124.16**	**124.35**
	Total Assets	**8.30**	**8,557.09**	**8,565.39**	**28.27**	**8,486.42**	**8,514.69**
	Liabilities						
(II)							
	Financial liabilities						
A	Trade Payable	1.51	-	1.52	2.77		2.77
	Other financial liabilities	3.41	-	3.41	2.64	-	2.64
	Non-financial liabilities						
B	Provisions	0.43	-	0.43	0.36	-	0.36
	Other non-financial liabilities	0.59		0.59	4.01	-	4.01
	Total financial liabilities	**5.94**	-	**5.95**	**9.78**	-	**9.87**
	Total Liabilities	**5.94**	-	**5.94**	**9.78**	-	**9.78**
	Net	**2.36**	**8,557.09**	**8,559.45**	**18.49**	**8,486.42**	**8,504.91**

25 Segment reporting

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' As the Company is not having any commercial operations, hence there are no separate reportable segments as per Ind AS 108.

Information about products and services:
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about geographical areas:
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about major customers (from external customers):
The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

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26 Employee benefits

The Company operates the following post-employment plans -

i. Defined Benefit plan

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2025	31 March 2024
Net defined benefit liability	0.12	0.01

A) Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section D below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the year ending 31 March 2026 is INR 0.28

B) Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As at 31 March 2025			As at 31 March 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	0.70	0.68	0.01	1.42	1.26	0.16
Included in profit or loss						
Current service cost	0.17	-	0.17	0.13	-	0.13
Past Service cost	-	-	-	-	-	-
Interest cost (income)	0.05	0.05	0.00	0.10	0.09	0.01
Total (A)	**0.22**	**0.05**	**0.17**	**0.23**	**0.09**	**0.14**
Included in Other comprehensive income						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.01	-	0.01	(0.00)	-	(0.00)
- experience adjustment	0.11	-	0.11	0.33	-	0.33
– Return on plan assets excluding interest income	-	0.01	(0.01)	-	0.00	(0.00)
Total (B)	**0.13**	**0.01**	**0.11**	**0.32**	**0.00**	**0.32**
Other						
Contributions paid by the employer	-	0.18	(0.18)	-	0.61	(0.61)
Benefits Paid	-			(1.28)	(1.28)	
Total (C)	-	0.18	**(0.18)**	**(1.28)**	**(0.67)**	**(0.61)**
Balance at the end of the year	**1.04**	**0.92**	0.12	0.70	0.68	0.01

C) Plan assets

	31 March 2025	31 March 2024
Insurer managed funds	100%	100%

"The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

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D) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):	31 March 2025	31 March 2024
Discount rate	6.50%	7.10%
Future salary growth	8%	7.00% for the first 2 years, and 9.00% thereafter
Withdrawal rate: All ages	13.10% - 31.90%	13.10% - 31.90%
Retirement Age (in year)	60	60
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Discount rate: The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary escalation rate: Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

E) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.07)	0.07	(0.05)	0.05
Salary growth rate (1% movement)	0.07	(0.07)	0.05	(0.05)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F) Expected maturity analysis of the defined benefit plans in future years

	31 March 2025	31 March 2024
0 to 1 Year	0.14	0.10
1 to 5 Year	0.50	0.32
5 Year onwards	1.12	0.90
Total	**1.76**	**1.32**

As at 31 March 2025, the weighted-average duration of the defined benefit obligation was 7 years (31 March 2024: 7 years)

G) Description of risk exposures

Investment risk

"The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk (discount rate risk)

"Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Mortality risk

"The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For the current year, we have used Indian Assured Lives Mortality (2012-14) ultimate table.
A change in mortality rate will have a bearing on the plan's liability."

Salary risk

"The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

ii) Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Provident fund	0.50	0.52

iii) Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	Year ended 31 March 2025	Year ended 31 March 2024
Amount recognised in Statement of Profit and Loss		
Provision for leave encashment and gratuity	(0.11)	0.29

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27 Employee stock options

A Description of share-based payment arrangements

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust. The Scheme is applicable to all the eligible employees of the Company and its subsidiary Companies ('Group'). The scheme provides that subject to continued employment with the company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The Company formed Utkarsh ESOP Welfare Trust ('Trust') to issue ESOPs to employees of the Company as per Employee Stock Option Scheme. Total 1,200,000 equity shares has been reserved under ESOP scheme 2016 and pursuant to Shareholder agreement executed in the year 2016-17 additional 5,989,594 equity shares has been reserved for the purpose of ESOP scheme.

The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The Trust in turn allots the shares to employees on exercise of their right against cash. The compensation costs of stock options granted to employees are accounted by the Company using fair value method.

The Trust does not have any transactions/activities other than those mentioned above, hence it is treated as a part of the Company and gets consolidated with the standalone books of the Company.

The Company granted 17,500 (31 March 2024, 30,000) options to the employees of the Company during the year.

The options vested shall be exercised within a period of 24 months from the date of vesting. The plan shall be administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Company in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

The Company granted options to eligible employees of the Company and its subsidiary, Utkarsh Small Finance Bank Limited on September 19, 2024. Since the ESOP cost for the grant was not approved by the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Bank, the Company cancelled grant by passing a Board Resolution on May 20, 2025. Therefore, the said grant may be considered for cancellation in totality effective Septemebr 19, 2024 in terms of fulfilling the requirement under corporate governance and accounting principles. Further to apprise that a note on the re-issuance of ESOP grant to the employees of USFBL and UCL may be placed before the Committee during current financial year.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

	As at 31 March 2025		As at 31 March 2024	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	1,309,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125.00	30,000	125.00
Add: Adjustment of previous year (negative impact)	243,354	110.61	-	-
Less: Lapsed/forfeited during the year	293,875	116.63	10,91,634	115.38
Less: Exercised during the year	627,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	**648,731**	**120.68**	**13,09,227**	**119.40**
Options vested and exercisable at the end of the year	613,888	120.44	9,91,210	117.60

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was 116.11 (31 March 2024 INR 116.37).

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C Share options outstanding at the end of the year have the following contractual expiry date and exercise options.

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 31 March 2025	As at 31 March 2024
1 April 2014	1 April 2016 - 1 April 2019	21.60	-	-
1 April 2015	1 April 2017 - 1 April 2020	21.60	-	-
1 April 2016	1 April 2018 - 1 April 2021	21.60	-	-
1 April 2017	1 April 2019 - 1 April 2022	109.36	-	-
1 April 2018	1 April 2020 - 1 April 2023	109.36	-	-
1 April 2019	1 April 2021 - 1 April 2024	109.36	-	-
1 June 2019	1 June 2021 - 1 June 2024	109.36	179,094	4,69,000
9 Dec 2019	9 Dec 2021 - 9 Dec 2024	125.00	12,500	35,000
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	125.00	416,669	7,67,727
1 April 2021	1 April 2023 - 1 April 2026	125.00	3,750	7,031
1 April 2022	1 April 2024 - 1 April 2027	125.00	7,031	12,188
1 April 2023	1 April 2025 - 1 April 2028	125.00	12,187	18,281
1 April 2024	1 April 2026 - 1 April 2029	125.00	17,500	-

Weighted average remaining contractual life of options outstanding at the end of the year 1.28 years 2.05 years

D Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 9.54 - 203.60
The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value
1 April 2014	1 April 2016 - 1 April 2019	33.83%	21.6	28.72	8.81%	11.57 - 16.12
1 April 2015	1 April 2017 - 1 April 2020	43.09%	21.6	45.51	7.74%	27.54 - 32.21
1 April 2016	1 April 2018 - 1 April 2021	52.41%	21.6	71.4	7.46%	53.15 - 57.95
1 April 2017	1 April 2019 - 1 April 2022	30.91%	109.36	82.19	6.68%	9.54 - 23.70
1 April 2018	1 April 2020 - 1 April 2023	29.51%	109.36	107.19	7.40%	23.88 - 42.55
1 June 2019	1 June 2021 - 1 June 2024	19.60%	109.36	132.13	7.03%	49.31 - 67.99
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	47.00%	125.00	131.59	5.55%	50.10 - 65.77
1 April 2021	1 April 2023 - 1 April 2026	49.30%	125.00	142.50	5.80%	53.60 - 77.00
1 April 2022	1 April 2024 - 1 April 2027	49.10%	125.00	155.20	6.20%	60.00 - 88.30
1 April 2023	1 April 2025 - 1 April 2028	47.90%	125.00	166.70	7.10%	68.20 - 99.40
1 April 2024	1 April 2026 - 1 April 2029	46.70%	125.00	278.90	7.00%	173.90 - 203.60

The dividend yield has been taken as 0% in all the fair value calculations as Company has never distributed dividend in the past and does not intend to distribute its earnings in the foreseeable future.

E Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer Note 26

As the scheme is applicable to all the employees of the group, the Company has made a cross charge to Utkarsh Small Finance Bank for the ESOP expense incurred by the Company on behalf of Utkarsh Small Finance Bank.

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28 Related party disclosure

i. Name of the related party and nature of relationship:-

A. Name of the Related Party	Nature of Relationship
a. Key managerial personnel	
i Mr. Ashwani Kumar	– Managing Director & CEO (ceased to be MD & CEO w.e.f. 19 December 2023)
ii Mr. Suman Saurabh	– Managing Director & CEO (w.e.f. 19 December 2023)
iii Mr. G.S. Sundararajan	– Independent Director
iv Mr. Gaurav Malhotra	– Nominee Director (ceased to be director w.e.f. 25 August 2022)
v Mr. Atul	– Independent Director
vi Mr. T. K. Ramesh Ramanathan	– Nominee Director (ceased to be director w.e.f. 13 March 2024)
vii Mr. Harjeet Toor	– Nominee Director (ceased to be director w.e.f. 23 June 2022)
viii Mr. Aditya Deepak Parekh	– Nominee Director
b. Subsidiaries	Utkarsh Small Finance Bank Limited

c. **Company in which Director / KMP / their Relatives are Member and have the Controlling Rights / Shareholding in that Company exceeding 50%**
Utkarsh Welfare Foundation (Ceased to be related party w.e.f. Dec 19, 2023)
Faering Capital Private Limited (Mr. Aditya Deepak Parekh has the controlling right in the capacity of MD)
Faering Capital LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)
AMP Fitness LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)

B. Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Year Ended 31 March 2025	Year Ended 31 March 2024
Utkarsh Welfare Foundation	(i) Contribution towards CSR activities	0.50	0.40
Utkarsh Small Finance Bank Limited	(i) ESOP cost cross charge	(2.34)	(8.14)
	(ii) Fixed deposits placed during the year	589.35	178.75
	(iii) Fixed deposits matured during the year	521.10	139.90
	(iv) Interest received	40.59	34.42
	(v) Service charge on collection	0.15	0.13
	(vi) Dividend received	379.64	-
	(vii) Rent Paid	0.88	0.93
	(viii) Deemed Investment in USFB (Basis IND AS Fair valuation)	0.80	1.39

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C. Compensation of key managerial personnel

	Year Ended 31 March 2025	Year Ended 31 March 2024
Short-term employee benefits		
Ashwani Kumar	-	5.26
Suman Saurabh	5.81	2.10
GS Sundararajan	1.25	1.06
Post-employment defined benefit plan		
Ashwani Kumar	-	1.11
Suman Saurabh	0.25	0.11
Other long term benefits		
Ashwani Kumar	-	0.34
Suman Saurabh	0.11	-
Share-based payments		
Ashwani Kumar*	-	(0.32)
Suman Saurabh	0.82	-
Sitting fees		
GS Sundararajan	1.18	1.10
Atul	1.24	0.96
	10.66	**11.73**

* Reversal of ESOP Cost by ₹0.70 million due to cancellation of 39,875 ESOPs (proportionate 39,875 and Total 57,625) granted to Mr. Ashwani Kumar during FY24.

Terms and conditions
All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

D. Receivables as at balance sheet date:

Name of related party	Year Ended 31 March 2025	Year Ended 31 March 2024
Utkarsh Small Finance Bank Ltd. - Investment in FDR	527.00	458.75
Utkarsh Small Finance Bank Ltd. - Current Account	1.11	21.72
Utkarsh Small Finance Bank Ltd. - Other receivables	5.77	2.18

29. Earnings per share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Basic earning per share		
Profit/(loss) after tax	302.70	14.45
Weighted average number of equity shares outstanding during the year – Basic	9,89,88,994	98,275,137
b) Diluted		
Profit/(loss) after tax	302.70	14.45
Weighted average number of equity shares outstanding during the year – Basic	9,89,88,994	98,275,137
Add: Weighted average number of potential equity shares on account of employee stock options	373,348	1,111,091
Weighted average number of equity shares outstanding during the year – Diluted	9,93,62,341	99,386,227
Earnings per share		
Basic – par value of INR 10 each	3.06	0.15
Diluted - par value of INR 10 each	3.05	0.15

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30 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	As at 31 March 2025			As at 31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Cash and cash equivalents	-	-	1.25	-	-	24.96
Bank balance other than above	-	-	531.85	-	-	463.48
Other financial assets	-	-	6.86	-	-	3.12
	-	-	**539.96**	-	-	**491.56**
Financial liabilities:						
Other financial liabilities	-	-	3.41	-	-	2.64
	-	-	**3.41**	-	-	**2.64**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	1.25	-	-	-	-
Bank balance other than above	531.85	-	-	-	-
Other financial assets	6.86	-	-	-	-
	539.96	-	-	-	-
Financial liabilities:					
Other financial liabilities	3.41	-	-	-	-
	3.41	-	-	-	-

As at 31 March 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	24.96	-	-	-	-
Bank balance other than above	463.48	-	-	-	-
Other financial assets	3.12	-	-	-	-
	491.56	-	-	-	-
Financial liabilities:					
Other financial liabilities	2.64	-	-	-	-
	2.64	-	-	-	-

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

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C. Valuation framework

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

31 Financial risk management

The Company's activities exposure is to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework
(a) Risk management structure and Company's risk profile

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment in debentures, cash and cash equivalents, other bank balances, etc. The carrying amounts of financial assets represent the maximum credit risk exposure.

Cash and bank balances and other financial assets

Cash and bank balances of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents and other financial assets have low credit risk based on the external credit ratings of the counterparties.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial labilities at the reporting date. The amount are gross & undiscounted.

As at 31 March 2025	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	3.41	(3.41)	(3.41)	-	-	-	-

As at 31 March 2024	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	2.64	(2.64)	(2.64)	-	-	-	-

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Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to any currency risk as Company does not have any foreign currency transactions during the current year and comparative year.

(ii) Interest Rate Risk

The Company does not have any borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	31 March 2025	31 March 2024
Fixed rate instruments		
Financial assets	531.85	463.48
Financial liabilities	-	-

(iii) Legal and operational risk

a Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. The Company also has well established legal procedures to scrutinise product offerings and manage risks arising out of its transactions."

b Operational

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy.

The operational risk department operates independently from other units of the Company and reports directly to the Audit Committee, which consists of members of the Board. It conducts regular reviews of all business areas of the Company and reports control deficiencies and exceptions to the Company's policies and procedures. It also recommends measures to mitigate operational risk, which are implemented by management immediately.

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32 Capital management

"The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, the Company is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. The Company has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines. Going forward, attempt shall be made to strengthen Capital allocation practices and enhance efficiency of capital."

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Common equity Tier 1 (CET1) capital, which includes ordinary share capital, related share premiums and retained earnings.
- The Company does not have any elements in Tier 2 capital.

	As at 31 March 2025	As at 31 March 2024
Common equity Tier 1 (CET1) capital		
Paid up share capital	993.72	987.44
Capital redemption reserve	90.00	90.00
Securities premium account	6,630.39	6,531.69
(Deficit) in the statement of profit and loss account	(3,324.91)	(3,275.76)
Statutory reserve	278.75	218.15
ESOP outstanding account	39.79	80.26
Prepaid expenditure	(0.19)	(0.19)
	4,707.55	**4,631.59**
Tier 2 capital instruments		
Less: Investment in excess of 10% of Own fund		-
	4,707.55	**4,631.59**
Total regulatory capital	4,707.55	4,631.59
Risk weighted assets	7909.55	7,901.90
CRAR (%) - Refer note 34 (a)	59.52%	58.61%
CRAR -Tier I Capital (%)	59.52%	58.61%
CRAR -Tier II Capital (%)	0.00%	0.00%

ii. Capital allocation

Management uses extant regulatory capital ratios to monitor its capital base. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements. Theoretically, maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities. Going forward, capital allocation for various lines of business and activities shall be attempted, as part of annual business plan based on synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives.

33 Liquidity coverage ratio

Numerator	Denominator	31-Mar-25	31-Mar-24	% of variance	Explanation for change in the ratio by more than 25%
502.04	2.22	22666.00%	2720.88%	733.04%	Majorly, due to higher increase in Callable FD by 202% against decrease in outflow by 64% year on year

34 The Company has elected not to recognise right of use assets and lease liabilities for short term lease of building that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on straight line basis.

Rent expense recognised in the statement of profit and loss on account of short term exemption is INR 0.88 (31 March 2024 : INR 0.93)

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

Further, as per the RBI Clarifications, the promoter may elect to exit, or cease to be a promoter of a small finance bank after expiry of 5 (five) years from the date of commencement of business operations by the small finance bank depending upon the RBI's regulatory and supervisory comfort and regulations issued by Securities and Exchange Board of India ("SEBI"). In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, the Board of Directors of both the Transferor Company and the Transferee Company have, considering the option of such a reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger on February 13, 2024 and March 14-16, 2024 respectively.

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

Apropos the above, the Board of Directors of both the Transferor Company and the Transferee Company provided final approval to the scheme on September 20, 2024 and the scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority.

Further, the RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Also, the approval from the Stock Exchanges are awaited.

36 Additional Disclosures as required by Reserve Bank of India (RBI)

a) Components of ANW and other related information:

Particulars	As at 31 March 2025	As at 31 March 2024
i) ANW as a % of Risk Weighted Assets	59.52%	58.61%
ii) Unrealized appreciation in the book value of quoted investments	-	-
iii) Diminution in the aggregate book value of quoted investments	-	-
iv) Leverage Ratio	0.00	0.00

Note: The ANW as a % of RWA as at 31 March 2025 disclosed above is as per RBI circular "RBI/DoR(NBFC)/2016-17/39 dated August 25, 2016, Master Direction DoR(NBFC).PD.003/03.10.119/2016-17 (Updated as on December 29, 2022)". ANW as a % of RWA as at 31 March 2025 has been calculated without considering the fair value changes in other equity as part of free reserves. If the Company consider the fair value changes in other equity and equity component of financial instruments, the ANW as a % of RWA as at 31 March 2025 will be 110.25% (31 March 24: 109.39%).

b) The Company has the following direct exposure to real estate sector:

Particulars	As at 31 March 2025	As at 31 March 2024
Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-

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c) Maturity pattern of certain items of assets and liabilities:

Particulars (31 March 2025)	1 day to 7 days	8 days to 14 days	15 days to30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	7,971.43	7,971.43

Particulars (31 March 2024)	1 day to 7 days	8 days to 14 days	15 days to30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	7,971.43	7,971.43

d) Investments:

Particulars	31 March 2025	31 March 2024
Value of Investments		
(i) Gross Value of Investments		
(a) in India	7,971.43	7,971.43
(a) outside India,	-	-
(ii) Provisions for Depreciation		
(a) in India	-	-
(a) outside India,	-	-
(iii) Net Value of Investments		
(a) in India	7,971.43	7,971.43
(a) outside India,	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

e) Business Ratio:

Particulars	31 March 2025	31 March 2024
Return on Equity	3.55%	0.17%
Return on Assets	3.54%	0.17%
Net Profit per Employee	37.82	1.77

f) Provision and contingency

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax	102.98	5.85
Provision for Standard Assets	-	-
Other Provision and Contingencies	-	-

g) Draw down from Reserves

There has been a draw down from reserves amounting to ₹300 mn. during FY 2024-25 on account of settlement of liability and thereby extinguishment / waiver / cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company, (previous year: Nil).

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h) Concentration of Advances, Exposures and NPAs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Concentration of Advances		
Total advances to twenty largest borrowers	-	-
(%)of advances to twenty largest borrowers to total advances	-	-
Total exposure to top five NPA Accounts	-	-

i) Sector wise Non-Performing Assets (NPA)

Sector	Percentage of NPAs to total advances in that sector	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

j) Movement in Non-Performing Asset (NPA)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Net NPA to net advances percentage	-	-
Movement of NPAs (Gross)		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
Movement of net NPAs		
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	-	-
b) Provisions made during the year	-	-
c) Write off/ write back of excess provisions	-	-
d) Closing balance	-	-

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k) Disclosure with respect to customer complaints

Particulars	Number of complaints	
	For the year ended 31 March 2025	For the year ended 31 March 2024
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

l) Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2025 and financial year ended 31 March 2024.

m) Registration obtained from other financial sector regulators

Regulator	Registration No.	Date of Registration
Ministry of Corporate Affairs	U65191UP1990PLC045609	24 June 2016

n) Details of penalties imposed by RBI and other regulators
No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2025 and 31 March 2024.

o) Unsecured Advances
The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31 March 2025 and 31 March 2024.

p) Details of non-performing financial assets purchased / sold
The Company has not purchased/sold any non-performing financial assets during the financial year ended 31 March 2024 and 31 March 2025.

q) Disclosure of frauds reported during the half-year ended March 31, 2024 vide DNBS. PD. CC No. 256/03.10.042/2011-12 dated 2 March 2012
During the year ended March 31, 2025:-

Particulars	During the year ended 31 March 2025						During the year ended 31 March 2024					
	Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh		Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh	
	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)
A) Person involved												
Staff	-	-	-	-	-	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	-	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
B) Type of Fraud												
Misappropriation and	-	-	-	-	-	-	-	-	-	-	-	-
Criminal Breach of Trust	-	-	-	-	-	-	-	-	-	-	-	-
Fraudulent Encashment/manipulation of books of accounts or through fictitious accounts and conversion of property.	-	-	-	-	-	-	-	-	-	-	-	-
Unauthorised credit facilities extended for reward or for illegal gratification	-	-	-	-	-	-	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-	-	-	-	-	-	-
Irregularities in foreign exchange transactions	-	-	-	-	-	-	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

r) The Company has no exposure or transactions regarding overseas assets.

s) There are no derivatives as at 31 March 2025 and 31 March 2024. Accordingly disclosure pertaining to derivatives vide DNBR (PD) CC.No.053/03.10.119/2015-16 dated 01 July 2015 are not provided.

t) The Company has no investment in other CICs as at March 31, 2025 and March 31, 2024.

u) The Company has no Off Balance Sheet exposure as at March 31, 2025 and March 31, 2024.

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37 Additional Disclosures as required by Reserve Bank of India (RBI) basis Scale Based Regulation (SBR)
(Refer Circular No- RBI/2022-23/26 DOR.ACC.REC.NO.20/21.04.018/2022-23 dated April 19, 2022)

a) Exposure:
1 Exposure to real estate sector

Category	As at 31 March 2025	As at 31 March 2024
i) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	Nil	Nil
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	Nil	Nil
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	Nil	Nil
ii. Commercial Real Estate	Nil	Nil
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	Nil	Nil
Total Exposure to Real Estate Sector		

2 The Company does not have any exposure to capital market as at March 31, 2025 and March 31, 2024.

3 **Sectoral exposure**

	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (includes on balance sheet & off-balance sheet exposure) (₹ crore)	**Gross NPAs (₹ crore)**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet & off-balance sheet exposure) (₹ crore)**	**Gross NPAs (₹ crore)**	**Percentage of Gross NPAs to total exposure in that sector**
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
i….	-	-	-	-	-	-
ii….	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Industry	-	-	-	-	-	-
(i+ii+…+Others)	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i…	-	-	-	-	-	-
ii…	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Services	-	-	-	-	-	-
(i+ii+…+Others)	-	-	-	-	-	-
4. Personal Loans	-	-	-	-	-	-
i…	-	-	-	-	-	-
ii…	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total of Personal Loans	-	-	-	-	-	-
(i+ii+…+Others)	-	-	-	-	-	-
5. Others, if any	-	-	-	-	-	-
(please specify)	-	-	-	-	-	-

4 **Intra-group exposures**

Particulars	As at 31 March 2025	As at 31 March 2024
i. Total amount of intra-group exposures	8,433.46	8,381.43
ii. Total amount of top 20 intra-group exposures	8,433.46	8,381.43
iii. Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	100%	100%

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5 The Company does not have any unhedged foreign currency exposure as at March 31, 2025 and March 31, 2024.

B) Related Party Disclosures

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Directors	
Items	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2025**	**As at 31 March 2024**
Borrowings	-	-	-	-	-	-	-	-
Deposits	-	-	527.00	458.75	-	-	0.31	10.30
Placement of deposits	-	-	545.85	458.75	-	-	10.81	15.74
Advances	-	-	-	-	-	-	-	-
Investments	-	-	7,899.58	7,898.78	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Interest received	-	-	40.59	34.42	-	-	0.76	0.25
Others	-	-	-	-	-	-	-	-

Related Party	Key Management Personnel		Relatives of Key Management Personnel		Total	
Items	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**
Borrowings	-	-	-	-	-	-
Deposits	0.60	0.48	0.75	1.41	528.66	470.95
Placement of deposits	0.91	1.20	1.54	1.48	559.11	477.17
Advances	-	-	-	-	-	-
Investments	-	-	-	-	7,899.58	7,898.78
Purchase of fixed/other assets	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	0.03	0.04	0.05	0.03	41.42	34.74
Others	-	-	-	-	-	-

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year	-	-
2. Number of complaints received during the year	-	-
3. Number of complaints disposed during the year	-	-
3.1 Of which, number of complaints rejected by the NBFC	-	-
4. Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Since, no complaints have been received during year ended March 2025 and FY 2023-24, hence, the ground of complaints are Nil for both years.

D) The Company does not have any loan or have not issues any debt securities during year ended March 2025 and FY 2023-24.

E) Since, none of the conditions for divergence in asset classification and provisioning are met, hence, the same is not applicable to the Company during year ended March 2025 and FY 2023-24.

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Additional Disclosures as per Schedule III Amendment by Ministry of Corporate Affairs (MCA) dated March 24, 2021:

38 There are no immovable properties in the name of Company included in property, plant and equipment and intangible assets.

39 The Company has not entered into a transaction where the fair value of investment property (as measured for disclosure purposes in the financial statements) is measured on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

40 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

41 The Company has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

42 (a) The Company has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(I) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
(II) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall:
(I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries")
(II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

43 No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

44 The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

45 The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

46 There are no identified promoter of the Company as at March 31, 2025 and March 31, 2024.

47 No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

48 There are no charges / satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

49 There are no capital work in progress, investment property in progress and intangible assets as at March 31, 2025 and March 31, 2024. Hence, there are no projects in progress or temporarily suspended. Also, there are no projects whose completion is overdue or has exceeded its cost as per original plan.

50 The Company is in compliance with the number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

51 There are no approved Scheme of Arrangements by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at March 31, 2025 and March 31, 2024.

52 There are no Security deposits, lease liabilities and long–term borrowings of the Company as at March 31, 2025 and March 31, 2024.

53 There are no any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

54 There have been no trading / investment in crypto / virtual currency during the year and previous year. Also, there have been no deposits and advances received from any person for the purpose of trading / investment in crypto currency during current year and previous year.

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55 Additional Disclosures as required by Reserve Bank of India (RBI) basis Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 vide RBI / DoR / 2023-24 / 106 DoR.FIN.REC.No.45/03.10.119/2023-24 updated as on March 21, 2024

			Particulars		
	Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures: Secured		Nil	Nil
		: Unsecured		Nil	Nil
		(other than falling within the meaning of public deposits*)		Nil	Nil
	(b)	Deferred Credits		Nil	Nil
	(c)	Term Loans		Nil	Nil
	(d)	Inter-corporate loans and borrowing		Nil	Nil
	(e)	Commercial Paper		Nil	Nil
	(f)	Public Deposits*		Nil	Nil
	(g)	Other Loans (specify nature)		Nil	Nil
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)	In the form of Unsecured debentures		Nil	Nil
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		Nil	Nil
	(c)	Other public deposits		Nil	Nil
		Assets side		**Amount outstanding**	
(3)	**Break-up of Loans & Advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured		Nil	
	(b)	Unsecured		Nil	
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i)	Lease assets including lease rentals under sundry debtors:			
		(a) Financial lease		Nil	
		(b) Operating lease		Nil	
	(ii)	Stock on hire including hire charges under sundry debtors:			
		(a) Assets on hire		Nil	
		(b) Repossessed Assets		Nil	
	(iii)	Other loans counting towards asset financing activities			
		(a) Loans where assets have been repossessed		Nil	
		(b) Loans other than (a) above		Nil	
(5)	**Break-up of Investments**				
	Current Investments				
	1.	Quoted			
		(i) Shares		-	
		(a) Equity		Nil	
		(b) Preference		Nil	
		(ii) Debentures and Bonds		Nil	
		(iii) Units of mutual funds		Nil	
		(iv) Government Securities		Nil	
		(v) Others (please specify)		Nil	
	2.	Unquoted			
		(i) Shares		-	
		(a) Equity		Nil	
		(b) Preference		Nil	
		(ii) Debentures and Bonds		Nil	
		(iii) Units of mutual funds		Nil	
		(iv) Government Securities		Nil	
		(v) Others (please specify)		Nil	
	Long Term investments				
	1.	Quoted			
		(i) Shares		-	
		(a) Equity		7,899.58	
		(b) Preference		Nil	
		(ii) Debentures and Bonds		Nil	
		(iii) Units of mutual funds		Nil	
		(iv) Government Securities		Nil	
		(v) Others (please specify)		Nil	
	2.	Unquoted			
		(i) Shares		-	
		(a) Equity		Nil	
		(b) Preference		Nil	
		(ii) Debentures and Bonds		Nil	
		(iii) Units of mutual funds		Nil	
		(iv) Government Securities		Nil	
		(v) Others (please specify)		Nil	

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(6)	**Borrower group-wise classification of assets financed as in (3) and (4) above: Please see Note 2 below**				
		Category	**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
	1.	**Related Parties ****			
		(a) Subsidiaries	Nil	Nil	Nil
		(b) Companies in the same group	Nil	Nil	Nil
		(c) Other related parties	Nil	Nil	Nil
	2.	Other than related parties	Nil	Nil	Nil
		Total			
(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**				
		Category		**Market Value/ Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	**Related Parties ****			
		(a) Subsidiaries		Nil	7899.58
		(b) Companies in the same group		Nil	Nil
		(c) Other related parties		Nil	Nil
	2.	Other than related parties		Nil	Nil
		Total		Nil	7899.58
(8)	**Other information**				
		Particulars	**Amount**		
	(i)	Gross Non-Performing Assets			
		(a) Related parties	Nil		
		(b) Other than related parties	Nil		
	(ii)	Net Non-Performing Assets			
		(a) Related parties	Nil		
		(b) Other than related parties	Nil		
	(iii)	Assets acquired in satisfaction of debt	Nil		

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56 Income Tax

A Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax expense	102.98	5.85
Tax for earlier years	-	-
Tax expense	**102.98**	**5.85**

B Reconciliation of effective tax rate

Particulars	As at 31 March 2025		As at 31 March 2024	
Profit before tax		405.68		20.30
Tax using the Company's domestic tax rate	25.17%	102.10	25.17%	5.11
Effect of:				
Permanent differences	0.00%	-	0.50%	0.10
Tax for earlier years	0.00%	-	0.00%	-
Tax exempt income	0.00%	-	0.00%	-
Change in unrecognised temporary differences	0.15%	0.59	3.68%	0.75
Others	0.07%	0.28	-0.52%	(0.11)
Effective tax rate/tax expense	**25.38%**	**102.98**	**28.82%**	**5.85**

C Uncertain tax positions

Claims against the company not acknowledged as debts in respect of Income Tax is INR 124.69 (31 March 2024: INR 124.69).

D Uncertain tax positions

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	For the year ended 31 March 2025	For the year ended 31 March 2024
Deductible temporary differences	0.59	1.51
Deferred tax on account of indexation on equity shares of investment in subsidiary*	-	620.08
Total	**0.59**	**621.59**

* From FY 2024-25, there will be no indexed cost of acquisition. Hence, there is no disclosure made for deferred tax impact on investment in subsidiary as tax base and carrying value will be the same.

57 Audit Trail

A Enhancing Accountability and Transparency: Implementation of Audit Trail

The company had implemented an audit trail system within our company's software which has impact on books of accounts with effect from April 01, 2023. This implementation underscores our commitment to transparency, accountability, and data integrity. Audit trail has been implemented for all transactions recorded in the software throughout the year.

By capturing and documenting critical events and activities within our systems, we ensure a comprehensive record that enhances security, facilitates compliance, and supports effective decision-making.

In addition, audit trail data is preserved in the system as per statutory requirement for record retention. The company's dedication to maintain a robust audit trail reflects ongoing efforts to uphold the highest standards of governance and security across all aspects of business operations.

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B Backup Schedule and Data Preservation:

The company is following a backup schedule and data preservation protocol within the organization The company's backup schedule entails frequent and systematic backups of critical data assets to safeguard against potential data loss or corruption. This proactive approach ensures that valuable information remains protected and accessible in the event of unforeseen circumstances. The Backup for the accounting software Intellect Core Banking System is done on a Daily basis and preserved at Disaster Recovery (DR) site located at Hyderabad.

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: 30 May 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
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1. Reporting entity

Utkarsh Coreinvest Limited ("the Company'' or ''Holding Company") is domiciled in India. The Company is having its registered office at Varanasi. The Company was formerly known as Utkarsh Micro Finance Limited and got the name changed to Utkarsh Coreinvest Limited w.e.f. 11 October 2018.

The company was primarily engaged in the business of micro finance, following group lending methodology and providing small value unsecured bank loans to lower income groups of Below Poverty Line (''BPL'') in urban and rural areas. During the financial year 2016-17, the Company executed a business transfer agreement with its subsidiary Company 'Utkarsh Small Finance Bank Limited' ('USFB') and transferred all its assets and liabilities (except certain statutory assets, vehicle and statutory liabilities). Accordingly, the business of micro finance was also transferred to USFB.

On 3 May 2018, the Reserve Bank of India ("RBI") has granted its approval to the Company for carrying on the business of a Non-Deposit taking- Systemically Important Core Investment Company (CIC-ND-SI) under the Certificate No C.07.00781.

2. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Basis of preparation

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) as amended from time to time.

These financial statements were authorized for issue by the Company's Board of directors on 30 May 2025.

The Company is regulated by the Reserve Bank of India ('RBI'). The RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the previous years may need to undergo changes in measurement and/or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

ii. Basis of measurement

- The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:
- Certain financial assets and liabilities that are measured at fair value or amortised value;

Net defined benefit liability/ (asset): present value of defined benefit obligation less fair value of plan assets.

iii. Functional and Presentation Currency

These financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All amounts have been rounded to the nearest million rupees, unless otherwise stated.

iv. Use of Judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

A. Judgments

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements have been given below:

Note 30 - Financial instruments - fair value and risk management: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
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B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for every period ended are included below:

- Note 26 - Measurement of defined benefit obligations: The cost of the defined benefit gratuity plan, the present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its longterm nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.
- Note 31 - Impairment of financial assets: key assumptions in determining the average loss rate
- Note 30 - Fair value measurement of financial instruments: When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques as per the valuation policy. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the respective financial instruments.

b. Revenue Recognition

- Dividend income is accounted on an accrual basis when the right to receive the dividend is established. This is generally when the shareholders approve the dividend.
- Income from interest on deposits and interest-bearing securities is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- All other fees are accounted for as and when they become due.

c. Financial Instruments.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement

The Company initially recognizes loans and advances on the date on which they are originated. All other financial assets are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

Financial instrument are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit or loss (FVTPL), transaction costs are added to, subtracted from, this amount. Trade receivables are measured at the transaction price.

Classification and subsequent measurement
Classifications

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

iii. Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
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- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt Instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through other Comprehensive Income (FVTOCI)

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (OCI). Interest income is recognized basis EIR method and the losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Instruments at fair value through profit and loss (FVTPL)

The Company classifies its investment in financial assets at fair value through profit and loss. The said classification depends upon the entity's business model for managing the financial assets and the contractual terms of the cash flow. The said assets are measured at fair value whose gains and losses shall be recorded in statement of profit or loss.

Financial assets not measured at fair value
The carrying value less expected credit loss provision of other financial assets are assumed to approximate their fair values due to their short-term nature.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. If the Company evaluates that substantial risk and reward have not been transferred, the Company continues to recognize the transferred asset. If the Company evaluates

that substantial risk and rewards are neither transferred nor retained and the control of the asset is also not transferred, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of Profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Financial liabilities designated at fair value through profit and loss

When a financial liability contract contains one or more embedded derivative, the Company may designate the entire hybrid contract as at fair value through profit and loss unless:

- the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or
- it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortized cost.

The fair valuation changes on the liabilities subsequently measured at FVTPL account are recognized in profit and loss account except the changes in the liability's credit risk, which is recognized in Other Comprehensive Income.

Financial liabilities not measured at fair value

The carrying value less provision of other financial liabilities are assumed to approximate their fair values due to their short-term nature.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expires.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

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If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial Liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability or equity based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability or equity recognized with modified terms is recognized in profit or loss or in other equity in case the same is a transaction with the shareholders.

Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company has classified the financial instruments based on a hierarchy of valuation techniques, as summarized below:

Level 1 financial instrument, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 financial instrument, if there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction like quoted price for identical instruments, interest rates & yields adjusted for condition and location of the asset or to the extent to which it relates.

Level 3 financial instrument, if adjustments are based on one or more unobservable inputs where there is no market activity for the asset or liability at the measurement date The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument.

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d. Impairment of Financial Assets

Impairment of Financial Instruments

The Company recognizes impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- Financial assets that are debt instruments
- Bank balance
- Other financial assets

No impairment loss is recognized on equity investments.

ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.

- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

With respect to other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognized in the Statement of Profit or Loss.

e. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

f. Foreign currency transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

g. Property, Plant and Equipment (PPE)
Initial Measurement

Property, plant and equipment are stated at cost less accumulated depreciation as adjusted for impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognized in statement of Profit and loss.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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Impairment
Carrying amounts of assets or a Cash Generating Unit ("CGU") are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognized in the Statement of Profit and Loss whenever the carrying amount exceeds the recoverable amount..

Depreciation
Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

h. Employee Benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-base payment arrangements

The Company has formulated an Employees Stock Option Scheme ("the Scheme") to be administered through Utkarsh ESOP Welfare Trust and also issues options to employees which are not routed through the Trust. The Scheme provides that subject to continued employment with the Company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company has following defined contribution plans:

Provident Fund

The Company contributes to mandatory government administered provident fund which is a defined contribution scheme as the Company does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and are recognized in the Statement of Profit and Loss.

iv. Defined benefit plans

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense (income) and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs..

v. Other long-term employee benefits

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefits of accumulating compensated absences is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Re-measurements are recognized in profit or loss in the period in which they arise.

i. Income tax

Income tax expense comprises of current tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date

.
Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Cash and cash equivalents are carried at amortized cost in the Statement of Financial Position.

k.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as the chief operating decision maker for the Company.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
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l. Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

m. Leases

The Company's lease asset class primarily consists of leases for buildings.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

n. Earning per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the posttax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares on account of employee stock options, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

o. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Suman Saurabh
Managing Director and CEO
DIN: 07132387

INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT

To the Members of
Utkarsh CoreInvest Limited
(Formerly known as Utkarsh Micro Finance Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial statements of **Utkarsh CoreInvest Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Consolidated other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year ended and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Ind AS Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiary as were audited by the other auditors, the aforesaid Consolidated Ind AS Financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and Consolidated profit and total comprehensive income (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 41 to the Consolidated Ind AS Financial Statements which specifies that there are 89 legal cases pending aggregating to 30.29 million which may impact the Group's operations as they are uncertain in nature. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for other information. The other information comprises the information included in the management Discussion and Analysis, Board's Report Including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the Consolidated Ind AS Financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS Financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the respective Company, as aforesaid.

In preparing the Consolidated financial statements the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors of the Companies included in the Group either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the Consolidated Ind AS Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether adequate internal financial controls systems are in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exits related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters:

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 2,78,354.41 million as at March 31, 2025, total revenues of Rs. 38,894.06 million, total profit after tax of Rs. (4,145.99) million, and net cash outflows of Rs. 4,855.79 million for the year ended March 31, 2025, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS Financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

I. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 31 to the Consolidated Ind AS Financial Statements.

ii. Provision has been made in the Consolidated Ind AS Financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long term contracts including derivative contracts. Refer Note 16 to the Consolidated Ind AS Financial Statements in respect of such items as it relates to the Group.

iii. There are no amounts which are required to be transferred to the Investor Education and protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31st March 2025.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Group from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Holding Company has not declared or paid any dividend during the year. The final dividend proposed in the previous year and declared and paid during the current year by the Subsidiary Company is in compliance with the provisions of Section 123 of the Companies Act, 2013.

vi. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

vii. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiaries incorporated in India have used accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and that have operated throughout the year for all relevant transactions recorded in the software systems.

Further, during the course of audit, we and respective other auditors of above referred subsidiary, whose reports have been furnished to us by the Management of the Holding Company, have not come across any instance of the audit trail feature being tampered with.

Further, in accordance with the requirements of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable with effect from April 1, 2023, the audit trail feature has been operated throughout the financial year ended March 31, 2025, for all transactions recorded in the software, and the audit trail has not been tampered with and the audit trail has been preserved by the Company and its subsidiary as per the statutory requirements for record retention.

2) With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the respective companies included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report

Place: Mumbai
Date: 29 August 2025

For DMKH & CO,
Chartered Accountants
Firm Registration Number: 116886W

CA Manish Kankani
Partner
Membership Number: 158020
UDIN:

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Utkarsh CoreInvest Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

Opinion

In conjunction with our audit of the consolidated financial statements of Utkarsh CoreInvest Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, to the best of our information and explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India has, in all material respects, adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal financial control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiaries, which are companies incorporated in India, internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to financial statements.

Meaning of internal financial controls with reference to Consolidated financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and

c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

Our aforesaid report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company incorporated in India based on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

Place: Mumbai
Date: 29 August 2025

For DMKH & CO,
Chartered Accountants
Firm Registration Number: 116886W

CA Manish Kankani
Partner
Membership Number: 158020
UDIN:

Financial Statements (Consolidated)

Utkarsh CoreInvest Limited
Consolidated Balance Sheet As at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Assets			
Financial assets			
Cash and cash equivalents	3	33,317.37	28,464.66
Bank balance other than above	3	1,091.08	1,825.86
Loans	4	180,404.62	1,76,500.05
Investments	5	50,224.67	36,501.58
Other financial assets	6	2,333.15	2,774.43
Non-financial assets			
Current tax assets (net)	7	782.70	311.59
Deferred tax assets (net)	7	3,015.25	1,519.58
Property, plant and equipment	8	5,961.74	5,014.85
Capital work-in-progress	8	630.05	102.84
Other intangible assets	9	210.41	241.71
Other non-financial assets	10	472.39	177.35
Total assets		**278,443.43**	**2,53,434.50**
Equity and Liabilities			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding due to micro and small enterprises	11	101.36	107.12
" - Total outstanding dues of creditors other than micro enterprises and small enterprises "	11	306.11	387.39
Borrowings (other than debt securities)	12	18,454.23	34,904.54
Lease liability	49	3,453.41	2,716.73
Deposits	13	222,352.97	1,79,975.81
Subordinated liabilities	14	5,158.86	2,098.12
Other financial liabilities	15	3,306.61	3,825.92
Non-financial liabilities			
Current tax liabilities (net)		97.03	97.03
Provisions	16	58.74	130.02
Other non-financial liabilities	17	71.85	80.96
Equity			
Equity share capital	18	993.72	987.44
Other equity	19	16,285.42	19,241.64
Equity attributable to equity holders of the parent		17,279.14	20,229.08
Non controlling interest	19	7,803.12	8,881.78
Total liabilities and equity		**278,443.43**	**2,53,434.50**
Summary of material accounting policies	2		

The accompanying notes are an integral part of these financial statements.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Statement of Consolidated profit and loss For the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	for the year ended 31 March 2024
I. Revenue from operations			
Interest income	20	38,453.66	30,928.36
Fees and commission income	21	440.40	475.28
Net gain on fair value changes	25		
Total revenue from operations		**38,894.06**	**31,403.64**
II. Other income	22	2,662.13	2,431.86
III. Total income		**41,556.19**	**33,835.50**
IV. Expenses			
Finance costs	23	17,143.85	12,981.62
Fees and commission expense	24	1,218.64	631.48
Net loss on fair value changes	25	242.18	-
Net loss on derecognition of financial instruments under amortised cost category			
Impairment on financial instruments	26	13,698.54	3,783.76
Employee benefits expenses	27	8,536.41	7,397.36
Depreciation and amortisation	28	1,354.79	1,088.92
Others expenses	29	4,916.40	3,568.30
Total expenses		**47,110.81**	**29,451.44**
V. Profit/(loss) before tax		**(5,554.62)**	**4,384.06**
Tax Expense:			
Current tax	7	264.86	1,803.51
Deferred tax	7	(1,596.53)	(717.80)
VI. Profit for the year		**(4,222.95)**	**3,298.35**
VII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial gain/(loss) on defined benefit obligation		33.85	6.93
- Income tax relating to items that will not be reclassified to profit or loss		(8.55)	(1.82)
Subtotal (A)		25.30	5.11
B (i) Items that will be reclassified to profit or loss			
- Debt securities measured at FVTOCI - reclassified to other comprehensive income		-	317.69
- Income Tax relating to items that will be reclassified to profit or loss		-	(79.96)
Subtotal (B)		-	237.73
Other comprehensive income (A + B)		**25.30**	**242.84**
VIII. Total comprehensive income for the year		**(4,197.65)**	**3,541.19**
IX. Profit for the year attributable to :			
- Equity holders of the parent		(3,126.17)	2,437.58
- Non-controlling interest		(1,096.78)	860.77
X. Other comprehensive income for the year attributable to :			
- Equity holders of the parent		18.58	179.10
- Non-controlling interest		6.72	63.74
XI. Total comprehensive income for the year attributable to :			
- Equity holders of the parent	INR	(3,107.59)	2,616.69
- Non-controlling interest	INR	(1,090.06)	924.50
XII. Earnings per equity share			
Basic earnings per share of INR 10.00 each	2	(42.66)	33.56
Diluted earnings per share of INR 10.00 each		(42.50)	33.19

Summary of material accounting policies
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
I. Cash flows from operating activities			
Net profit before tax		(5554.62)	4,384.06
Adjustments for:			
Depreciation and amortisation		1354.79	1,088.92
Impairment provision/ write offs		13698.54	3,783.76
Net (gain) / loss in fair value changes		242.18	-
Finance costs		17143.85	12,981.62
Interest income on investments		(2709.59)	(2,112.40)
Interest income on Loans		(34234.33)	(27,916.56)
Interest income on term deposits		(93.79)	(75.07)
Interest income on RBI Reverse Repo, TREPS Reverse Repo, Call / Term Lending)		(1415.95)	(824.33)
Employee share based expense		221.60	28.98
Impairment on non-financial asset		12.56	3.60
Profit/Loss on sale of property, plant and equipment		(2.40)	-
Profit/Loss on sale of investments		(118.93)	-
Operational cash flows from interest			-
Interest paid on Deposits		14116.38)	(9,301.53)
Interest received on Loans and Advances		36351.36	29,301.84
Operating cash flow before working capital changes		10,778.88	11,342.89
Adjustments for:			
(Increase) in loans		(19715.88)	(46,182.78)
(Increase) in other financial assets		(109.12)	(836.32)
Decrease/ (increase) in other non-financial asset		(295.04)	(31.83)
Increase in deposits		40883.13	37,561.80
Increase in other financial liability		(518.85)	1,260.58
Increase in other non-financial liability		(9.11)	(62.46)
Increase in trade payables		(87.05)	74.40
Increase in provision		(49.99)	12.90
Cash flow from operations		30,876.98	3,139.19
Income tax paid		(735.97)	(1,911.30)
Net cash flow from operating activities (A)		30,141.01	1,227.89
II. Cash flow from investing activities			
Purchase of property, plant and equipments (including capital work in progress)		(1388.32)	(563.25)
Proceeds from sale of property, plant and equipments		12.77	2.32
Purchase of intangible assets		(127.62)	(164.92)
Purchase of investments		(12881.03)	(8,200.43)
Acquisition by Non-Controlling Interest		91.56	4,716.85
Deposits in other bank balances		(1578.57)	(4,307.60)
Withdrawals in other bank balances		2343.58	2,529.26
Interest received		4120.36	2,908.92
Net cash used in investing activities (B)		**(9,407.28)**	**(3,078.84)**
III. Cash flow from financing activities			
Issue of equity shares		51.28	59.19
Share application money received		0.23	-
Payment to shareholders under shareholder agreement		(300.00)	-
Payment of lease liabilities		(828.55)	(710.06)
Repayment of borrowings		(27695.48)	22,160.00
Proceeds from borrowings		11540.00	(14,716.74)
Proceeds from issue of subordinated liabilities		3,049.99	-
Reapyment of subordinated liabilities		-	(246.02)
Dividend paid		(170.59)	-
Interest paid		(1527.90)	(1,356.41)
Net cash (used in)/ from financing activities (C)		**(15,881.02)**	**5,189.97**
Refer Note 33 for Change in liabilities arising from financing activities			
Net increase/(decrease) in cash and cash equivalents (A + B + C)		4,852.71	3,339.02
Opening Cash and Cash Equivalent		28464.66	25,125.64
Closing Cash and Cash Equivalent		33317.37	28,464.66

Utkarsh CoreInvest Limited
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

For composition of cash & cash equivalents	3

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on Cash Flow Statement.
2. Figures in Bracket represents Cash Outflow.

Summary of material accounting policies	2

The accompanying notes are an integral part of these financial statements.
As per our report of even date attached.

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Statement of changes in equity as at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

A Equity Share Capital

Particulars	Balance as at 31 March 2022	Changes during the year	Balance as at 31 March 2023	Changes during the year	Balance as at 31 March 2024	Changes during the year	Balance as at 31 March 2025
Paid up share capital	983.30	0.91	984.21	3.24	987.45	6.27	993.72
Less: Equity share capital classified as financial liability	-	-	-	-	-	-	-
Total	**983.30**	**0.91**	**984.21**	**3.24**	**987.45**	**6.27**	**993.72**

B Other Equity

Particulars	Share application money pending allotment	Equity component of financial instruments	Statutory reserve	Capital redemption reserve	Securities premium	Other Equity - Fair valuation changes	ESOP reserve	Investment fluctuation reserve	Treasury shares	Capital reserve	Corpus fund	General reserve	Retained earnings	Other comprehensive income: Debt instruments through other comprehensive income	Other comprehensive income: Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	Other comprehensive income: Actuarial gain / loss on post employment defined benefit plan	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as at 31 March 2023	-	109.01	**2,044.25**	**90.00**	**6,479.53**	**4,121.67**	**142.75**	**50.69**	**(2.45)**	**76.45**	**-**	**-**	**4,314.69**	**(458.68)**	**(160.62)**	**(3.34)**	**16,585.92**	**3,194.50**	**19,780.43**
Total Comprehensive Income for the year						-							2,437.58	175.42		3.68	2,616.68	924.50	3,541.18
Acquisition by Non-Controlling Interest*						-							(90.48)	73.79		6.31	(10.38)	4,727.23	4,716.85
Transfer to/(from) retained earnings			523.40			-	(35.73)	31.64		**(14.15)**			(505.16)				-		-
Issue of equity shares						-							-				-		-
ESOP reserve of subsidiary						-							-				-	35.55	35.55
Share options exercised					17.75	-	(17.75)		-				-				-		-
Equity settled share based plan						-	(6.54)						-				(6.54)		(6.54)
Shares issued					34.42	-							-				34.42		34.42
Share issue expenses						-							-				-		-
Share application money received	21.54												-				21.54		21.54
Balance as at 31 March 2024	21.54	109.01	**2,567.65**	**90.00**	**6,531.70**	**4,121.67**	**82.73**	**82.33**	**(2.45)**	**62.30**	**-**	**-**	**6,156.63**	**(209.47)**	**(160.62)**	**6.65**	**19,241.64**	**8,881.78**	**28,123.42**
Total Comprehensive Income for the year													(3,126.17)						
Acquisition by Non-Controlling Interest*			(23.00)					(42.21)		(20.86)		(1.24)	304.61	19.87		18.58	(3,107.59)	(1,090.06)	(4,197.65)
Transfer to/(from) retained earnings			119.85				(8.75)	135.30		66.74		3.99	(337.00)	189.60		(1.19)	216.10	(124.55)	91.56
Reclassification of Investment from FVOCI to																	-		-
Amortised cost													-				189.60	85.39	274.99
Issue of equity shares													-				-		-
ESOP reserve of subsidiary													-				-	221.16	221.16
Share options exercised					32.16		(32.16)						-				-		-
Equity settled share based plan							0.44						-				0.44		0.44
Dividend paid to non-controlling interest of													-					(170.59)	(170.59)
subsidiary																			
Shares issued					61.44												39.90		39.90
Payment to shareholders under shareholder													(300.00)				(300.00)		(300.00)
agreement	21.54												-				5.06		5.06
Share issue expenses					5.06								-				0.23		0.23
Share application money received	0.23												-				-		-
Balance as at 31 March 2025	0.23	109.01	**2,664.50**	**90.00**	**6,630.36**	**4,121.67**	**42.25**	**175.42**	**(2.45)**	**108.18**	**-**	**2.75**	**2,698.07**	**-**	**(160.62)**	**24.04**	**16,285.39**	**7,803.12**	**24,088.51**

During the year ended March 31, 2025, pursuant to implementation of the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, effective from April 01, 2024, covering regulatory change by the RBI related to restrictions on sale of securities from HTM portfolio, the group had reassessed its business model and concluded that investment in Government securitites are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Consequently, the group has reversed accumulated fair value loss of Rs. 366.81 million on such investment in Government securities and related deferred tax of Rs. 92.32 million in other equity on April 1, 2024.

*Refer Note 48 for ownership interest held by non- controlling interest

Utkarsh CoreInvest Limited
Statement of changes in equity as at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

As per our report of even date attached

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
3 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	792.73	790.21
Balances with banks		
- in current accounts	435.44	745.74
- in RBI current accounts	6,750.09	6,688.79
- in deposits accounts (with maturity less than three months)	-	-
- call/notice lending (with less than three months maturity)	1,250.00	3,754.02
- term lending (with less than three months maturity)	-	-
- term lending (with maturity less than three months maturity)	-	-
Reverse repo	24,091.87	16,487.86
	33,320.13	28,466.62
Less : Allowance for Impairment loss	2.76	1.96
Total (A)	**33,317.37**	**28,464.66**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

	As at 31 March 2025	As at 31 March 2024
Bank balance other than above		
Fixed deposits with bank not considered as cash and cash equivalents		1,826.45
	1,091.42	1,826.45
Less : Allowance for Impairment loss	1,091.42	0.59
	0.34	
Total (B)	1,091.08	**1,825.86**
Total (A+B)	34,408.45	**30,290.52**

Information about the Group's exposure to fair value measurement and credit and market risks are included in Note 40 and 41 respectively.

	As at 31 March 2025	As at 31 March 2024
4 Loans		
At Amortised cost		
(A)		
(i) Bills Purchased and Bills Discounted		
(ii) Loans repayable on Demand	6,862.92	4,628.90
Term Loans	189,741.83	1,77,622.20
Total (A) - Gross	**196,604.75**	**1,82,251.10**
Less : Allowance for Impairment loss	(16,200.13)	(5,751.05)
Total (A) - Net	**180,404.62**	**1,76,500.05**
(B)		
(i) Secured by tangible assets and intangible assets	84,018.75	62,646.27
(ii) Covered by Bank/Government guarantees	290.83	0.19
(iii) Unsecured	112,295.17	1,19,604.63
Total (B) - Gross	**196,604.75**	**1,82,251.09**
Less : Allowance for Impairment loss	(16,200.13)	(5,751.05)
Total (B) - Net	**180,404.62**	**1,76,500.04**
(C)		
(i) Priority Sector	144,681.40	1,42,307.67
(ii) Banks	-	-
(iii) Others	51,923.35	39,943.43
Total (C) - Gross	**196,604.75**	**1,82,251.10**
Less : Allowance for Impairment loss	(16,200.13)	(5,751.05)
Total (C) - Net	**180,404.62**	**1,76,500.05**

All the Loans above are Loans in India.
For details pertaing to Allowance for Impairment Loss refer note 41

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	Amortised cost	At Fair Value			Sub- Total	Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss			
5 **Investments:**	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
As on 31 March 2025							
Government securities	37,512.06	-	5,348.01	-	5,348.01	-	42,860.07
Debt securities	-	-	67.89	-	67.89	-	67.89
Equity instruments	-		7,309.89		7,309.89		7,309.89
Total – Gross (A)	**37,512.06**	-	**12,725.79**	-	**12,725.79**	-	**50,237.85**
(i) Investments in India	37,512.06	-	12,725.79	-	12,725.79	-	50,237.85
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	37,512.06	-	**12,725.79**	-	**12,725.79**	-	**50,237.85**
Less: Allowance for Impairment loss (C)	(13.18)	-	-	-	-	-	(13.18)
Total – Net D= (A)-(C)	**37,498.88**	-	**12,725.79**	-	**12,725.79**	-	**50,224.67**

During the year ended March 31, 2025, pursuant to the implementation of the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2023, effective from April 01, 2024, covering regulatory change by the RBI related to restrictions on sale of securities from HTM portfolio, the group had reassessed its business model and concluded that investment in Government securitites are primarily intended to collect contractual cash flows being solely payments of principal and interest on the principal amount outstanding. Consequently, the group has reversed accumulated fair value loss of Rs. 366.81 million on such investment in Government securities and related deferred tax of Rs. 92.32 million in other equity on April 1, 2024.

	Amortised cost	Through other comprehensive income	Through profit or loss	Designated at fair value through profit or loss	Sub- Total	Others	Total
As at 31 March 2025							
Government securities	-	33,033.26			33,033.26	-	33,033.26
Debt securities	-	3,478.33			3,478.33	-	3,478.33
Equity instruments		-			-		-
Total – Gross (A)	-	**36,511.59**	-	-	**36,511.59**	-	**36,511.59**
(i) Investments in India	-	36,511.59	-	-	36,511.59	-	36,511.59
(ii) Investments outside India	-	-	-	-	-	-	-
Total (B)	-	**36,511.59**	-	-	**36,511.59**	-	**36,511.59**
Less: Allowance for Impairment loss (C)	-	(10.01)	-	-	(10.01)	-	(10.01)
Total – Net D= (A)-(C)	-	**36,501.58**	-	-	**36,501.58**	-	**36,501.58**

6 **Other financial assets**	**As at 31 March 2025**	**As at 31 March 2024**
Interest accrued on investments	-	542.89
Bank deposit (due to mature after 12 months from the reporting date)	0.00	-
Advances recoverable in cash	2,332.89	2,230.89
Other recoverables	1.09	0.94
	2,333.98	2,774.72
Less : Allowance for Impairment loss	0.83	0.29
Total	**2,333.15**	**2,774.43**

Information about the group's exposure to fair value measurement and credit and market risks are included in note 40 and 41

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

7 Income tax

A. Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax		
Current period (a)	264.86	1,803.51
Changes in estimates related to prior years (b)	-	-
	-	-
Deferred tax (c)	-	-
Attributable to-	-	-
Origination and reversal of temporary differences	(1,596.53)	(717.80)
Sub-total (c)	(1,596.53)	(717.80)
Tax expense (a)+(b)+(c)	**(1,331.67)**	**1,085.71**

B. Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2025			For the year ended 31 March 2024		
	Before tax	Tax (expense) / income	Net of tax	Before tax	Tax (expense) / income	Net of tax
Remeasurements of the net defined benefit liability/asset	33.85	(8.55)	25.31	6.93	(1.82)	5.11
Debt instruments fair value through other comprehensive	-	-	-	317.69	(79.96)	237.73
	33.85	**(8.55)**	**25.31**	**324.62**	**(81.78)**	**242.84**

C. Reconciliation of effective tax rate

Particulars	year ended 31 March 2025		year ended 31 March 2024	
	%	Amount	%	Amount
Profit before tax	25.17%	(5,554.62)	25.17%	4,384.06
Tax using the Company's domestic tax rate		(1,397.99)		1,103.38
Effect of:				
Permanent differences	-0.40%	22.05	0.33%	14.35
Tax exemption/deduction	0.82%	(45.70)	-1.09%	(47.82)
Change in unrecognised temporary differences	-0.01%	0.59	0.02%	0.75
Changes in estimate related to prior years	0.00%		0.00%	-
Changes in tax rate	0.00%		0.00%	-
MAT credit written off	0.00%	-	0.00%	-
Others	-1.61%	89.38	0.34%	15.06
Effective tax rate/tax expense		**(1,331.67)**		**1,085.71**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

D. Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

Particulars	As at 31 March 2024	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in OCI during the year	As at 31 March 2025
Deferred tax assets:					
Loans	1,095.86	1,507.11			2,602.97
Lease Liabilities	135.38	15.26			150.64
Others	400.29	28.22			428.51
Property, plant and equipment	(223.07)	16.35			(206.72)
	1,408.45	**1,566.94**	-		**2,975.40**
Deferred tax liabilities:					
Property, plant and equipment	6.61				6.61
Others	(117.74)	(29.59)	8.55	92.32	(46.46)
	(111.13)	(29.59)	8.55	92.32	(39.85)
Net deferred tax assets	1,519.58	**1,596.53**	**(8.55)**	**(92.32)**	**3,015.25**

Particulars	As at 01 April 2023	Recognised in profit or loss during the year	Recognised in OCI during the year	Recognised in OCI during the year	As at 31 March 2024
Deferred tax assets:					
Loans	888.60	207.26			1,095.86
Lease Liabilities	131.14	4.24			135.38
Others	(101.64)	501.92			400.29
Property, plant and equipment	(229.36)	6.28			(223.07)
	688.74	**719.71**	-	-	**1,408.45**
Deferred tax liabilities:					
Property, plant and equipment	6.61				6.61
Others	(201.43)	1.91	81.78	-	(117.74)
	(194.82)	**1.91**	**81.78**	**-**	**(111.13)**
Net deferred tax assets	**883.56**	**717.80**	**(81.78)**	**-**	**1,519.58**

E. Unrecognised deferred tax balances

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Particulars	As at 31 March 2025	As at 31 March 2024
Deductible temporary differences	0.59	1.51
Total	**0.59**	**1.51**

F. Uncertain tax positions

Refer Note 31 on contingent liabilities and commitment relating to income tax matter under dispute.

Particulars	As at 31 March 2025	As at 31 March 2024
Current Tax	782.70	311.59
Total	**782.70**	**311.59**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

8 Property, Plant and Equipment

Particulars	Gross Block					Depreciation				Net Block	
	As at 1 April 2024	Adjustment	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	For the year	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Owned Assets											
Leasehold improvement	576.59	-	186.28	2.58	760.29	193.40	71.51	1.19	263.72	496.58	383.19
Computers	752.25	-	309.82	57.92	1,004.15	492.61	218.76	56.56	654.81	349.34	259.64
Vehicles	65.95	-	33.78	6.83	92.90	12.91	16.46	2.47	26.90	66.00	53.04
Office equipment	403.71	-	124.76	3.19	525.28	216.16	98.80	3.13	311.83	213.46	187.55
Electrical equipment	535.05	-	72.52	4.03	603.54	181.85	67.02	3.03	245.84	357.70	353.19
Furniture and fixtures	656.98	-	65.20	6.08	716.10	328.59	88.41	4.42	412.58	303.52	328.39
Generator	111.34	-	68.67	1.32	178.69	42.20	14.38	0.93	55.65	123.04	69.14
Land	121.20	-	-	-	121.20	-	-	-	-	121.20	121.20
Building	1,001.30	-	-	-	1,001.30	34.21	16.69	-	50.90	950.40	967.09
Right of use assets											
Premises	3,776.19	-	1,275.13	-	5,051.32	1,534.87	588.44	-	2,123.31	2,928.01	2,241.32
ATM Machines	107.69	-	17.00	1.06	123.63	56.60	15.43	0.90	71.13	52.49	51.09
Total	**8,108.25**	**-**	**2,153.16**	**83.01**	**10,178.40**	**3,093.40**	**1,195.90**	**72.63**	**4,216.67**	**5,961.74**	**5,014.85**

Particulars	Gross Block					Depreciation				Net Block	
	As at 1 April 2023	Adjustment	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2024	As at 1 April 2023
Owned Assets											
Leasehold improvement	500.80	-	78.10	2.31	576.59	134.67	60.05	1.31	193.40	383.19	366.13
Computers	640.55	-	188.26	76.57	752.25	403.79	164.72	75.90	492.61	259.64	236.76
Vehicles	26.44	-	40.89	1.38	65.95	5.00	8.49	0.58	12.91	53.04	21.44
Office equipment	321.90	-	83.71	1.90	403.71	153.10	64.92	1.86	216.16	187.55	168.81
Electrical equipment	502.47	-	34.28	1.70	535.05	127.14	56.21	1.49	181.85	353.19	375.33
Furniture and fixtures	633.45	-	27.10	3.57	656.98	264.86	67.12	3.39	328.59	328.39	368.59
Generator	85.57	-	25.77	-	111.34	32.40	9.80	-	42.20	69.14	53.17
Land	121.20	-	-	-	121.20	-	-	-	-	121.20	121.20
Building	1,001.30	-	-	-	1,001.30	17.47	16.73	-	34.21	967.09	983.83
Right of use assets											
Premises	3,514.37	-	261.82	-	3,776.19	1,097.56	437.31	-	1,534.87	2,241.32	2,416.80
ATM Machines	97.12	-	10.57	-	107.69	43.94	12.66	-	56.60	51.09	53.18
Total	**7,445.16**	**-**	**750.49**	**87.42**	**8,108.25**	**2,279.93**	**898.00**	**84.52**	**3,093.40**	**5,014.85**	**5,165.24**

For capital commitments made by the group refer note 31

Capital-Work-in Progress (CWIP):

Ageing Schedule

CWIP	As on 31 March 2025				
	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	630.05	-	-	-	630.05
Projects temporarily suspended	-	-	-	-	-
Total	**630.05**	-	-	-	**630.05**

Ageing Schedule

CWIP	As on 31 March 2024				
	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	102.84	-	-	-	102.84
Projects temporarily suspended	-	-	-	-	-
Total	**102.84**	-	-	-	**102.84**

There are no projects where the completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2025 and as at 31 March 2024.

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

9 Intangible assets

Particulars	Gross Block					Amortisation				Net Block
	As at 1 April 2024	Adjustment	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	For the year	Disposals	As at 31 March 2025	As at 31 March 2024
Owned Assets										
Computer software	824.29	-	127.62		951.91	582.58	158.92		741.50	210.41
Right of use assets										
Core banking software	165.58	-	-		165.58	165.58	-		165.58	-
Total	**989.87**	-	**127.62**	-	**1,117.48**	**748.16**	**158.92**	-	907.08	**210.41**

Particulars	Gross Block					Amortisation				Net Block
	As at 1 April 2023	Adjustment	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2023
Owned Assets										
Computer software	659.40	-	164.90	-	824.29	416.55	166.05	-	582.58	241.71
Right of use assets										
Core banking software	165.58	-			165.58	141.91	23.68		165.58	-
Total	**824.98**	-	**164.90**		**989.87**	**558.46**	**189.73**		**748.16**	**241.71**

	As at 31 March 2025	As at 31 March 2024
10 Other non-financial assets		
Capital advances	63.89	3.77
Staff advances	-	-
Prepaid expenses	408.50	173.58
Total	**472.39**	**177.35**
11 Trade payables		
Total outstanding due to micro and small enterprises (Refer Note 46)	101.36	107.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	306.11	387.39
Total	**407.47**	**494.51**

Trade payables ageing schedule:

As on 31 March 2025

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	100.80	0.57	-	-	-	-	101.36
(ii) Others	303.00	0.51	-	-	2.59	-	306.11
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**403.80**	**1.08**	-	-	2.59	-	**407.47**

As on 31 March 2024

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(I) MSME	86.93	-	20.19	-	-	-	107.12
(ii) Others	342.07	-	29.79	15.53	-	-	387.39
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	429.00	-	49.98	15.53	-	-	**494.51**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
12 Borrowings (Other than Debt Securities)		
At Amortised cost		
Term loans		
- from banks		
- from financial institution	18,454.23	33,262.61
- from others	-	-
RBI repo	-	1,641.93
Total	18,454.23	**34,904.54**
Borrowings in India	18,454.23	34,904.54
Borrowings outside India	-	-
Total	18,454.23	**34,904.54**

Information about the group's exposure to fair value measurement and credit and market risks are included in note 40 & 41
Information about the lease liabilities is included in Note 49

Terms of Borrowings (Other than debt securities)

Nature of Facility	Amount o/s	Contractual amount o/s	ROI	Date of first repayment	Terms of repayment	Date of maturity
As at 31 March 2025						
ecured Refinance from Financial Institution						
NABARD Refinance 8*	1.26	-	8.50%	30-Aug-20	Principal Quarterly /Interest Monthly	28-Feb-25
NABARD Refinance 9*	3.49	-	8.50%	30-Sep-20	Principal Quarterly /Interest Monthly	29-Mar-25
NABARD Refinance 12	1,009.07	1,000.00	8.60%	30-Jun-23	Principal Quarterly /Interest Monthly	31-Mar-26
NABARD Refinance 13	815.92	810.00	8.60%	31-Aug-23	Principal Quarterly /Interest Monthly	31-May-26
NABARD Refinance 14	908.59	900.00	8.50%	30-Sep-23	Principal Quarterly /Interest Monthly	31-Dec-25
NABARD Refinance 15	3,525.42	3,500.00	8.55%	31-Aug-24	Principal Quarterly /Interest Monthly	30-Nov-26
NABARD Refinance 16	1,814.39	1,800.00	8.50%	31-Mar-25	Principal Quarterly /Interest Monthly	30-Jun-27
NABARD Refinance 17	3,021.53	3,000.00	8.45%	31-Jul-25	Principal Quarterly /Interest Monthly	31-Oct-27
NABARD Refinance 18	3,021.53	3,000.00	8.45%	31-Aug-25	Principal Quarterly /Interest Monthly	30-Nov-27
NABARD Refinance 19	3,002.07	3,000.00	8.40%	30-Sep-25	Principal Quarterly /Interest Monthly	31-Dec-27
Refinance SIDBI	461.52	460.00	5.50%	1-Mar-27	Principal Bullet /Interest Monthly	1-Mar-27
Refinance SIDBI	541.79	540.00	5.50%	1-Mar-27	Principal Bullet /Interest Monthly	1-Mar-27
Refinance NHB	327.64	327.64	4.90%	1-Apr-23	Principal & Interest Quarterly	1-Oct-29

***Amount outstanding includes interest on borrowings paid in the next financial year**

Nature of Facility	Amount o/s	Contractual amount o/s	ROI	Date of first repayment	Terms of repayment	Date of maturity
As at 31 March 2024 Secured borrowing in the form of Inter Bank Paticipatory Certificates (IBPC)						
HDFC BANK LIMITED	2,060.20	2,000.00	6.50%	10-Apr-24	Bullet repayment	10-Apr-24
MIZORAM RURAL BANK	1,723.71	1,700.00	5.50%	26-Jun-24	Bullet repayment	26-Jun-24
HDFC BANK LIMITED	2,032.98	2,000.00	6.50%	30-May-24	Bullet repayment	30-May-24
YES BANK LIMITED	2,015.74	2,000.00	5.40%	5-Aug-24	Bullet repayment	5-Aug-24
YES BANK LIMITED	3,015.20	3,000.00	6.00%	28-Aug-24	Bullet repayment	28-Aug-24
YES BANK LIMITED	2,001.81	2,000.00	6.00%	23-Sep-24	Bullet repayment	23-Sep-24
HDFC BANK LIMITED	4,004.80	4,000.00	6.99%	29-Jul-24	Bullet repayment	29-Jul-24
Secured Refinance from Financial Institution						
NABARD - Refinance 6	302.29	300.00	9.00%	31-Jan-20	Principal Half yearly/Interest Monthly	31-Jul-24
NABARD - Refinance 7	604.33	600.00	8.50%	31-Jul-20	Principal Half yearly/Interest Monthly	31-Jan-25
NABARD - Refinance 8	402.89	400.00	8.50%	31-Aug-20	Principal Half yearly/Interest Monthly	28-Feb-25
NABARD - Refinance 9	1,010.71	1,000.00	8.50%	30-Sep-20	Principal Half yearly/Interest Monthly	31-Mar-25
NABARD- Refinance 10	1,115.89	1,110.00	6.25%	31-Aug-22	Principal Half yearly/Interest Monthly	31-Jan-25
NABARD- Refinance 11	744.89	740.00	6.30%	30-Sep-22	Principal Half yearly/Interest Monthly	28-Feb-25
NABARD- Refinance 12	2,016.38	2,000.00	8.60%	30-Jun-23	Principal Half yearly/Interest Monthly	31-Mar-26
NABARD- Refinance 13	1,500.88	1,490.00	8.60%	31-Aug-23	Principal Half yearly/Interest Monthly	31-May-26
NABARD- Refinance 14	2,117.26	2,100.00	8.50%	30-Sep-23	Principal Half yearly/Interest Monthly	31-Dec-25
NABARD- Refinance 15	5,036.31	5,000.00	8.55%	29-Feb-24	Principal Half yearly/Interest Monthly	30-Nov-26
SIDBI- Refinance 6	670.07	667.20	6.55%	10-May-22	Principal Half yearly/Interest Monthly	10-Feb-25
SIDBI- Refinance 7	460.35	460.00	5.50%	9-Apr-24	Principal Half yearly/Interest Monthly	1-Mar-27
NHB	425.92	425.92	4.90%	1-Jul-23	Principal Half yearly/Interest Monthly	1-Jan-30
RBI Repo						
LTRO - 6	1,641.93	1,500.00	4.00%	12-Dec-24	Bullet	12-Dec-24

All secured term loans were secured by way of exclusive charge on the standard assets portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

Utkarsh CoreInvest Limited
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(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
13 Deposits (at amortized cost)		
Deposits		
(i) From Banks	-	43,279.04
(ii) From Others *	222,352.97	1,36,696.77
Total	**222,352.97**	**1,79,975.81**

* Includes deposit received from related parties refer Note no. 36 for the same

	As at 31 March 2025	As at 31 March 2024
14 Subordinated Liabilities (at amortized cost)		
Subordinated debt	5,158.86	2,098.12
Total (A)	**5,158.86**	**2,098.12**
Subordinated Liabilities in India	5,158.86	2,098.12
Subordinated Liabilities outside India	-	-
Total (B)	**5,158.86**	**2,098.12**

Concentration by location is based on the subscriber country of incorporation.
Information about the Group's exposure to fair value measurement and credit and market risks are included in Note 40 and 41.

Terms of Subordinated liabilities

Nature of Facility	Amount o/s	Contractual amount outstanding	ROI	Date of first repayment	Terms of repayment	Date of maturity
As at 31 March 2025						
Unsecured						
Redeemable non convertible debt - 15	149.57	150.00	10.58%	30/Aug/25	Bullet repayment	30/Aug/25
Redeemable non convertible debt - 16	1,949.80	1,950.00	12.50%	26/Jun/27	Bullet repayment	26/Jun/27
Redeemable non convertible debt - 17	2,000.82	2,000.00	11.00%	28/Jun/31	Bullet repayment	28/Jun/31
Redeemable non convertible debt - 18	1,058.67	1,050.00	10.90%	27/Nov/31	Bullet repayment	27/Nov/31
As at 31 March 2024						
Unsecured						
Redeemable non convertible debt - 15	148.38	150.00	10.58%	30-Aug-25	Bullet repayment	30-Aug-25
Redeemable non convertible debt - 16	1,949.74	1,950.00	12.50%	26-Jun-27	Bullet repayment	26-Jun-27

	As at 31 March 2025	As at 31 March 2024
15 Other financial liabilities		
Employee benefits payable	369.09	608.49
Bills payable	1,296.56	1,839.85
Security deposit from staff	64.77	70.03
Expenses payable	400.22	504.57
Client insurance payable	35.73	107.85
Others*	1,140.24	695.13
Total	**3,306.61**	**3,825.92**

*Others comprises of settlement accounts

	As at 31 March 2025	As at 31 March 2024
16 Provisions		
For Employee Benefits		
Provision for gratuity *	(34.29)	16.44
Provision for leave benefits	42.81	57.64
Allowance on impairment loss on off-book exposure **	10.27	28.55
Others	39.95	27.39
Total	**58.74**	**130.02**

* Refer note 34 for employee benefits.
** For information about allowance on impairment loss on off book exposure refer note 41.

	As at 31 March 2025	As at 31 March 2024
17 Other non-financial liabilities		
Statutory dues payable	71.85	80.96
Total	**71.85**	**80.96**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
18 Share capital		
Authorised		
Equity shares		
10,00,00,000 (31 March 2024: 10,00,00,000) Equity shares of INR 10 each	1,000	1,000
Issued, subscribed and paid-up		
Equity shares		
9,93,71,965 (Previous year 9,87,44,490) equity shares of Rs. 10 each, fully paid up	993.72	987.44
Total	**993.72**	**987.44**

(a) Reconciliation of the number of shares outstanding is set out below:

Particular	As at 31 March 2025		As at 31 March 2024	
	Number of shares (in units)	Amount	Number of shares (in units)	Amount
Outstanding as at the beginning of the year	98,744,490	987.44	9,84,20,960	984.21
Issued during the year	627,475	6.28	3,23,530	3.23
Outstanding at the end of the year	**99,371,965**	**993.72**	**9,87,44,490**	**987.44**

(b) Rights, preferences and restrictions attached to equity shares

The Group has single class equity shares having a par value of INR 10 per equity share. They entitle the holders to participate in the dividends in proportion to the number of shares held.

However, as per the Shareholders Agreement, in the event of liquidation, the net proceeds shall be distributed in the following manner:

- First preference shall be given to the Investors (ABF, AGIMDC II, AVMS, CDC, FCIEF II, FCIEF III, HDFC Ergo, HDFC Life, HDFC Ltd., Hero, ICICI Pru, IFC, JIF, Lok CGF, NMI, rAPM, RBL, Sarva Capital, SFRE-SICAV-SIF, Shriram and SIDBI), shareholders which have been allotted equity shares pursuant to ESOP plan 2010 and other shareholders (other than the shareholders which have been allotted equity shares pursuant to grant of employee stock option of the Group excluding ESOP Plan 2010)

- Second preference shall be with shareholders which have been allotted equity shares pursuant to grant of employee stock options of the Group (excluding ESOP Plan 2010) and sponsors of the Group.

- Remaining shareholders shall have third preference over the residual assets of the Group at the time of liquidation.

(c) Details of shareholder holding more than 5% shares is set below:

Name of the equity shareholders	As at 31 March 2025		As at 31 March 2024	
	Number of shares (in units)	% of Holding	Number of shares (in units)	% of Holding
NMI Frontier Fund KS, Norway	7,702,602	7.75%	7,702,602	7.80%
British International Investment PLC	13,726,978	13.81%	13,726,978	13.90%
(Formerly known as CDC Group PLC)				
Faering Capital India Evolving FUND II	7,660,082	7.71%	7,660,082	7.76%
RBL Bank Limited	8,581,150	8.64%	9,702,950	9.83%
Total	**37,670,812**	**37.91%**	**38,792,612**	**39.29%**

(d) Shares reserved for issue under options - refer Note 35 for details of share to be issued under employee stock option plan

(e) Pursuant to Shareholder Agreement dated September 27, 2016 (post receipt of RBI's in-principle approval for issue of SFB licence) and subsequent amendments thereto, Mr. Govind Singh was to be issued upto three percent (3%) of the paid up share capital of the promoter company either by the promoter company or by the SFB entity on a fully diluted basis within a period of Seven (7) years from the date of commencement of banking operations i.e. upto January 22, 2024.commencement of banking operations i.e. upto January 22, 2024.

Subject to RBI approval, the Board of Directors of the Bank has, vide the resolution passed at its meeting held on January 14, 2020, read along with resolution passed by it on July 20, 2020, approved the grant of options equivalent to 0.60% of the paid up share capital of the Bank as of March 31, 2020 constituting 45,55,633 Equity Shares to Mr. Govind Singh, Managing Director and Chief Executive Officer of the Bank under the MD & CEO ESOP Plan. However, In response to the Bank's letter dated January 21, 2021 in the matter seeking RBI approval, Department of Regulation, RBI Central Office vide its reply letter dated June 9, 2021 has stated that the said remuneration proposal does not have RBI approval.

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
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The Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders' Agreement dated April 26, 2024 ("SASRASHA"), (collectively, "SHA") and Amendment of the Articles of Association of the Company dated May 27, 2024 (as amended from time to time) executed amongst the Company, the sponsors and the other shareholders provides that the Company has agreed to issue Equity Shares/Share Equivalents/other securities that are equal to 3% of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016, to RAAG Family Private Trust ("Trust") ("Permitted Sponsor Issuance"), within a specified time period as reflected in the SASRASHA, at a price not less than [₹109.36 per share] and as amended from time to time.

Further in this regard, basis discussions between the Company, Trust and the Investors (as defined in the SHA), including calls with Investors dated [January 18, 2024 and April 30, 2024], it was proposed that the Company makes a settlement to the Trust, for an amount aggregating to INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Settlement amount"), in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, which will constitute a full and final settlement for the Trust, for such waiver/ termination/ cancellation of the Permitted Sponsor Issuance.

Apropos the above, the Board of Directors of the company accorded its approval dated June 07, 2024 towards settlement to the trust amounting to ₹30 crore subject to approval by the shareholders of the company. The Company vide Extra-Ordinary general meeting of shareholders held on June 29, 2024 received requisite approval towards the above stated payment to the trust and thereby extinguishment/ waiver/ cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company. Further, the Company provisioned the above amount of ₹30 crore in its books of accounts during June 2024, out of which an amount of ₹10 crore has been paid to the trust dated June 29, 2024 and the balance of ₹20 crore paid dated August 12, 2024.

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
19 Other equity		
Share Application money pending allotment		
Balance as at the beginning of the year	21.54	-
Shares issued during the year	(21.54)	-
Amount received during the year	0.23	21.54
Balance as at the end of the year	0.23	**21.54**
Equity component of compound financial instruments		
Balance as at the beginning of the year	(109.01)	(109.01)
Balance as at the end of the year	**(109.01)**	**(109.01)**
Statutory reserve		
Balance as at the beginning of the year	2,567.65	2,044.25
Add: Transferred from retained earnings	119.85	523.40
Add: Transactions with Non-Controlling Interest	(23.00)	
Balance as at the end of the year	**2,664.50**	**2,567.65**
Capital redemption reserve		
Balance as at the beginning of the year	90.00	90.00
Balance as at the end of the year	90.00	**90.00**
Securities premium		
Balance as at the beginning of the year	6,531.70	6,479.53
Add: Transactions with Non-Controlling Interest	-	-
Add: Transfer from stock option outstanding	98.66	52.17
Balance as at the end of the year	**6,630.36**	**6,531.70**
Other Equity - Fair valuation changes		
Balance as at the beginning of the year	4,121.67	4,121.67
Balance as at the end of the year	**4,121.67**	**4,121.67**
Employees stock options outstanding		
Balance as at the beginning of the year	82.72	142.75
Add: Compensation for options granted	0.44	(6.54)
Less: transfer to retained earnings	(8.75)	(35.73)
Exercise of stock options	(32.16)	(17.75)
Balance as at the end of the year	**42.25**	**82.72**
Investment fluctuation reserve		
Balance as at the beginning of the year	82.33	50.69
Add: transfer from retained earnings	(42.21)	-
Add: Transactions with Non-Controlling Interest	135.30	31.64
Balance as at the end of the year	**175.42**	**82.33**
Treasury shares		
Balance as at the beginning of the year	(2.45)	(2.45)
Treasury shares exercised during the year	-	-
Balance as at the end of the year	**(2.45)**	**(2.45)**
Retained earnings		
Balance as at the beginning of the year	6,156.63	4,314.69
Add: Profit for the year	(3,126.17)	2,437.58
Add: Amount transferred to various reserves	(337.00)	(505.16)
Share issue expenses	(300.00)	
Payment to shareholder`s under shareholder agreement	304.61	(90.48)
Transactions with Non controlling interest		
Balance as at the end of the year	**2,698.06**	**6,156.63**
Debt instruments through other comprehensive income		
Balance as at the beginning of the year	(209.47)	(458.68)
Other comprehensive income for the year	-	175.42
Loss transferred on reclassification of investments held at FVTOCI*	189.60	-
Transactions with Non-Controlling Interest	19.87	73.79
Balance as at the end of the year	**-**	**(209.47)**
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		
Balance as at the beginning of the year	(160.62)	(160.62)
Total Comprehensive Income for the year	-	-
Balance as at the end of the year	**(160.62)**	**(160.62)**
Remeasurement of defined benefit plans ((gain)/loss)		
Balance as at the beginning of the year	6.65	(3.34)
Other comprehensive income for the year	18.58	3.68
Transactions with Non-Controlling Interest	(1.19)	6.31
Balance as at the end of the year	**24.04**	**6.65**

Utkarsh CoreInvest Limited
Consolidated Balance Sheet As at 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
General reserve		
Balance as at the beginning of the year	-	-
Additions during the year	2.75	-
Balance as at the end of the year	**2.75**	**-**
Capital reserve		
Balance as at the beginning of the year	62.30	76.45
Additions during the year	45.88	(14.15)
Balance as at the end of the year	**108.18**	**62.30**
Non-controlling interest		
Balance as at the beginning of the year	8,881.78	3,194.50
Other comprehensive income for the year	(1,090.06)	924.50
Acquisition by Non-Controlling Interest**	(124.55)	4,727.23
Transfer from retained earnings	85.39	-
Dividend	(170.59)	-
ESOP reserve of subsidiary	221.16	35.55
Balance as at the end of the year	**7,803.12**	**8,881.78**
Total	**24,088.51**	**28,123.42**

***Refer Statement of Changes in Equity**
****Refer Note 48 for ownership interest held by non-controlling interest add these lines**
Nature and purpose of other reserve :
Share Application money pending allotment

This amount represents amount received from share holders against which shares are yet to be allotted.

Equity component of financial instruments

This represents the equity component of the financial liability created on account of classification of equity share capital as financial liability.

Statutory reserve

"The said reserve has been created under section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-Banking Financial Group shall create a reserve fund and transfer a sum not less than 20% of net profit every year before declaration of dividend.

The Group has made an appropriation of 25% out of profits for the year ended March 31, 2023 to the Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949."

Capital Redemption Reserve

Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Companies Act, 2013.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Other Equity - Fair valuation changes

The said reserve represents the premium amount paid by the shareholders transferred on account of reclassification of equity share capital as financial liabilities as at 31 March 2018 and 1 April 2017.

ESOP Reserve

The said amount is used to recognise the grant date fair value of options issued to employees of Utkarsh CoreInvest Ltd and its subsidiary Utkarsh Small Finance Bank.

Investment fluctuation reserve

As per the notification issued by Reserve Bank of India on Investment Fluctuation Reserve (IFR) on April 02, 2018, the Group is required to create reserve of at least 2% of the HFT and AFS portfolio, on continuing basis. Notification further says that this should be achieved within a period of 3 years. As per the policy, the Group is required to create Investment Fluctuation Reserve within 2 years starting from financial year 2018-19. The Group has created Investment Fluctuation Reserve at 2% on HFT & AFS portfolio. Any adjustment (drawdown) to the reserve due to change in HFT & AFS portfolio is permitted only at the end of the accounting year.

Treasury shares

The said amount represents shares issued to the ESOP trust and subsequently issued to the employees of the Group.

Retained Earnings

The said amount represents accumulated surplus/(deficit) of the profits earned by the Group.

Debt instruments through other comprehensive income

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss

The said amount represents fair value changes on financial liabilities designated at fair value through profit or loss relating to own credit risk which is recognised in other comprehensive income.

Remeasurement of defined benefit plans

"Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)"

Capital Reserve

The amount relates to profit on sale of HTM securities as stated by RBI guidelines.

Non-controlling interest

The said amount represents non-controlling interest in the subsidiaries.

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	For the year ended 31 March 2025		For the year ended 31 March 2024	
	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost
20 Interest Income				
Interest income on loan portfolio	-	34,234.33	-	27,916.56
Interest income on fixed deposits	-	93.79	-	75.07
Interest income on investments	-	2,709.59	2,112.40	-
Others (Interest on RBI Reverse Repo, TREPS Reverse Repo, Call / Term Lending)	-	1,415.95	-	824.33
Total	**-**	**38,453.66**	**2,112.40**	**28,815.96**

	For the year ended 31 March 2025	For the year ended 31 March 2024
21 Fees and commission income		
ATM interchange - acquirer fees	20.53	-
Insurance commission	416.74	448.56
Others	3.13	26.72
	440.40	**475.28**
22 Other income		
Dividend income	-	-
Miscellaneous income*	2,649.43	2,421.18
Recovery from written off portfolio	12.70	-
		10.68
Total	2,662.13	**2,431.86**

* includes fee received on sale of PSLCs of INR 1151.66 million (31 March 2024: 1036.52 million)

	For the year ended 31 March 2025		For the year ended 31 March 2024	
	On Financial Liabilities measured at Fair value through OCI	On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at Fair value through OCI	On Financial Liabilities measured at Amortised Cost
23 Finance Costs				
Interest on deposits	-	15,610.41	-	11,174.83
Interest on borrowings	-	772.52	-	1,277.41
Interest on lease liabilities	-	289.63	-	273.23
Interest on subordinated debt	-	465.66	-	3.52
Other borrowing costs	-	5.64	-	-
Total	-	**17,143.85**	-	**12,981.62**

	For the year ended 31 March 2025	For the year ended 31 March 2024
24 Fees and commission expenses		
ATM interchange - issuer fees	72.69	87.08
Commission on business correspondent	1,145.96	544.40
Total	**1,218.64**	**631.48**
25 Net (gain)/loss on fair value changes		
Derivative instruments	242.18	-
Reclassified from OCI for sale of investments	-	-
	242.18	**-**
Net (gain)/loss on fair value changes		
Fair value changes :		
- Realised	(118.93)	-
- Unrealised	361.11	
Total	**242.18**	**-**

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26 Impairment on financial instruments	For the year ended 31 March 2025		For the year ended 31 March 2024	
	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost	On Financial Instruments measured at Fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans		13,712.57		3,770.38
Investments		3.17	(1.89)	-
Off balance sheet items		(18.29)		15.02
Other assets		1.09		0.25
Total		**13,698.54**	**(1.89)**	**3,785.65**

For information about impairment on financial instruments refer note 41

	For the year ended 31 March 2025	For the year ended 31 March 2024
27 Employee benefit expenses		
Salaries and wages	7,593.60	6,755.01
Contribution to provident and other funds	600.20	516.78
Share Based Payments to employees	250.63	68.80
Staff welfare expenses	91.98	56.77
Total	**8,536.41**	**7,397.36**
Refer note 34 for employee benefits.		
28 Depreciation and amortisation		
Depreciation of property, plant and equipment	1,195.87	899.19
Amortisation of intangible assets	158.92	189.73
Total	1,354.79	**1,088.92**
29 Other expenses		
Modification loss on financial instruments - -	-	-
Repairs and maintenance 207.85 174.87	207.85	174.87
Contribution towards Corporate Social Responsibilities (refer Note 47)	85.50	51.60
Legal and professional charges	304.49	290.62
Auditor's fees and expenses (Refer Note 30)	24.92	22.06
Subscription and membership expenses	8.48	7.46
Provision for diminution of investments	-	27.50
Recruitment expenses	59.85	-
Insurance	203.80	148.37
Director sitting fees	10.80	4.33
Rent	(0.00)	9.57
Travelling expenses	316.49	295.44
Printing and stationery	126.84	142.54
Communication expenses	360.26	309.26
Credit bureau expenses	36.59	31.53
Power and fuel	190.10	169.97
Provision against unreconciled balances	12.56	3.60
Office maintenance	56.69	59.49
Software charges	949.88	728.54
Miscellaneous expenses	1,961.30	1,091.56
Total	**4,916.40**	**3,568.30**
30 Payment to Auditors		
Statutory audit fees	105.51	18.04
Certification and other services	4.41	-
Reimbursement of expenses	5.03	4.02
Total	**114.95**	**22.06**

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		As at 31 March 2025	As at 31 March 2024
31	**Contingent Liabilities, commitments and contingent assets**		
A	**Contingent liabilities and capital commitments**		
(I)	Claims not acknowledged as debts	45.98	38.44
(ii)	Other items for which the group is contingently liable *	861.19	741.12
(iii)	Income Tax CIT (A) - Refund	114.30	114.30
	Total	**907.17**	**779.56**

* Includes capital commitments of INR 552.96 (31 March 2024: INR 478.71) and Bank Guarantee of INR 308.23 (31 March 2024: 262.41).

The Group's pending litigations include claims by counterparties and proceedings pending with tax authorities. The Group has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required, and disclosed as contingent liabilities where applicable.

B Commitments

There are no other commitments as at 31 March 2025 and 31 March 2024.

C Contingent assets

There are no contingent assets as at 31 March 2025 and 31 March 2024.

32 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	29,431.29	3,886.08	33,317.37	25,976.82	2,487.84	28,464.66
Bank balance other than above	1,048.84	42.24	1,091.08	1,819.70	6.16	1,825.86
Loans	79,773.26	100,631.37	180,404.62	92,836.75	83,663.30	1,76,500.05
Investments	28,225.45	21,999.22	50,224.67	23,747.14	12,754.44	36,501.58
Other financial assets	2,066.94	266.21	2,333.15	2,163.83	610.60	2,774.43
Non-financial assets						-
Current tax assets (net)	782.70	-	782.70	124.16	187.43	311.59
Deferred tax assets (net)	-	3,015.25	3,015.25	-	1,519.58	1,519.58
Property, plant and equipment		5,961.74	5,961.74	0.06	5,014.79	5,014.85
Capital work-in-progress		630.05	630.05	-	102.84	102.84
Other intangible assets		210.41	210.41	54.28	187.43	241.71
Other non-financial assets	66.81	405.58	472.39	0.19	177.16	177.35
Total Assets	**141,395.28**	**137,048.16**	**278,443.44**	**1,46,722.93**	**1,06,711.56**	**2,53,434.49**

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Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
Trade payables						
- Total outstanding due to micro and small enterprises	101.37	-	-	107.12		107.12
- Total outstanding dues of creditors other than micro	303.52	2.59	101.37	387.39		387.39
enterprises and small enterprises"			306.11			
Borrowings (other than debt securities)	8,252.15	10,202.08	18,454.23	27,864.18	7,040.36	34,904.54
Lease liability	864.67	2,588.73	3,453.41	694.35	2,022.38	2,716.73
Deposits	95,784.42	126,568.55	222,352.97	1,05,954.93	74,020.88	1,79,975.81
Subordinated liabilities	166.77	4,992.10	5,158.86	4.00	2,094.12	2,098.12
Other financial liabilities	3,196.04	110.57	3,306.61	4,313.11	(487.19)	3,825.92
Non-financial liabilities						
Current tax liabilities (net)	97.03	-	97.03	97.03	-	97.03
Provisions	10.26	48.48	58.74	-	130.02	130.02
Other non-financial liabilities	71.85	-	71.85	76.93	4.03	80.96
Total Liabilities	**108,848.08**	**144,513.09**	**253,361.18**	**1,39,499.03**	**84,824.61**	**2,24,323.64**
Net	**32,547.20**	**(7,464.93)**	**25,082.26**	**7,223.90**	**21,886.95**	**29,110.85**

33 Change in liabilities arising from financing activities

Particulars	As at 1 April 2024	Cashflows	Other non-cash adjustments	As at 31 March 2025
Deposits	179,975.81	42,377.08	0.08	222,352.97
Borrowings (other than debt securities)	34,904.54	(16,170.93)	(279.38)	18,454.23
Lease liability	2,716.73	(828.56)	1,565.24	3,453.41
Subordinated liabilities	2,098.12	3,070.76	(10.01)	5,158.86
Total Liabilities from financing activities	**219,695.20**	**28,448.35**	**1,275.93**	**249,419.47**

Particulars	As at 1 April 2023	Cashflows	Other non-cash adjustments	As at 31 March 2024
Deposits	1,40,540.71	39434.91	0.20	1,79,975.81
Borrowings (other than debt securities)	27,265.66	7643.94	5.06	34,904.54
Lease liability	2,910.98	710.05	515.81	2,716.73
Subordinated liabilities	2,342.01	246.03	2.14	2,098.12
Total Liabilities from financing activities	**1,73,059.36**	**46122.77**	513.08	**2,19,695.20**

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34 Employee benefits
The Group operates the following post-employment plans:

i. Defined Benefit plan
Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Group or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

	As at 31 March 2025	As at 31 March 2024
Net defined benefit liability	(34.29)	16.43

A. Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section E below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the next year is INR 19.86

B. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/ liability and its components:

Particulars	As at 31 March 2025			As at 31 March 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	272.96	256.52	16.44	233.04	221.86	11.18
Included in profit or loss						
Current service cost	71.00	-	71.00	67.50	-	67.50
Past Service credit						
Interest cost (income)	19.37	18.20	1.17	16.93	16.12	0.81
Total (A)	**90.37**	**18.20**	**72.17**	**84.43**	**16.12**	**68.31**
Included in Other comprehensive income						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	-		-	(20.33)	-	(20.33)
- financial assumptions	(55.07)		(55.07)	2.21	-	2.21
- experience adjustment	22.69	-	22.69	4.47	-	4.47
– Return on plan assets excluding interest income	-	1.47	(1.47)	-	(0.23)	0.23
Total (B)	**(32.38)**	1.47	**(33.85)**	**(13.65)**	**(0.23)**	**(13.41)**
Other				-	49.65	(49.65)
Contributions paid by the employer	-	89.05	(89.05)	(1.28)	(30.86)	29.58
Benefits paid	(34.55)	(34.55)	-	(29.58)	-	(29.58)
Benefits paid from revenue account of the Group	-	-	-	-	-	-
Total (C)	**(34.55)**	**54.50**	(89.05)	**(30.86)**	**18.77**	**(49.65)**
Balance at the end of the year	**296.40**	**330.69**	**(34.29)**	**272.96**	**256.52**	**16.43**

Amount recognised in Statement of Profit and Loss Account	**For the year ended 31 March 2025**	**For the year ended 31 March 2024**
Gratuity Expenses	16.12	68.31

For detailed Break up please refer column 'Net defined benefit (asset)/ liability' in the above table

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C. Plan assets	For the year ended 31 March 2025	For the year ended 31 March 2024
Insurer managed funds	100%	100%

The group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

D. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2025	As at 31 March 2024
Discount rate	6.50%	7.10%
Future salary growth	8%	7.00% for the first 2 years, and 9.00% thereafter
Withdrawal rate:		
For management	13.10% - 31.90%	13.10% - 31.90%
For junior staff		
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion.

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(9.55)	10.20	(9.51)	10.22
Future salary growth (1% movement)	10.33	9.73	9.66	9.14

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

	As at 31 March 2025	As at 31 March 2024
(i) Duration of defined benefit obligation		
Duration (Years)		
0-1 years	86.97	74.95
1 to 5 years	194.66	178.35
More than 5	96.19	113.41
Total	**377.82**	**366.70**
(ii) Weighted Average duration of the defined benefit obligation	3-7 years	3-6 years

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follow -

Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk (discount rate risk)

Interest Rate risk: The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Mortality Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For the current year, we have used Indian Assured Lives Mortality (2012-14) ultimate table and in the previous year, Indian Assured Lives Mortality (2006-08) had been used.

A change in mortality rate will have a bearing on the plan's liability.

Salary Risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

ii. Defined contribution plan

The Group makes monthly contribution towards Provident Fund which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	As at 31 March 2025	As at 31 March 2024
Contribution to Provident Fund and other funds	600.20	516.78

iii. Other long-term benefits

The Group provides compensated absences benefits to the employees of the Group which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	As at 31 March 2025	As at 31 March 2024
Amount recognised in Statement of Profit and Loss	61.79	51.45

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35 Employee stock options

A Description of share-based payment arrangements

The Group has formulated an Employees Stock Option Scheme to be administered through a Trust. The Scheme is applicable to all the eligible employees of the Group. The scheme provides that subject to continued employment with the Group, the employees are granted an option to acquire equity shares of the Group that may be exercised within a specified period.

The Group formed Utkarsh ESOP Welfare Trust ('Trust') to issue ESOPs to employees of the Group as per Employee Stock Option Scheme. Total 1,200,000 equity shares has been reserved under ESOP scheme 2016 and pursuant to Shareholder agreement executed in the year 2016-17 additional 5,989,594 equity shares has been reserved for the purpose of ESOP scheme. The Group has given interest and collateral free loan to the trust, to provide financial assistance to purchase equity shares of the Group under such schemes.

The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The Trust in turn allots the shares to employees on exercise of their right against cash. The compensation costs of stock options granted to employees are accounted by the Company using fair value method.
The Trust does not have any transactions/activities other than those mentioned above, hence it is treated as a part of the Group and gets consolidated with the books of the Group.

The Company granted 17,500 (31 March 2024, 30,000) options to the employees of the Company during the year.

The options vested shall be exercised within a period of 24 months from the date of vesting. The plan shall be administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Group in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

The Company granted options to eligible employees of the Company and its subsidiary, Utkarsh Small Finance Bank Limited on September 19, 2024. Since the ESOP cost for the grant was not approved by the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Bank, the Company cancelled grant by passing a Board Resolution on May 20, 2025. Therefore, the said grant may be considered for cancellation in totality effective Septemebr 19, 2024 in terms of fulfilling the requirement under corporate governance and accounting principles. Further to apprise that a note on the re-issuance of ESOP grant to the employees of USFBL and UCL may be placed before the Committee during current financial year.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting Condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

Particulars	31 March 2025		31 March 2024	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	13,09,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125.00	30,000	125.00
Add: Adjustment of previous year (negative impact)	2,43,354	110.61	-	-
Less: Lapsed/forfeited during the year	2,93,875	116.63	10,91,634	115.38
Less: Exercised during the year	6,27,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	6,48,731	120.68	13,09,227	119.40
Options vested and exercisable at the end of the year	6,13,888	120.44	9,91,210	117.60

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was 116.11 (31 March 2024 INR 116.37).

C Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 31 March 2025	As at 31 March 2024
1 April 2014	1 April 2016 - 1 April 2019	21.60	-	-
1 April 2015	1 April 2017 - 1 April 2020	21.60	-	-
1 April 2016	1 April 2018 - 1 April 2021	21.60	-	-
1 April 2017	1 April 2019 - 1 April 2022	109.36	-	-
1 April 2018	1 April 2020 - 1 April 2023	109.36	-	-
1 April 2019	1 April 2021 - 1 April 2024	109.36	-	-
1 June 2019	1 June 2021 - 1 June 2024	109.36	1,79,094	4 ,69,000
9 Dec 2019	9 Dec 2021 - 9 Dec 2024	125	12,500	35,000
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	125.00	4,16,669	7 ,67,727
1 April 2021	1 April 2023 - 1 April 2026	125.00	3 ,750	7,031
1 April 2022	1 April 2024 - 1 April 2027	125.00	7,031	12,188
1 April 2023	1 April 2025 - 1 April 2028	125.00	12,187	1 8,281
1 April 2024	1 April 2026 - 1 April 2029	125.00	17,500	-

Weighted average remaining contractual life of options outstanding at the end of the period 1.28 years 2.05 years

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D Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 9.54 - 203.60

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value
1 April 2014	1 April 2016 - 1 April 2019	33.83%	21.60	28.72	8.81%	11.57 - 16.12
1 April 2015	1 April 2017 - 1 April 2020	43.09%	21.60	45.51	7.74%	27.54 - 32.21
1 April 2016	1 April 2018 - 1 April 2021	52.41%	21.60	71.40	7.46%	53.15 - 57.95
1 April 2017	1 April 2019 - 1 April 2022	30.91%	109.36	82.19	6.68%	9.54 - 23.70
1 April 2018	1 April 2020 - 1 April 2023	29.51%	109.36	107.19	7.40%	23.88 - 42.55
1 June 2019	1 June 2021 - 1 June 2024	19.60%	109.36	132.13	7.03%	49.31 - 67.99
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	47.00%	125.00	131.59	5.55%	50.10 - 65.77
1 April 2021	1 April 2023 - 1 April 2026	49.30%	125.00	142.50	5.80%	53.60 - 77.00
1 April 2022	1 April 2024 - 1 April 2027	49.10%	125.00	155.20	6.20%	60.00 - 88.30
1 April 2023	1 April 2025 - 1 April 2028	49.90%	125.00	166.70	7.10%	68.20 - 99.40
1 April 2024	1 April 2026 - 1 April 2029	46.70%	125.00	278.90	7.00%	173.90 - 203.60

The dividend yield has been taken as 0% in all the fair value calculations as Group has never distributed dividend in the past and does not intend to distribute its earnings in the foreseeable future.

E Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer Note 27

F Options granted by the subsidiary Utkarsh Small Finance Bank Limited ('the Bank')

Description of share-based payment arrangements

During the FY 2019-20, the Bank introduced Utkarsh Small Finance Bank Limited (USFBL) MD & CEO Employee Stock Option Plan 2020 to offer, grant and issue in one or more tranches, the Stock Options to Mr. Govind Singh, MD & CEO.

The bank received approval from RBI on 31st August 2021 for remuneration of MD & CEO for FY 2019-20 wherein non cash component of variable pay of Rs. 1 million was approved and was paid by way of grant of 71,377 options out of banks shares with effect from 28 December 2020 being the date of approval of Banks ESOP Scheme. The Bank received approval for remuneration to MD & CEO for financial year 2020-21 from RBI on 12 January 2022 advising to defer non-cash component over next 3 years in 3 equal instalments of 33.33% each. Further, 50% of cash component to be paid upfront and remaining 50% to be deferred in next 3 years in equal instalments. Accordingly, the Bank has granted 456,817 ESOPs to MD & CEO at Rs. 14.01 per share w. e. f 12 January 2022 with vesting over next three years in equal proportion i.e. 33.33% each year. However, Bank has received another letter from RBI on 28 July 2022 wherein non cash component has been revised. It is also advised to adjust the excess grant of non-cash component in the next tranche itself. Accordingly, bank has revised the options granted to MD & CEO w.e.f 12 January 2022 to 221,270 options with vesting over next two year with the proportion of 69% and 31%.

The bank received approval for remuneration to MD & CEO for financial year 2021-22 from RBI on 14 December 2022 including non cash variable pay of Rs. 6 millions and advised to defer it over next 3 years in 3 equal instalments. Accordingly,bank has granted 6,26,226 ESOPs to MD & CEO at Rs. 31.80 per share w.e.f 17 September 2022 being the date of Board approval for remuneration to MD & CEO with vesting over next three years in equal proportion i.e. 33.33% each year.

During the year the Bank has granted 1,92,87,909 options (previous year 1,67,09,150 options) under the Utkarsh Small Finance Bank Limited (USFBL) Employee Stock Option Plan 2020, to MD & CEO, Whole Time Director and other employees.

This includes 6,06,896 ESOPs granted to MD & CEO at Fair value of ₹ 17.40 and at exercise price of ₹44.00 per share during the year.The bank received approval for remuneration to MD & CEO for financial year 2023-24 from RBI on September 16, 2024 with fixed pay of ₹2.57 cr including perquisites & variable pay of ₹1.76 cr with bifurcation into ₹0.70 cr as cash component and ₹1.06 cr as non-cash component with deferral over three years.

This also includes grant to Whole Time Director. The bank received approval for appointment of Whole time Director for the period of three years from the date of taking charge with remuneration at fixed pay of ₹1.63 cr per annum including perquisites and joining bonus of ₹1.93 cr in the form of ESOPs. Accordingly,bank has granted 10,54,644 ESOPs to Whole time Director at Fair value of ₹18.30 and at exercise price of ₹44.19 per share during the year.

The options vested can be exercised within a period of 24 months from the date of vesting. The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

These options shall vest on graded basis as follows:

Time period	General grant	Grant to WTD	Grant to MD & CEO Grant dated 12 January 2022	Other grant
On completion of 1 year	25%	10%	69.00%	33.33%
On completion of 2 years	25%	20%	31.00%	33.33%
On completion of 3 years	25%	30%	-	33.33%
On completion of 4 years	25%	40%	-	-

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Reconciliation of outstanding share options
Set out below is a summary of options granted under the plan

Particulars	31 March 2025		31 March 2024	
	Number of share options (in Units)	Average exercise price per share	Number of share options (in Units)	Average exercise price per share
Outstanding options at the beginning of the year	38,413,892	34.54	2,93,85,764	27.16
Add: Granted during the year	19,287,909	44.01	1,67,09,150	44.08
Less: Lapsed/forfeited during the year	5,163,108	36.69	41,28,225	27.02
Less: Exercised during the year	2,152,440	26.91	35,52,797	27.10
Less: Adjustment of previous year	-	-	-	-
Outstanding options at the end of the year	**50,386,253**	**38.27**	**3,84,13,892**	**34.54**
Options vested and exercisable at the end of the year	12,409,946	32.14	59,16,227	27.05

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was INR 26.91 (31 March 2024: INR 27.10).
Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 31 March 2025	As at 31 March 2024
28 December 2020	28 Dec 2023 - 28 Dec 2026	14.01	-	17,845.00
1 August 2021	1 Aug 24 - 1 Aug 2027	27.00	5,537,287	78,07,662.00
1 October 2021	1 Oct 2024 - 1 Oct 2027	30.00	11,250	15,000.00
18 October 2021	18 Oct 2024 - 18 Oct 2027	31.80	15,000	20,000.00
8 November 2021	8 Nov 2024 - 8 Nov 2027	31.80	-	10,000.00
1 January 2022	1 Jan 2025 - 1 Jan 2028	31.80	15,000	15,000.00
12 January 2022	12 Jan 2025 - 12 Jan 2028	14.01	-	-
1 April 2022	1 April 2025 - 1 April 2028	31.80	45,000	60,000
7 April 2022	7 April 2025 - 7 April 2028	31.80	-	-
2 May 2022	2 May 2025 - 2 May 2028	31.80	20,000	20,000
16 July 2022	16 July 2025 - 16 July 2028	31.80	-	18,750
1 August 2022	1 Aug 25 - 1 Aug 2028	27.00	10,781,063	1,28,19,001
17 Sep 2022	17 Sep 2025 - 17 Sep 2027	31.80	417,484	4,17,484
30 Sep 2022	30 Sep 2025 -30 Sep 2028	31.80	150,000	1,50,000
13 Oct 2022	13 Oct 2025 -13 Oct 2028	27.00	120,000	1,20,000
2 Jan 2023	2 Jan 2026 - 2 Jan 2029	31.80	35,000	35,000
1 Feb 2023	1 Feb 2026 - 1 Feb 2029	31.80	104,000	1,04,000
20 Mar 2023	20 Mar 2023 - 20 Mar 2029	31.80	75,000	75,000
1 Jan 2024	01 Jan 2024 - 01 Jan 2029	27.00	30,000	55,000
16 Mar 2024	16 Mar 2024 - 16 Mar 2030	44.14	14,286,577	1,66,54,150
Weighted average remaining contractual life of options outstanding at the end of the period			3.06 years	3.42 years

Measurement of Fair values
The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 6.92 - 23.28

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Dividend Yield	Fair value
28 December 2020	28 Dec 2023 - 28 Dec 2026	52.20%	14.01	10	4.10%	0%	15.15 - 18.52
1 August 2021 to 1 January 2022	1 Aug 2024 - 1 Jan 2028	49.80%	27.00 to 31.80	10	4.48%	0%	11.44 - 17.00
12 January 2022	12 Jan 2025 - 12 Jan 2028	49.80%	14.01	10	4.48%	0%	11.44 - 17.00
1 August 2022 to 20 March 2023	1 Aug 2025 - 20 Mar 2029	49.30%	27.00 to 31.80	10	7.04%	0%	9.03 - 14.94
17 September 2022	17 Sep 2025 - 17 Sep 2027	48.50%	31.80	10	7.06%	0%	6.92 - 11.87
January 1, 2024 to March 16, 2024	1 Jan 2027 - 16 Mar 2029	43.00%	27.00 to 44.14	10	6.99%	1%	14.38 - 23.28
September 3, 2024 to September 20, 2024	03 Sep 2027- 20 Sep 2030	42.70%	44 to 44.19	10	6.72%	1%	13.60 - 23.00

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36 Related party disclosure

I. Related party relationships and transactions of the Parent Company

A. Name of the related party and nature of relationship:-

Name of the Related Party Key managerial personnel / Others	Nature of Relationship
i. Mr. Ashwani Kumar	– Managing Director & CEO (ceased to be MD & CEO w.e.f. 19 December 2023)
ii. Mr. Suman Saurabh	– Managing Director & CEO (w.e.f. 19 December 2023)
iii. Mr. G.S. Sundararajan	– Independent Director
iv. Mr. Gaurav Malhotra	– Nominee Director (ceased to be director w.e.f. 25 August 2022)
v. Mr. Atul	– Independent Director
vi. Mr. T. K. Ramesh Ramanathan	– Nominee Director (ceased to be director w.e.f. 13 March 2024)
vii. Mr. Harjeet Toor	– Nominee Director (ceased to be director w.e.f. 23 June 2022)
viii Mr. Aditya Deepak Parekh	– Nominee Director
iX British International Investment PLC (Formerly known as CDC Group PLC)	– Investor (holding more than 10% equity share capital)

B. Compensation of key managerial personnel	**As at 31 March 2025**	**As at 31 March 2024**
Short-term employee benefits		
Ashwani Kumar	-	5.26
Suman Saurabh	5.81	2.10
GS Sundararajan	1.25	1.06
Post-employment defined benefit plan		
Ashwani Kumar	-	1.11
Suman Saurabh	0.25	0.11
Other long term benefits		
Ashwani Kumar	-	0.34
Suman Saurabh	0.11	-
Share-based payments		
Ashwani Kumar	-	(0.32)
Suman Saurabh	0.82	-
Sitting fees		
G S Sundararajan	1.18	1.10
Atul	1.24	0.96
	10.66	**11.73**

* Reversal of ESOP Cost by ₹0.70 million due to cancellation of 39,875 ESOPs (proportionate 39,875 and Total 57,625)

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

C Transactions with related parties

Bank deposits		
Mr. Ashwani Kumar	-	13.64
Mr. Suman Saurabh	9.99	8.80
Mr. Aditya Deepak Parekh	0.00	0.00

*Ceased to be MD & CEO w.e.f. 19 December 2023

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

D (Payable) / receivables as at balance sheet date:

Name of related party	**As at 31 March 2025**	**As at 31 March 2024**
i. British International Investment PLC (Formerly known as CDC Group PLC)		
Debt securities issued to British International Investment PLC	-	-
ii. Mr. Ashwani Kumar		
Saving bank deposits	-	0.20
Fixed deposits	-	0.01
iii. Mr. Suman Saurabh		
Saving bank deposits	0.31	0.10
iv. Mr. G S Sundararajan		
Fixed deposits	0.76	10.00
v. Mr. Aditya Deepak Parekh		
Saving bank deposits	0.00	0.00

*Ceased to be MD & CEO w.e.f. 19 December 2023

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2 Related party relationships and transactions of the subsidiary:

A. Name of the related party and nature of relationship:-

Name of the Related Party	Nature of Relationship
Key managerial personnel / Others	
i Mr. Parveen Kumar Gupta	– Part Time Non-Executive Chairman and Non-Executive Independent Director
ii Mr. Nagesh Dinkar Pinge	– Non-Executive Independent Director
iii Mr. Muralidharan Rajamani	– Non-Executive Director
iv Mr. Kajal Ghose	– Non-Executive Independent Director
v Mr. Chandra Shekhar Thanvi	– Nominee Director, SIDBI (w.e.f. September 30, 2021)
vi Mr. Ajay Kumar Kapur	– Non-Executive Independent Director
vii Ms. Kalpana Prakash Pandey	– Non-Executive Independent Director
viii Mr. Govind Singh	– Managing Director & CEO
ix Mr. Pramod Dubey	- Whole Time Director w.e.f. September 20, 2024
x Mr. Sarjukumar Pravin Simaria	– Chief Financial Officer
xi Mr. Muthiah Ganapathy	– Company Secretary
xii Mr. Puranam Hayagreeva Ravikumar	– Part Time Non-Executive Chairman & Independent Director (till 19 July, 2021)

B. Enterprise where KMP exercise significant influence

RAAG Family Private Trust
Utkarsh Welfare Foundation

C. Relatives of Key Management Personnel

Name of KMP	Father and Mother	Spouse and Children	Other relatives
Mr. Parveen Kumar Gupta	Father - Baldev Krishna Gupta	Neena Gupta (Spouse)	Anu Gupta (Sister)
	Mother - deceased	Saksham Gupta (Son)	Naveen Gupta (Brother)
		Nipun Gupta (Son)	Ashwani Gupta (Brother)
Mr. Nagesh Dinkar Pinge	Both deceased	Sujata Nagesh Pinge (Spouse)	Mahesh Dinkar Pinge (Brother)
		Nikita Nagesh Pinge (Daughter)	
		Pankaja Nagesh Pinge (Daughter)	
Mr. Muralidharan Rajamani	Both deceased	Seetha Muralidharan (Spouse)	Meera Sridharan (Sister)
		Amrithanand Muralidharan (Son)	Usha Rajan (Sister)
			Anu Gopu (Sister)
Mr. Kajal Ghose	Father - deceased	Monimala Ghose (Spouse)	Kakoli Ghose (Sister)
	Mother - Dipali Ghose	Ranjita Ghose (Daughter)	Kamal Ghose (Brother)
		Mayank Shekar (Son-in-law)	Kushal Ghose (Brother)
Mr. Chandra Shekhar Thanvi	Father - deceased	Rashmi Thanvi (Spouse)	Chitra Purohit (Sister)
	Mother - Rajeshwari Thanvi	Shantanu Thanvi (Son)	
		Rashmi Thanvi (Daughter-in-law)	
		Thanushri Thanvi (Daughter)	
Mr. Ajay Kumar Kapur	Both deceased	Deepshikha Kapur (Spouse)	Usha Rani Malhotra (Sister)
		Ankit Kapur (Son)	LT. Col. (Retd.) Barat Bushan Kapur (Brother)
			Gr. Capt. (Retd.) Arun Kapur (Brother)
			Anil Kapur (Brother)
Ms. Kalpana Prakash Pandey	Father - Dharma Nand Pandey	Prakash Mohan Pandey (Spouse)	Meena Kothyari (Sister)
	Mother - deceased	Aditya Prakash Pandey (Son)	Bharati Joshi (Sister)
			Geeta Joshi (Sister)

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Name of KMP	Father and Mother	Spouse and Children	Other relatives
Mr. Govind Singh	Father - deceased	Revati Govind Singh (Spouse)	Ramesh Chandra Singh (Brother)
	Parvati Devi (Mother)	Ankur Singh (Son)	
		Achin Singh (Son)	
Mr. Pramod Dubey	Father - deceased	Anita Dubey (Spouse)	Neelam Tiwari (Sister)
	Janak Dulari (Mother)	Apoorva Dubey (Son)	Pushpa Tiwari (Sister)
		Aditya Dubey (Son)	Arun Kumar Dubey (Brother)
			Nirmal Kumar Dubey (Brother)
Mr. Sarjukumar Pravin Simaria	Father-Pravin V. Simaria	Karuna S. Simaria (Spouse)	Bharat P. Simaria- Brother
	Mother-Nirmala P. Simaria	Malav S. Simaria (Son)	
		Bhakti S. Simaria (Daughter)	
Mr. Muthiah Ganapathy	Both deceased	Lakshmi Devi (Spouse)	Mukesh (Brother)
		Aarna (Daughter)	
		Arshini (Daughter)	

D. Post-employment benefit plan

Utkarsh Small Finance Bank Employees' Gratuity Trust

E. Compensation of key managerial personnel	As at 31 March 2025	As at 31 March 2024
Short-term employee benefits		
Mr. Govind Singh (MD & CEO)	*30.24	**28.83
Mr. Pramod Dubey (WTD)	**9.47	
Mr. Sarjukumar Pravin Simaria (CFO)	17.34	14.50
Mr. Parveen Kumar Gupta		1.20
Mr. Muthiah Ganapathy (CS)	5.89	5.42
Mr. Ajay Kumar Kapur	0.90	-
Mr. Kajal Ghose	0.71	-
Ms. Kalpana Prakash Pandey	0.90	-
Mr. Muralidharan Rajamani	0.90	-
Mr. Nagesh Dinkar Pinge	1.20	-
	67.55	**49.95**
Share-based payments		
Mr. Govind Singh (MD & CEO)	10.56	8.16
Mr. Sarjukumar Pravin Simaria (CFO)	19.30	-
Mr. Sarjukumar Pravin Simaria (CFO)	8.71	3.45
Mr. Muthiah Ganapathy (CS)	0.92	3.09
	39.49	**11.61**
Sitting fees	3.34	3.60
Mr. Ajay Kumar Kapur	2.82	3.90
Mr. Kajal Ghose	3.40	3.14
Ms. Kalpana Prakash Pandey	3.20	2.86
Mr. Muralidharan Rajamani	2.80	3.24
Mr. Nagesh Dinkar Pinge	3.28	3.76
Mr. Parveen Kumar Gupta	**18.84**	**20.50**

*Includes 50% of the cash portion of bonus for FY 2023-24 at ₹ 3.52 million as per approval of remunaration of FY 23-24 by RBI vide letter dated September 16, 2024

*** Includes annual bonus of INR 6.3 and reversal of salary paid in FY 2020-21 of INR 6.5 for the differntial amount post approval of RBI vide letter dated 12 January 2022 for remuneration of MD & CEO for FY 2020-21.

**Appointment of ED alongwith his salary was approved by RBI vide letter dated September 19, 2024

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

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F. (Payable)/receivables as at balance sheet date:

Related Party	Nature of the transactions	As at March 31, 2025	As at March 31, 2024
Utkarsh Welfare Foundation	Deposits Outstanding	25.63	30.50
	Maximum deposit outstanding during the year	64.16	47.10
Utkarsh Small Finance Bank Employees' Gratuity Trust	Deposits Outstanding	4.88	2.68
	Maximum deposit outstanding during the year	31.90	23.50
KMP: Parveen Kumar Gupta	Deposits Outstanding	22.52	19.74
	Maximum deposit outstanding during the year	31.04	19.74
KMP: Kajal Ghose	Deposits Outstanding	1.47	1.61
	Maximum deposit outstanding during the year	3.88	2.03
KMP : Ajay Kumar Kapur	Deposits Outstanding	4.00	4.00
	Maximum deposit outstanding during the year	4.00	6.00
KMP : Govind Singh (MD & CEO)	Deposits Outstanding	11.87	2.64
	Maximum deposit outstanding during the year	13.67	11.40
KMP : Mukund Barsagde (CFO)	Deposits Outstanding	-	-
	Maximum deposit outstanding during the year	-	11.40
KMP: Pramod Dubey (WTD)	Deposits Outstanding	4.13	-
	Maximum deposit outstanding during the year	5.95	-
KMP: Sarjukumar Pravin Simaria (CFO)	Deposits Outstanding	28.62	1.58
	Maximum deposit outstanding during the year	33.21	1.80
KMP : Muthiah Ganapathy (CS)	Deposits Outstanding	1.80	0.89
	Maximum deposit outstanding during the year	2.43	1.40
KMP Relative - Neena Gupta	Deposits Outstanding	2.58	1.79
	Maximum deposit outstanding during the year	2.58	1.79
KMP Relative - Deepshikha Kapur	Deposits Outstanding	3.73	-
	Maximum deposit outstanding during the year	6.56	-
KMP Relative - Revati Govind Singh	Deposits Outstanding	5.25	2.35
	Maximum deposit outstanding during the year	12.71	3.30
KMP Relative - Ankur Singh	Deposits Outstanding	3.50	0.06
	Maximum deposit outstanding during the year	83.01	1.00
KMP Relative - Achin Singh	Deposits Outstanding	4.98	0.46
	Maximum deposit outstanding during the year	73.96	0.50
KMP Relative - Ramesh Chandra Singh	Deposits Outstanding	1.53	2.28
	Maximum deposit outstanding during the year	4.14	4.20
KMP Relative -Renu Singh	Deposits Outstanding	-	2.80
	Maximum deposit outstanding during the year	-	2.80
KMP Relative - Parvati Devi	Deposits Outstanding	1.22	1.06
	Maximum deposit outstanding during the year	1.22	1.20
KMP Relative - Nirmala Simaria	Deposits Outstanding	1.40	1.60
	Maximum deposit outstanding during the year	1.60	1.60
RAAG Family Private Trust	Deposits Outstanding	48.04	0.05
	Maximum deposit outstanding during the year	249.54	0.20

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G. Transactions with related parties

Related Party	Nature of the transactions	As at March 31, 2025	As at March 31, 2024
Utkarsh Welfare Foundation	Interest paid	2.09	1.86
	Contribution towards CSR & CER	85.00	51.20
Utkarsh Small Finance Bank Employees' Gratuity Trust	Interest paid	-	0.06
	Contribution to Gratuity Trust	88.87	49.00
KMP : Praveen Kumar Gupta	Withdrawal from Gratuity Trust	40.23	35.90
	Interest paid	1.92	0.75
	Amount deposited during the year (excluding CASA deposit)	10.00	-
	Amount repaid during the year (excluding CASA deposit)	5.70	1.50
KMP: Kajal Ghose	Interest paid	0.18	0.07
	Amount deposited during the year (excluding CASA deposit)	-	-
KMP: Ajay Kumar Kapur	Amount repaid during the year (excluding CASA deposit)	-	-
	Interest paid	0.38	0.26
KMP: Govind Singh (MD & CEO)	Amount deposited during the year (excluding CASA deposit)	-	1.50
	Amount repaid during the year (excluding CASA deposit)	-	3.44
	Interest paid	0.61	0.37
	Amount deposited during the year (excluding CASA deposit)	-	*0.00
	Amount repaid during the year (excluding CASA deposit)	-	*0.00
	Dividend paid	0.24	-
KMP: Pramod Dubey (WTD)	Interest paid	0.14	-
	Amount deposited during the year (excluding CASA deposit)	0.05	-
	Amount repaid during the year (excluding CASA deposit)	0.05	-
KMP: Sarjukumar Pravin Simaria (CFO)	Interest paid	1.19	*0.00
	Amount deposited during the year (excluding CASA deposit)	-	-
	Amount repaid during the year (excluding CASA deposit)	-	-
	Dividend paid	0.03	-
KMP: Muthiah Ganapathy (CS)	Interest paid	0.13	*0.00
	Amount deposited during the year (excluding CASA deposit)	-	-
	Amount repaid during the year (excluding CASA deposit)	-	-
RAAG Family Private Trust	Interest paid	3.33	-
	Amount deposited during the year (excluding CASA deposit)	251.50	-
	Amount repaid during the year (excluding CASA deposit)	204.50	-
KMP Relative - Neena Gupta	Interest paid	0.18	0.14
	Amount deposited during the year (excluding CASA deposit)	1.70	0.88
	Amount repaid during the year (excluding CASA deposit)	0.91	0.07
KMP Relative - Deepshikha Kapur	Interest paid	0.29	0.14
	Amount deposited during the year (excluding CASA deposit)	3.00	0.88
	Amount repaid during the year (excluding CASA deposit)	-	0.07
KMP Relative - Revati Govind Singh	Interest paid	0.70	0.16
	Amount deposited during the year (excluding CASA deposit)	10.00	-
	Amount repaid during the year (excluding CASA deposit)	7.50	-
	Dividend paid	*0.00	-
KMP Relative - Ankur Singh	Interest paid	2.90	*0.00
	Amount deposited during the year (excluding CASA deposit)	10.00	-
	Amount repaid during the year (excluding CASA deposit)	7.50	-
KMP Relative - Achin Singh	Interest paid	2.74	*0.00
	Amount deposited during the year (excluding CASA deposit)	10.50	-
	Amount repaid during the year (excluding CASA deposit)	7.50	-
	Dividend Paid	0.01	
KMP Relative - Ramesh Chandra Singh	Interest paid	0.20	0.21
	Consultancy Charges	-	1.10
	Amount deposited during the year (excluding CASA deposit)	-	0.95
	Amount repaid during the year (excluding CASA deposit)	0.64	0.55
	Dividend paid	*0.00	-

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Notes to consolidated financial statements for the year ended 31 March 2025
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G. Transactions with related parties

Related Party	Nature of the transactions	As at March 31, 2025	As at March 31, 2024
KMP Relative - Renu Singh	Interest paid	-	0.23
	Amount deposited during the year (excluding CASA deposit)	-	-
	Amount repaid during the year (excluding CASA deposit)	-	-
KMP Relative - Nirmala Simaria	Interest paid	0.14	0.10
	Amount deposited during the year (excluding CASA deposit)	-	1.40
	Amount repaid during the year (excluding CASA deposit)	0.20	-
KMP Relative - Parvati Devi	Interest paid	0.11	0.09
	Amount deposited during the year (excluding CASA deposit)	1.20	0.44
	Amount repaid during the year (excluding CASA deposit)	1.12	0.29

* Amount less than INR 0.05 million is shown as Nil

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

Utkarsh CoreInvest Limited
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37 Earnings per share **Particulars**		**For the year ended 31 March 2025**	**For the year ended 31 March 2024**
a) Basic earning per share			
Profit after tax		(4,222.95)	3,298.35
Weighted average number of equity shares outstanding during the year – Basic	Nos.	98,988,994	9,82,75,137
b) Diluted earning per share			
Adjusted net profit/(loss) for the year			3,298.35
Weighted average number of equity shares outstanding during the year – Basic	Nos.	(4,222.95)	9,82,75,137
Add: Weighted average number of potential equity shares on account of employee stock options	Nos.	98,988,994 373,348	11,11,091
Weighted average number of equity shares outstanding during the year – Diluted	Nos.	99,362,342	9,93,86,227
Earnings per share			
Basic – par value of Rs.10 each	INR	(42.66)	33.56
Diluted - par value of Rs.10 each	INR	(42.50)	33.19

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38 Operating segments

The Board has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Group's operating segments are established in the manner consistent with the components of the Group that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Group is engaged primarily in the business of banking and there are no separate reportable segments as per Ind AS 108.

a. **Information about products and services:**
The Group deals in only one product i.e. granted loans to customers. Hence, no separate disclosure is required.

b. **Information about geographical areas:**
The entire sales of the Group are made to customers which are domiciled in India. Also, all the assets of the Group are located in India.

c. **Information about major customers (from external customers):**
The Group does not earn revenues from the customers which amount to 10 per cent or more of Group's revenues.

39 Transfers of financial assets

In the ordinary course of business, the Group enters into transactions that result in the transfer of loans and advances. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised in their entirety or to the extent of the Group's continuing involvement, or are derecognised in their entirety.

40 Financial instruments - fair value and risk management

A. **Financial instruments by category**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at 31 March 2025			As at 31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Cash and cash equivalents	-	-	33,317.37	-	-	28,464.66
Bank balance other than above	-	-	1,091.08	-	-	1,825.86
Derivative financial instruments	-	-	-	-	-	-
Loans	-	-	180,404.62	-	-	1,76,500.05
Investments	12,725.79	-	37,498.88	-	36,501.58	-
Other financial assets	-		2,333.15	-		-
	12,725.79	**-**	**254,645.10**	-	**36,501.58**	**2,09,565.00**
Financial liabilities:						
Trade payables	-	-	407.46	-	-	494.51
Borrowings (other than debt securities)	-	-	18,454.23	-	-	34,904.54
Lease liability	-	-	3,453.41	-	-	2,716.73
Deposits	-	-	222,352.97	-	-	1,79,975.81
Subordinated liabilities	-	-	5,158.86	-	-	2,098.12
Other financial liabilities	-	-	3,306.61	-	-	3,825.92
	-	-	**253,133.54**	-	-	**2,24,015.63**

B. **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table. During the year there were no transfer between Level 1 and Level 2. Similarly, there were no transfers from or transfer to Level 3.

Financial assets measured at fair value - recurring fair value measurements

As at 31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments	-	-	-	-
Investments	50.00	12,675.79	-	12725.79
	50.00	**12,675.79**	-	**12725.79**

As at 31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets:	-	-	-	-
Investments	-	36,501.58	-	36,501.58
	-	**36,501.58**	-	**36,501.58**

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Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	33,317.37	-	-	33,317.37	33,317.37
Bank balance other than above	1,091.08	-	-	1,091.08	1,091.08
Loans	180,404.62	-	-	179,991.96	179,991.96
Investments	37,498.88	-	-	37,498.88	37,498.88
Other financial assets	2,333.15	-	-	2,333.15	2,333.15
	254,645.10	-	-	**254,232.44**	**254,232.44**
Financial liabilities:		-	-		
Trade payables	407.46	-	-	407.46	407.46
Borrowings (other than debt securities)	18,454.23	-	-	34,975.80	34,975.80
Lease liability	3,453.41	-	-	3,453.41	3,453.41
Deposits	222,352.97	-	-	222,885.93	222,885.93
Subordinated liabilities	5,158.86	-	-	2,127.72	2,127.72
Other financial liabilities	3,306.61	-	-	3,714.81	3,714.81
	253,133.55	-	-	**267,565.13**	**267,565.13**

As at 31 March 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	28,464.66	-	-	28,464.66	28,464.66
Bank balance other than above	1,825.86	-	-	1,825.86	1,825.86
Loans	-	-	-	1,76,087.38	1,76,087.38
Other financial assets	1,76,500.05	-	-	2774.43	2774.43
	2,09,565.00	-	-	**2 ,09,152.33**	**2 ,09,152.33**
Financial liabilities:		-	-		
Trade payables	494.51	-	-	494.51	494.51
Borrowings (other than debt securities)	34,904.54	-	-	34,975.80	34,975.80
Lease liability	2,716.73	-	-	2,716.73	2,716.73
Deposits	1,79,975.81	-	-	1,80,461.02	1,80,461.02
Subordinated liabilities	2,098.12	-	-	2,127.72	2,127.72
Other financial liabilities	3,825.92	-	-	4,317.15	4,317.15
	2,24,015.63	-	-	**2,25,092.92**	**2,25,092.92**

C. Valuation framework

The finance department of the group relies on external valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and the external valuer at every twelve months, in line with the group's annual reporting periods. Specific controls include :
- verification of observable pricing
- re-performance of model valuations
- review and approval process for new models and changes to models
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments.

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.
Level 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.
Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Group develops Level 3 inputs based on the best information available in the circumstances.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models to determine the fair value of common and simple financial instruments, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for OTC derivatives such as forward rate agreements. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks, trade receivables, trade payables and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

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41 Financial risk management

The group's activities exposure it to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

(a) Risk management structure and group's risk profile

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the group's activities is critical for the financial soundness and profitability of the group. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the group employs leading risk management practices and recruits skilled and experienced people.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The group's audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securities and deposits with banks and financial institutions and any other financial assets.

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's asset on finance and trade receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Credit risk management

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event;
• the restructuring of a loan or advance by the group on terms that the group would not consider otherwise; or
• it is becoming probable that the borrower will enter bankruptcy or other financial re-organization;"

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits are established for each customer and reviewed quarterly. Any loan exceeding those limits require approval from the risk management committee.

(b) Definition of default and cure

The group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The group considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Following indicators are incorporated:

- DPD analysis as on each reporting date
- actual or expected significant adverse changes in business, financial or economic condition that are expected to cause a significant change to borrower's ability to meet its obligations.
- significant increase in credit risk on other financial instruments of same borrower.
- significant changes in value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.
- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers and changes in operating results.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

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(c) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the group assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of group's models.

(d) Loss given default

JLG and MBBL loans, loss given default (LGD) values are assessed based on historical data for a period of 5 years which is at 50%. However, considering increase in the LGD based on most recent periods to reduce the volatility in the Bank's provisioning requirement, Bank has chosen to stick with pre-Covid higher level LGD percentage at ~62.5%. MSME Unsecured loans LGD is assessed for FY2024-25 at 62%. Corporate loans, regulatory LGD is taken at 65%. The group doesn't have adequate historical data of recovery / resolution of secured loans. Considering the same Bank is taking a conservative view of keeping the minimum LGD at 30% or model computed LGD number whichever is higher. Basis recovery rate & collateral impact under Stage 3 loans the computed LGD is higher for HL at 48.24%, MSME Secured at ~33.21% and Wheels at 32.03%. For all the fraud cases the bank has applied 100% LGD.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data.

Under Ind AS 109, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI Ind AS 109 segment of each asset class.

(e) Significant increase in credit risk

The group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

(f) Expected credit loss on Loans

The group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, collateral type and other relevant factors.

The group considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The group considers financial instruments to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The group measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The group considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the group's internally developed statistical models and other historical data. In addition, the group uses reasonable and supportable information on future economic conditions including macroeconomic factors such as interest rates, gross domestic product, inflation, industry and expected direction of the economic cycle. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

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	As at 31 March 2025				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost					
Current (not past due)	163,716.63	-	-	-	163,716.63
1-30 days past due	4,778.15	-	-	-	4,778.15
31-60 days past due	-	4,278.50	-	-	4,278.50
61-90 days past due	-	3,448.94	-	-	3,448.94
More than 90 days past due	-	-	20,382.54	-	20,382.54
	168,494.78	7,727.43	20,382.54	-	196,604.75
Loss allowance	(2,035.17)	(1,740.85)	(12,424.11)	-	(16,200.13)
Carrying value	**166,459.61**	**5,986.58**	**7,958.43**	-	**180,404.62**

	Stage 1	Stage 2	Stage 3	POCI	Total
Other financial assets at amortised cost					
Gross carrying amount	2,332.89	-	-	-	2,332.89
Loss allowance	(0.83)	-	-	-	(0.83)
Carrying value	**2,332.05**	**-**	**-**	**-**	**2,332.05**

	Stage 1	Stage 2	Stage 3	POCI	Total
Investments at amortised cost					
Sovereign rated	37,512.06	-	-	-	37,512.06
BBB - to AAA	-	-	-	-	-
BB- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	37,512.06	-	-	-	37,512.06
Loss allowance	(13.18)	-	-	-	(13.18)
Amortised cost	**37,498.88**	-	-	-	**37,498.88**
Investment at FVTPL					
Sovereign rated	-	-	-	-	-
BBB - to AAA					
BB- to BB+	12,657.90	-	-	-	12,657.90
B- to B+	-				-
C to CCC+		-	-	-	
D					
Unrated	67.89	-	-	-	67.89
	12,725.79	-	-	-	12,725.79
Loss allowance	-	-	-	-	-
Amortise cost	**12,725.79**				**12,725.79**
Bank Balances					
BBB - to AAA	34,411.40	-	-	-	34,411.40
B- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	34,411.40	-	-	-	34,411.40
Loss allowance	(3.10)	-	-	-	(3.10)
Amortised cost	**34,408.30**	**-**	**-**	**-**	**34,408.30**

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	As at 31 March 2024				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost					
Current (not past due)	1,71,831.71	-	-	-	1,71,831.71
1-30 days past due	2,762.67	-	-	-	2,762.67
31-60 days past due	-	1,753.27	-	-	1,753.27
61-90 days past due	-	1,744.58	-	-	1,744.58
More than 90 days past due	-	-	4,158.87	-	4,158.87
	1,74,594.38	3,497.85	4,158.87	-	1,82,251.10
Loss allowance	(2,087.23)	(850.42)	(2,813.41)	-	(5,751.05)
Carrying value	**1,72,507.15**	**2,647.43**	**1,345.46**	-	**1,76,500.05**
	-	-	-	-	-

	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Other financial assets at amortised cost	-	-	-	-	-
	-	-	-	-	-
Gross carrying amount	2,773.78	-	-	-	2,773.78
Loss allowance	(0.29)	-	-	-	(0.29)
Carrying value	**2,773.49**	-	-	-	**2,773.49**
	-	-	-	-	-

	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Investment in debt securities at FVTOCI	-	-	-	-	-
	-	-	-	-	-
Sovereign rated	33,032.30	-	-	-	33,032.30
BBB - to AAA	3,479.28	-	-	-	3,479.28
BB- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	36,511.58	-	-	-	36,511.58
Loss allowance	(10.01)	-	-	-	(10.01)
Amortised cost	**36,501.57**	-	-	-	**36,501.57**
	-	-	-	-	-
Bank balances	-	-	-	-	-
	-	-	-	-	-
BBB - to AAA	14,247.75	-	-	-	14,247.75
BB- to BB+	-	-	-	-	-
B- to B+	-	-	-	-	-
C to CCC+	-	-	-	-	-
D	-	-	-	-	-
	14,247.75	-	-	-	14,247.75
Loss allowance	(2.55)	-	-	-	(2.55)
Amortised cost	**14,245.20**	-	-	-	**14,245.20**

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The group has applied a three-stage approach to measure expected credit losses (ECL) on loans and investment in debt securities accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'Transition Matrix' method based on the probability of a receivable in 12 months time interval. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the group assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the group uses information that is relevant and available without undue cost or effort. This includes the group's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

Expected credit loss on other financial assets
The group assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors.

The group monitors changes in credit risk by tracking published external credit ratings. In order to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the group supplements this by reviewing changes in government bond yields together with available press and regulatory information about issuers.

Expected credit loss on Investments in Debt securities

The group limits its exposure to credit risk by investing only in government securities and only with counterparties that have a credit rating of at least A-1 from S&P and/ or from CRISIL.

The group monitors changes in credit risk by tracking published external credit ratings. In order to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the group supplements this by reviewing changes in government bond yields together with available press and regulatory information about issuers.

12-month and lifetime probabilities of default are based on historical data supplied by S&P for each credit rating and are recalibrated based on current government bond yields. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.
The following table presents an analysis of the credit quality of debt securities at amortised cost, at FVTOCI and FVTPL. It indicates whether assets measured at amortised cost or FVTOCI were subject to a 12 month expected credit loss (ECL) or lifetime ECL allowance and, in the latter case, whether they were credit impaired.

Bank balances
The significant portion of Bank balances are held with bank and financial institution counterparties, which are rated A+ to AAA, based on Credit ratings.
Impairment on bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties.
The group uses a similar approach for assessment of ECLs for bank balances as used for investment in debt securities.

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(g) Movements in the allowance for impairment in respect of loans, Investment in debt securities, trade receivables and other financial assets

The movement in the allowance for impairment in respect of asset on finance, trade receivables and other financial assets is as follows:

Loans and advances at amortised cost (including loan commitments)

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		Total
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	
Loss allowance on 31 March 2023	**1,391.08**	**664.60**	**3,046.50**	**5,102.18**
Transfer to Stage 1	20.22	(18.81)	(1.41)	-
Transfer to Stage 2	(19.70)	22.14	(2.44)	-
Transfer to Stage 3	(23.04)	(234.45)	257.49	-
Net remeasurement of loss allowance	21.25	727.77	2,907.05	3,656.07
New financial assets originated or purchased	1,811.21	-	-	1,811.21
Movement of new originated	-	16.27	5.45	21.72
Financial assets that have been derecognised	(1,085.23)	(327.11)	(270.59)	(1,682.93)
Write offs	-	-	(3,128.66)	(3,128.66)
Loss allowance on 31 March 2024	**2,115.79**	**850.41**	**2,813.39**	**5,779.59**
Transfer to Stage 1	34.13	(26.09)	(8.04)	-
Transfer to Stage 2	(55.96)	71.40	(15.44)	-
Transfer to Stage 3	(154.08)	(235.76)	389.83	-
Net remeasurement of loss allowance	(35.57)	1,491.63	12,406.88	13,862.94
Movement of new originated	1,532.09	-	-	1,532.09
Transfer - financial assets originated or purchased	(83.25)	30.50	52.75	-
Financial assets that have been derecognised	(1,307.71)	(441.25)	(753.18)	(2,502.14)
Write offs	-	-	(2,461.66)	(2,461.66)
Loss allowance on 31 March 2025	**2,045.43**	**1,740.84**	**12,424.53**	**16,210.82**

The contractual amount outstanding on loans and advances measured at amortised cost that were written off during the year ended 31 March 2025 and are still subject to enforcement activity is INR 2,461.66 million (31 March 2024: INR 3,128.66 million) All restructured accounts has atleast shown 18 months of performance. Considering the same, it is classified as per actual DPD.

Investment at Amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		Total
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	
Loss allowance on 31 March 2024	**10.02**	-	-	**10.02**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	0 .86	-	-	0 .86
New financial assets originated or purchased	6.38	-	-	6.38
Financial assets that have been derecognised	(4.07)	-	-	(4.07)
Write offs	-	-	-	-
Loss allowance on 31 March 2025	**13.19**	-	-	**13.19**

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Investment in Debt securities at FVTOCI

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**11.91**	-	-	**11.91**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(3.77)	-	-	(3.77)
New financial assets originated or purchased	2.84	-	-	2.84
Financial assets that have been derecognised	(0.96)	-	-	(0.96)
Write offs	-	-	-	-
Loss allowance on 31 March 2024	**10.02**	-	-	**10.02**

Other financial assets at amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**0.46**	-	-	**0.46**
New financial assets originated or purchased	0.29	-	-	0.29
Financial assets that have been derecognised	(0.46)	-	-	(0.46)
Write offs	-	-	-	-
Loss allowance on 31 March 2024	**0.29**	-	-	**0.29**
New financial assets originated or purchased	0.83	-	-	0.83
Financial assets that have been derecognised	(0.29)	-	-	(0.29)
Write offs	-	-	-	-
Loss allowance on 31 March 2025	**0.83**	-	-	**0.83**

Bank balances

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2023	**2.13**	-	-	**2.13**
Net remeasurement of loss allowance	0.42	-	-	0.42
Loss allowance on 31 March 2024	**2.55**	-	-	**2.55**
Net remeasurement of loss allowance	0.55	-	-	0.55
Loss allowance on 31 March 2025	**3.10**	-	-	**3.10**

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(h) Collateral held and other credit enhancements

As of 31 March 2025, 56.64% (31 March 2024: 61.72%) of the group's retail loans (inclusive of corporate loans) were unsecured. The Bank's retail loans are generally secured by a charge on the asset financed (vehicle loans, property loans and gold loans). Retail business banking loans (inclusive of corporate loans) are secured with current assets as well as immovable property and fixed assets in some cases.

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Group's internal credit assessment procedures, regardless of whether the loan is secured. In addition to the collateral stated above, the Group holds other types of collateral such as second charges and floating charges for which specific values are generally not available.

The following table sets out the principal types of collateral held against different types of financial assets.

As at 31 March 2025	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Cash and cash equivalents	33,319.98	-	-	-	-	-	33,319.98	(2.76)
Other bank balances	1,091.42	-	-	-	-	-	1,091.42	(0.34)
Loans and advances	196,604.75	71,906.50	13,372.70	1,188.13	3,015.04	89,482.37	1,07,122.38	(16,200.13)
Other financial assets	2,332.89	-	-	-	-	-	2,332.89	(0.83)
Investments in government securities	37,512.06	-	-	-	-	-	37,512.06	(13.18)
Total financial assets at amortised cost	**233,349.04**	**71,906.50**	**13,372.70**	**1,188.13**	**3,015.04**	**89,482.37**	**1,81,378.73**	(16,217.24)
Investments at FVTOCI	-	-	-	-	-	-	-	-
Total financial assets at FVTOCI	-	-	-	-	-	-	-	-
Investments at FVTPL	12,725.79	-	-	-	-	-	12,725.79	-
Total financial assets at FVTPL	**12,725.79**	-	-	-	-	-	**12,725.79**	-
As at 31 March 2024	**Maximum exposure to credit risk**	**Land or Building**	**Book debts**	**Other Collateral**	**Fixed Deposits**	**Total Collateral**	**Exposure net of collateral**	**Associated ECLs**
Cash and cash equivalents	28,466.62	-	-	-	-	-	28,466.62	(1.96)
Other bank balances	1,826.45	-	-	-	-	-	1,826.45	(0.59)
Loans and advances	1,82,251.10	62,988.93	12,858.10	-	1,688.12	77,535.15	1,04,715.95	(5,751.05)
Other financial assets	2,774.43	-	-	-	-	-	2,774.43	(0.29)
Total financial assets at amortised cost	**2,12,544.17**	**62,988.93**	**12,858.10**	**-**	**1,688.12**	**77,535.15**	**1,37,783.45**	**(5,753.90)**
Investments in debt securities	36,511.59	-	-	-	-	-	36,511.59	(10.02)
Total financial assets at FVTOCI	**36,511.59**	-	-	-	-	-	**36,511.59**	**(10.02)**

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The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even in if the future value of collateral is forecast using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure show below when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

As at 31 March 2025	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Loans and advances	20,382.54	1,077.24	240.12	709.45	1.60	2,028.41	18,354.13	12,424.53
Total financial assets at amortised cost	**20,382.54**	**1,077.24**	**240.12**	**709.45**	**1.60**	**2,028.41**	**18,354.13**	**12,424.53**

As at 31 March 2024	Maximum exposure to credit risk	Land or Building	Book debts	Other Collateral	Fixed Deposits	Total Collateral	Exposure net of collateral	Associated ECLs
Loans and advances	4,158.87	756.93	-	-	-	756.93	3,401.94	2,813.39
Total financial assets at amortised cost	**4,158.87**	**756.93**	**-**	**-**	**-**	**756.93**	**3,401.94**	**2,813.39**

(i) Concentration of risk

The group monitors credit risk by sector and by geographic location. An analysis of grouping of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below.

Loans and advances to customers	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Carrying amount	180,404.62	1,82,251.10	1,40,572.75
Concentration by sector			
Corporate:			
Wholesale Lending	21,956.74	18,713.44	15,703.51
Retail:		-	-
Mortgages	46,152.71	43,933.03	27,525.03
Unsecured lending	112,295.17	1,19,604.63	97,344.21
Total	**180,404.62**	**1,82,251.10**	**1,40,572.75**
Concentration by location			
India	180,404.62	1,82,251.10	1,40,572.75

Investments	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Carrying amount	50,224.66	36,511.59	27,974.40
Concentration by sector			
Corporate/ NBFC	7,364.59	3,479.28	2 ,991.95
Government	42,860.07	33,032.30	24,982.45
Banks	-	-	-
Mutual funds	-	-	-
Total	**50,224.66**	**36,511.58**	27,974.40
Concentration by location			
India	50,224.66	36,511.58	27,974.40

Concentration by location for loans and advances, loan commitments and financial guarantees, is based on the customer's country of domicile.
Concentration by location for investment securities is based on the country of domicile of the issuer of the security."

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C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Group also monitors the level of expected cash inflows on asset on finance, trade receivables and loans together with expected cash outflows on borrowings, payables and other financial liabilities.
Currently the Group is not having any lines of credit.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial labilities at the reporting date. The amount are gross and undiscounted, and excludes contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2025	Contractual cash flows						
	Carrying amount	Total contractual cash flows	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Trade Payables	407.46	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	18,454.23	18,454.23	3,875.11	4,377.04	10,078.16	123.92	(0.00)
Lease liability	3,453.41	4,291.40	437.39	427.29	1,403.59	1,085.19	937.94
Deposits	222,352.97	222,885.67	44,587.69	51,196.73	109,347.55	17,349.20	404.50
Subordinated Liabilities	5,158.86	5,166.77	166.77	-	1,950.00	-	3,050.00
Other financial liabilities	3,306.61	3,714.81	2,876.30	725.34	96.62	-	16.55
Non-derivative financial assets							
Cash and cash equivalents*	33,317.37	33,319.97	27,935.29	1,495.85	3,324.44	468.31	96.08
Bank balances other than cash and cash equivalents	1,091.08	1,091.42	524.66	524.18	42.58	-	-
Loans	180,404.62	188,449.52	45,002.07	34,771.18	51,213.71	19,896.20	37,566.36
Investments	50,224.67	50,237.85	19,245.08	8,614.87	19,060.35	2,695.40	622.15
Other Financial assets	2,333.15	2,201.14	1,878.23	187.61	83.16	15.39	36.75

Carrying amount includes CRR requirement of INR 6,684.44 million in March 2025

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As at 31 March 2024	Contractual cash flows						
	Carrying amount	Total contractual cash flows	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Trade Payables	494.51	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	34,904.54	34,904.54	21,461.21	6,402.97	6,818.16	148.16	74.04
Lease liability	2,716.73	3,422.44	347.63	346.71	1,245.06	848.00	635.04
Deposits	1,79,975.81	1,80,460.62	43,099.69	62,855.24	69,981.49	4,078.54	445.66
Subordinated Liabilities	2,098.12	2,104.00	4.00	-	150.00	1,950.00	-
Other financial liabilities	3,825.92	4,441.56	3,288.44	1,024.67	112.94	-	15.51
Issued financial guarantee contracts	-	-	-	-	-	-	-
Issued loan commitments	-	-	-	-	-	-	-
Non-derivative financial assets							
Cash and cash equivalents*	28,464.66	28,463.39	22,491.66	3,481.92	2,295.89	178.87	15.05
Bank balances other than cash and cash equivalents	1,825.86	1,826.45	1,790.29	29.41	2.42	4.33	-
Loans	1,76,500.05	1,81,593.60	57,943.67	34,893.08	54,311.52	9,405.54	25,039.79
Investments	36,501.58	36,794.65	13,095.80	10,651.35	12,005.35	961.27	80.89
Other Financial assets	2,774.43	2,952.83	1,643.79	519.10	375.67	74.85	339.41

Carrying amount includes CRR requirement of INR 5,780.67 million in March 2024

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows. The disclosure shows net cash flow amounts that are net cash settled and gross cash inflow and outflow amounts that have simultaneous gross settlement.

As disclosed in Note 12, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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D. Market risk

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses. All such transactions are carried out within the guidelines set by the Risk Management Committee.

The following table sets out the allocation of assets and liabilities subject to market risk between trading and non-trading portfolios:

MARKET RISK MEASURE	As at 31 March 2025		
	Carrying amount	Trading portfolios	Non-trading portfolios
Financial assets:			
Cash and cash equivalents	33,317.37	-	33,317.37
Bank balance other than above	1,091.08	-	1,091.08
Loans	180,404.62	-	180,404.62
Investments	50,224.67	-	50,224.67
Other financial assets	2,333.15	-	2,333.15
	267,370.89	-	**267,370.89**
Financial liabilities:		-	
Trade Payables	407.46		407.46
Borrowings (other than debt securities)	18,454.23	-	18,454.23
Lease liability	3,453.41	-	3,453.41
Deposits	222,352.97	-	222,352.97
Subordinated liabilities	5,158.86	-	5,158.86
Other financial liabilities	3,306.61	-	3,306.61
	253,133.54	-	**253,133.54**

MARKET RISK MEASURE	As at 31 March 2024		
	Carrying amount	Trading portfolios	Non-trading portfolios
Financial assets:			
Cash and cash equivalents	28,464.66	-	28,464.66
Bank balance other than above	1,825.86	-	1,825.86
Loans	1,76,500.05	-	1,76,500.05
Investments	36,501.58	-	36,501.58
Other financial assets	2,774.43	-	2,774.43
	2,46,066.58	-	**2,46,066.58**
Financial liabilities:			
Trade Payables	494.51	-	494.51
Borrowings (other than debt securities)	34,904.54	-	34,904.54
Lease liability	2,716.73	-	2,716.73
Deposits	1,79,975.81	-	1,79,975.81
Subordinated liabilities	2,098.12	-	2,098.12
Other financial liabilities	3,825.92	-	3,825.92
	2,24,015.63	-	**2,24,015.63**

Market risk - Non-trading portfolios

(i) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Group. The functional currency for the Group is INR. The Foreign currency in which these transactions are primarily denominated is USD.

Currency risks related to the principal amounts of the Group's USD loans, have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

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Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows:

Particulars	31 March 2025		31 March 2024	
	INR	USD	INR	USD
Subordinated liabilities	-	-	-	-
Swap Contract	-	-	-	-
Net exposure in respect of recognised assets and liabilities	-	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR and USD against all currencies at 31 March would not have any affect on measurement of financial instruments denominated in foreign currency as the exposure is hedged.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025				
USD (1% movement)	-	-	-	-
31 March 2024				
USD (1% movement)	-	-	-	-

(ii) Interest rate risk

The Groups maximum interest rate exposure is at a fixed rate. This is achieved mostly by entering into fixed rate instruments and partly by borrowing at a floating rate.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management is as follows:

Particulars	31 March 2025	31 March 2024
Fixed rate instruments		
Financial assets	257,929.65	2,27,459.41
Financial liabilities	253,667.23	2,24,497.55
Variable rate instruments		
Financial assets	9,439.99	18,603.00
Financial liabilities	-	-

Fair value sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss before tax by INR 1493.10 million (31 March 2024: INR 516.23 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss before Tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2025				
Variable rate instruments	9,439.99	9,439.99	7,064.13	7,064.13
Cash flow sensitivity (net)	94.40	(94.40)	70.64	(70.64)
31 March 2024				
Variable rate instruments	18,603.00	18,603.00	13,921.00	13,921.00
Cash flow sensitivity (net)	186.03	(186.03)	139.21	(139.21)

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D. Legal and operational risk

(i) Legal risk

"Legal risk is the risk relating to losses due to legal or regulatory actionn that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.
The group had engaged the services of a Legal Consultant for addressing legal matters pertaining to the Bank", including vetting of agreements entered into by the group. The group also availed the services of Legal firms / Legal Counsels, wherever warranted. The group also has a system in place to respond to legal and statutory notices. There were 89 legal cases pending against the Bank aggregating INR 30.29 million (31 March 2024 : INR 10.18 million)

The group has since appointed Head – Legal in April 2019 and at present Legal Department is functioning with Head-Legal, one AVP (Legal) and three Senior Executive. The group also has a team of Officers with legal background in its Retail Assets Collection Team for filing of cheque bounce cases u/s 138 of N.I Act and initiating arbitration / civil proceedings wherever required."

(ii) Operational

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy.

The operation risk department under risk department operates independently from other units of the group and reports directly to the Risk Management Committee of the Board. It conducts regular reviews of all business areas of the group and reports control deficiencies and exceptions to the Company's policies and procedures. It also recommends measures to mitigate operational risk, which are implemented by management immediately.

The group also has a contingency plan to take care of any failure of its computer systems. Regular backups are made for all important datasets, and stored outside the group's premises. This ensures that in case of any system failure, the group will be able to continue its operations without losing critical data or business transactions. As part of its disaster recovery plan, the group has established a back-up site which would and operate during an emergency.

The group has a specific Business Continuity Plan ("BCP") unit. The main objective of the BCP is to ensure that in the event of full or partial disaster which includes Pandemic, the group is well set to be able to continue providing essential services to customers, minimizing any adverse effects on the group's business, through business impact analysis, business restoration.

The Group is using various tools under operational risk for monitoring operational risk such as conducting risk & control self assessments, capturing operational loss data and monitoring of KRIs.

42 Capital management

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.
As per RBI guidelines, the Group is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. UCIL has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines.

I. The Group maintains minimum capital to risk weighted asset ratio entity wise for all the entities forming part of the group and accordingly manage the capital requirements among all the entities in the group.

ii. Capital allocation

The amount of capital allocated to each operation or activity is undertaken with the objective of minimisation of return on the risk adjusted capital. Allocation of capital is to various lines of business basis annual business plan drawn at the beginning of the year. Various consideration for allocating capital include synergies with existing operations and activities, availability of management and other resources, and benefit of the activity with the Group's long term strategic objectives.

43 Details of financial assets sold to Asset Reconstruction Company

Particulars	As at 31 March 2025	As at 31 March 2024
No. of accounts *	1,24,728	-
Aggregate principal outstanding of loans transferred * (on the date of transfer)	3,545.40	-
Net book value of loans transferred (at the time of transfer)	666.59	-
Aggregate Consideration	520.00	-
Additional consideration realized in respect of accounts transferred in earlier years	-	

* includes transfer of 56433 accounts having principal outstanding as on September 30, 2024 Rs. 1,304.03 millions which are previously written off as at September 30, 2024

The group has received Security Receipts (SRs) amounting to Rs. 339 millions as part of the consideration for transfer of stress loans to ARC. Investment in SR has been fully provided and the resultant fair value loss has been recognised in Note 24 - Net loss on fair value changes.

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44 In the year ended 31 March 2023, the impact of disruptions resulting from COVID -19 has eased substantially, however the Group continues to monitor the developments/ ongoing impact resulting from COVID-19 Pandemic and any action to contain its spread or mitigate its impact.

45 The composite scheme of arrangement (Scheme) between the Utkarsh Small Finance Bank (Bank) and Utkarsh CoreInvest Limited (UCL), its holding company, and their respective shareholders under Section 230 and other applicable provisions of the Companies Act, 2013, was filed with the National Company Law Tribunal, bench at Allahabad (NCLT) on 25 October 2019 for the reduction in the face value of equity share capital of the Bank and for the issuance and allotment of fully paid-up equity shares of the Bank to the shareholders of UCL (on account of their invested capital) from the reserves created from such reduction of share capital. The objective of the Scheme was, amongst others, to achieve dilution in shareholding of UCL in the Bank in line with the small finance bank's licensing guidelines.

In relation to the Scheme, the Bank had approached RBI seeking a certificate u/s 44B (1) of the Banking Regulation Act, 1949 and RBI had vide its letter dated 21 July, 2020 communicatedto the Bank that the mode of dilution of promoter shareholding proposed under the Scheme militates against the spirit of the licensing guidelines for Small Finance Banks. Further, RBI had advised that it may consider issuing the required certificate u/s Section 44(1) in the event the board of both the Bank and UCL agree and approve that the combined shareholding of UCL and shareholders of UCL, who would be allotted the equity shares of the Bank, will be diluted to 40% of the voting shares in the Bank by 22 January, 2022 and till that time together they will exercise only 26% voting rights in the Bank. Basis deliberations, the respective boards of UCL and the Bank decided to withdraw the application for approval of Scheme. Subsequently, the Bank withdrew the petition and the NCLT by its order dated August 27, 2020 dismissed the petition as withdrawn. The Bank vide its letter dated September 03, 2020 addressed to RBI to withdraw its application seeking certificate from RBI.

46 Amounts payable to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 that came into force from 02 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments during the years ended 31 March 2025 and 31 March 2024. The above is based on the information available with the Group, which has been relied upon by the statutory auditors.

Particulars	As at 31 March 2025	As at 31 March 2024
a. Principal amount due to suppliers under MSMED Act, 2006	101.38	107.12
b. Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c. Payment made to suppliers (other than interest) beyond the appointed day during the year	183.86	1,098.59
d. Interest paid to suppliers under MSMED Act (Section 16)	-	-
e. Interest due and payable towards suppliers under MSMED Act for payments already made	2.05	15.37
f. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	2.05	15.37

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

47 Details of corporate social responsibility expenditure

Particulars	As at 31 March 2025	As at 31 March 2024
Corporate Social Responsibility expenses for the period*	85.50	51.60
Various Head of expenses included in above:		
Note 29: Other expenses: Contribution towards Corporate Social Responsibilities	76.28	51.60
Gross amount required to be spent by the Group during the year.	9.22	51.20
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	76.28	32.80
Details of related party transactions (Utkarsh Welfare Foundation)	85.50	-
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the period	85.50	51.60
Less: Provision utilised during the period	76.28	32.80
Closing Balance	**9.22**	**18.80**
The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year	9.22	-
	1.59	
The total of previous years' shortfall amounts		-
	-	
The reason for above shortfalls by way of a note	-	-
The nature of CSR activities undertaken by the Group	CSR activities undertaken as per scheduleVII under section 135 on thematic areas of Health, Education and Livelihoods and Entrepreneurship development.	CSR activities undertaken as per scheduleVII under section 135 on thematic areas of Health, Education and Livelihoods and Entrepreneurship development.

As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee of the Board of Directors. The CSR Committee has also approved a CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, has been identified.

48 Interest in other entities

a) Interest in subsidiaries

i. The group's subsidiaries at 31 March 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership held by the group		Ownership interest held by non-controlling interests		Principle activities
		31 March 2025	31 March 2024	31 March 2025	31 March 2024	
Subsidiaries						
Utkarsh small finance bank	India	68.92%	69.06%	31.08%	30.94%	Small finance bank
Utkarsh welfare foundation*	India	-	-	-	-	Section 8 company for CSR activities

* The Group has disposed of its stake in Utkarsh Welfare Foundation on 24 Februrary 2022.

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

ii. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	Utkarsh Small Finance Bank Ltd.	
	As at 31 March 2025	As at 31 March 2024
Total Assets	278,354.41	2,53,344.09
Total Liabilities	253,893.84	2,24,801.18
Net Assets	**24,460.57**	**28,542.91**

Summarised statement of profit and loss

Particulars	Utkarsh Small Finance Bank Ltd.	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operation	38,894.06	31,403.65
Profit for the year	(4,145.99)	3,283.94
Other Comprehensive income	25.41	243.16
Total Comprehensive income attributable to non controlling interest	(4,120.58)	3,527.10

b) Additional disclosure under Schedule III of Companies Act 2013.

Name of the Entity	Net assets		Share in profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	% of Consolidated net assets	Amount (in millions)	% of Consolidated profit or loss	Amount (in millions)	% of Consolidated profit or loss	Amount (in millions)	% of Consolidated profit or loss	Amount (in millions)
Parent Company								
31-Mar-25	34.15%	8,565.39	-7.17%	302.7	-0.43%	(0.11)	-7.21%	302.59
31-Mar-24	29.25%	8,514.69	0.44%	14.45	-0.13%	(0.32)	0.40%	14.13
31-Mar-23	40.64%	8,438.17	0.24%	13.28	0.00%	0.00	0.26%	13.28
Utkarsh small finance bank	97.52%	24,460.57	98.18%	(4,145.99)	100.45%	25.41	98.16%	(4,120.58)
31-Mar-25	98.05%	28,542.91	99.56%	3,283.94	100.13%	243.16	99.60%	3,527.10
31-Mar-24	97.58%	20,262.03	99.76%	5,524.75	100.00%	(364.30)	99.74%	5,160.44
31-Mar-23								
Non-controlling interest								
31-Mar-25	31.11%	7,803.12	25.97%	(1,096.78)	26.57%	6.72	25.97%	(1,090.06)
31-Mar-24	30.51%	8,881.78	26.10%	860.77	26.25%	63.74	26.11%	924.50
31-Mar-23	15.38%	3,194.50	15.19%	841.11	15.22%	(55.46)	15.19%	785.64
Consolidation/other adjustments								
31-Mar-25	-62.78%	(15,746.82)	-16.98%	717.12	-26.59%	(6.73)	-16.92%	710.40
31-Mar-24	-57.81%	(16,828.52)	-26.10%	(860.81)	-26.24%	(63.73)	-26.11%	(924.54)
31-Mar-23	-53.60%	(11,130.07)	-15.19%	(841.09)	-15.23%	55.47	-15.18%	(785.62)
Total								
31-Mar-25	100.00%	25,082.26	100.00%	(4,222.95)	100.00%	25.3	100.00%	(4,197.65)
31-Mar-24	100.00%	29,110.86	100.00%	3,298.35	100.00%	242.84	100.00%	3,541.19
31-Mar-23	100.00%	20,764.63	100.00%	5,538.04	100.00%	(364.29)	100.00%	5,173.75

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

49 Lease as lessee

The group has taken various premises on lease for undertaking its banking and allied business.

Following are the changes in the carrying values of right of use assets:

Particulars	Category of ROU Assets		
	Premises	ATM Machines	Core Banking Software
Balance as at 31 March 2023	**2,416.81**	**53.18**	**23.67**
Additions	261.82	10.57	-
Disposals	-	-	-
Depreciation	**437.31**	**12.66**	**23.68**
Balance as at 31 March 2024	**2,241.32**	**51.09**	**(0.01)**
Additions	1,275.13	17.00	-
Disposals	-	1.06	-
Depreciation	**588.44**	**14.53**	-
Balance as at 31 March 2025	**2,928.01**	**52.51**	-

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss.

The following is the movement in lease liabilities:

Particulars	Lease liabilities
Balance as at 31 March 2023	**2,910.98**
Additions	263.18
Adjustment on account on rent concession	
Finance cost accrued during the period	252.63
Payment of lease liabilities	(710.06)
Balance as at 31 March 2024	**2,716.73**
Additions	1,275.61
Adjustment on account on rent concession	
Finance cost accrued during the period	289.62
Payment of lease liabilities	(828.55)
Balance as at 31 March 2025	**3,453.41**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 and 31 March 2024 on an undiscounted basis:

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	864.67	694.35
One to five years	2,488.78	2,093.07
More than five years	937.94	635.04

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 11.76 million for the year ended 31 March 2025
(31 March 2024: INR 9.57 million).

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

50 Expected credit loss (ECL) impairment provision - Loans
2024-25

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	**Stage 1**	168,545.30	2,035.17	166,510.13	780.92	1,254.25
	Stage 2	7,743.00	1,740.85	6,002.15	-	1,740.85
	Stage 3	-	-		-	-
Subtotal		**176,288.30**	**3,776.02**	**172,512.28**	**780.92**	**2,995.10**
		-	-		-	-
Non-Performing Assets (NPA)		-	-		-	-
Substandard	**Stage 3**	19,594.46	11,979.46	7,615.01	8,927.00	3,052.46
		-	-		-	-
Doubtful - upto 1 year	**Stage 3**	350.59	214.34	136.25	226.00	(11.66)
1 - 3 years	**Stage 3**	371.40	230.32	141.08	338.00	(107.68)
more than 3 years	**Stage 3**	-	-	-	-	-
Subtotal for Doubtful		**721.99**	**444.65**	**277.33**	**564.00**	**(119.35)**
	Stage 3	-	-		-	-
Loss		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	**Stage 1**	1,075.19	10.26	1,064.93	-	10.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Subtotal		**1,075.19**	**10.26**	**1,064.93**	**-**	**10.26**
Total	**Stage 1**	**169,620.49**	**2,045.43**	**167,575.06**	**780.92**	**1,264.51**
	Stage 2	**7,743.00**	**1,740.85**	**6,002.15**	**-**	**1,740.85**
	Stage 3	**20,316.45**	**12,424.11**	**7,892.34**	**9,491.00**	**2,933.11**
	Total	**197,679.94**	**16,210.39**	**181,469.55**	**10,271.92**	**5,938.47**

2023-24

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	**Stage 1**	174,106.68	2,087.68	172,018.99	2,364.38	(276.70)
	Stage 2	3,490.85	850.42	2,640.44	-	850.42
	Stage 3					
Subtotal		**177,597.53**	**2,938.10**	**174,659.43**	**2,364.38**	**573.72**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	3,803.30	2,299.00	1,504.31	1,922.00	377.00
					-	
Doubtful - upto 1 year	**Stage 3**	678.64	410.22	268.42	569.00	(158.78)
1 - 3 years	**Stage 3**	171.61	103.73	67.88	154.00	(50.27)
more than 3 years	**Stage 3**			-		-
Subtotal for Doubtful		**850.26**	**513.96**	**336.30**	**723.00**	**(209.04)**
	Stage 3					
Loss		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	**Stage 1**	3,665.90	28.55	3,637.35		
	Stage 2	-	-	-	-	28.55
	Stage 3	-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Subtotal		**3,665.90**	**28.55**	**3,637.35**	**-**	**28.55**
Total	**Stage 1**	**177,772.58**	**2,116.23**	**175,656.35**	**2,364.38**	**(248.15)**
	Stage 2	**3,490.85**	**850.42**	**2,640.44**	**-**	**850.42**
	Stage 3	**4,653.56**	**2,812.96**	**1,840.60**	**2,645.00**	**167.96**
	Total	**185,916.99**	**5,779.61**	**180,137.39**	**5,009.38**	**770.23**

Utkarsh CoreInvest Limited
Notes to consolidated financial statements for the year ended 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

51 The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

52 The title deeds of immovable properties included in property, plant and equipment (other than properties where the Group is the lessee and the lease agreements are duly executed in favor of the lessee) and intangible assets are held in the name of the Group.

53 No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

54 The Group has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand; or without specifying any terms or period of repayment.

55 The Group has obtained various borrowings from banks/ FI on basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks/ FI are in agreement with the books. The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. The Group is not declared as willful defaulter by any bank or financial Institution or other lender as at 31 March 2025. The group has secured borrowings. All secured term loans were secured by way of exclusive charge on the standard assets portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements. The borrowing of the group comprised of Tier II and Refinance as on 31st March 2025 (Tier II INR 5,158.86 million & Refinance INR 18,454.23 million). Tier II is towards mostly for capital augmentation while refinance is to obtain longer term funds at competitive pricing for asset growth.

56 a) The Group has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(I) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries)
(II) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(b) The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall:
(I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries")
(II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57 No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

58 There are no charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

59 The Group does not have any number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. There are no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at 31 March 2025.

60 There is no income surrendered or disclosed as income during the current year or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

61 No crypto / virtual currency was traded/ invested during the current year. No deposits / advances were received from any person for the purpose of trading / investing in crypto currency during the current year or previous year.

62 The Group has reported 105 frauds amounting to Rs. 44.2 million (previous year: Rs.325.83 million) based on management reporting to Risk Committee and to RBI through prescribed returns. The nature of fraud involved is misappropriation of funds, fraudulent encashment/manipulation of books of accounts.

The above includes 115 cases of HL fraud (considered as 1 case in 87 cases) amounting to Rs.299.54 million in the previous year (current year: nil).

63 Previous years figures have been regrouped, reclassified wherever considered necessary to conform to the classification/disclosure requirements adopted in the current year

for **DMKH & Co.**
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

Manish Kankani
Partner
Membership No: 158020

Place: Mumbai
Date: August 29, 2025

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh
Managing Director and CEO
DIN: 07132387

G.S. Sundararajan*
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Varanasi & Chennai*
Date: August 29, 2025

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

1. Reporting entity

Utkarsh Coreinvest Limited ("the Company' or 'Holding Company") is domiciled in India. The Company is having its registered office at Varanasi. The Company was formerly known as Utkarsh Micro Finance Limited and got the name changed to Utkarsh CoreInvest Limited w.e.f. 11 October 2018.

The Company together with its subsidiary Utkarsh Small Finance Bank Limited ('the Bank or 'SFB') are collectively referred to as "the Group". The Group has been engaged in the business of micro finance and banking operations as further explained below.

The holding company was primarily engaged in the business of micro finance, following group lending methodology and providing small value unsecured bank loans to lower income group of below poverty line ('BPL') in urban and rural areas. The tenure of these loans was generally spread over a period of up to 2 years. During the financial year 2016-17, the Company executed a business transfer agreement with its subsidiary Company 'Utkarsh Small Finance Bank Limited' ('USFB') and transferred all its assets and liabilities (except certain statutory assets, vehicle and statutory liabilities). Accordingly, the business of micro finance was also transferred to USFB.

On 3 May 2018, the RBI has granted its approval to the Holding Company for carrying on the business of a Non-Deposit taking-Systemically Important Core Investment Company (CIC-ND-SI) under the Certificate No C.07.00781.

Material accounting policies

2. Basis of preparation of consolidated financial statements

a. i. Statement of compliance

The Consolidated financial statements of the Company have been prepared in accordance with the Ind AS 110-'Consolidated Financial Statements' as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements of the Subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2025 and are prepared based on the accounting policies consistent with those used by the Company.

These consolidated financial statements were authorised for issue by the Group's Board of directors on August 29 2025.

Subsidiary considered in the consolidated financial statements

Name of the Subsidiary	Country of incorporation	Percentage of Holding	
		31 March 2025	31 March 2024
Utkarsh Small Finance Bank Limited	India	68.92%	69.06%

The Group has consistently applied accounting policies to all periods.

ii. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following material items:

- Financial assets at FVTOCI that is measured at fair value.
- Financial instruments at FVTPL that is measured at fair value.
- Financial instruments measured at amortised cost
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation.

iii. Principles of Consolidation

Subsidiary are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary are fully consolidated from the date on which control is transferred to the group.

The group combines the consolidated financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iv. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional currency. All amounts have been rounded to the nearest million rupees, unless otherwise stated.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

v. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of these consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Consolidated financial statements have been given below:

- Note 49 – Measurement of lease liabilities and right of use assets
- Note 40 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Consolidated financial statements for the every period ended is included below:

- Note 34 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 7- Recognition of deferred tax assets: availability of future taxable profit against which carryforward tax losses can be used;
- Note 8-9- Useful life and residual value of property, plant and equipment and intangible assets
- Note 31- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 40 – Fair value measurement of financial instruments
- Note 41– Impairment of financial assets: key assumptions in determining the average loss rate

b. Revenue Recognition

i. Interest income from financial assets is recognised on an accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

ii. The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired). However, for the financial assets that have become credit impaired subsequent to the initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

iii. For financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

iv. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

v. Income from interest on deposits and interest bearing securities is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate.

vi. Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

vii. All other fees are accounted for as and when they become due.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

c. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

Financial assets

Initial recognition and measurement

The Group initially recognises loans and advances on the date on which they are originated. All other financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurement

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's key management personnel.

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from ECL impairment are recognised in the profit or loss.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

Financial assets at fair value through Other Comprehensive Income (FVTOCI)
A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from ECL impairment are recognised in the profit or loss.

Financial assets measured at fair value through profit and loss (FVTPL)
Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Reclassification of financial assets
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. If the Group evaluates that substantial risk and reward have not been transferred, the Group continues to recognise the transferred asset. If the Group evaluates that substantial risk and rewards are neither transferred nor retained and the control of the asset is also not transferred, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities designated at FVTPL

When a financial liability contract contains one or more embedded derivative, the Company may designate the entire hybrid contract as at fair value through profit and loss unless:

• the embedded derivative(s) do(es) not significantly modify the cash flows that otherwise would be required by the contract; or

• it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortised cost.

The fair valuation change on the liabilities subsequently measured at fair value through profit and loss account is recognised in profit and loss account except the changes in the liablity's credit risk which is recognised in 'Other Comprehensive Income'

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability or equity based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability or equity recognized with modified terms is recognised in profit or loss or in other equity in case the same is a transaction with the shareholders.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

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Notes to consolidated financial statements for the year ended 31 March 2025

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects it non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument.

d. Impairment of Financial Assets
Impairment of financial instruments
The Group recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- Financial assets that are debt instruments
- Loan commitment issued

No impairment loss is recognised on equity investments
ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows
- Undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive

With respect to trade receivables and other financial assets, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in statement of profit and loss.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

e. Foreign Currency Transactions and Balances

Holding Company

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

Banking Company in the Group

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of Profit and Loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date based on exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the statement of Profit and Loss.

f. Property, Plant and Equipment(PPE)

Initial Measurement

Property, plant and equipment are stated at cost less accumulated depreciation as adjusted for impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in statement of Profit and loss.

Leasehold improvements are amortised on straight line basis over the primary period of the lease or the estimated useful life of the assets, whichever is lower.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Impairment

Carrying amounts of cash generating assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognised in the statement of Profit and Loss whenever the carrying amount exceeds the recoverable amount.

Depreciation

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. The Group has carried out a technical assessment of the useful life of its assets taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use. If the management's estimate of the useful life of a property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

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Notes to consolidated financial statements for the year ended 31 March 2025

Assets	Estimated useful life (in Years)
Vehicles	8 years
Computers	3 years
Leasehold improvement	As per the lease term.
Office equipment	5 years
Electrical equipment	10 years
Furniture and fixtures	10 years
Generator	10 years
Land	-
Building	60 years

Improvements and installations of capital nature on the leasehold property are depreciated over the primary lease term. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

De-recognition
Property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is de-recognised. Depreciation on assets sold during the year is recognised on a pro-rata basis to the statement of profit and loss upto the date of sale.

Capital Work in Progress
Capital work in progress includes cost of fixed assets that are not ready for their intended use.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

g. Intangible assets

Initial Measurement

Intangible assets that are acquired by the Group are measured initially at cost and are stated at cost less accumulated depreciation as adjusted for impairment, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Impairment

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Amortisation

Intangible assets are amortised in the statement of profit and loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible assets are amortised on straight line basis. Computer software are amortised on straight line basis over their estimated useful life of three years.

Amortisation methods and useful lives are reviewed in each financial year end and changes, if any, are accounted for prospectively.

De-recognition

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income / expense in the statement of profit and loss in the year the asset is de-recognised. Amortisation on assets sold during the year is recognised on a pro-rata basis to the statement of profit and loss upto the date of sale.

h. Leases

The Group's lease asset classes primarily consist of leases for ATMs, Software and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 01 April 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

i. Employee benefits

i. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. **Share-based payment arrangements**

Utkarsh CoreInvest Ltd. has formulated an Employees Stock Option Scheme to be administered through a Trust. The scheme provides that subject to continued employment with the Group, the employees are granted an option to acquire equity shares of the Holding Company that may be exercised within a specified period.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Parent Company is the grantor of its equity instrument for all share options provided to the employee of the Bank. The Bank reimburses the parent company for the equity-settled share-based payment arrangements granted to the employees of the Bank

iii. **Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group has following defined contribution plans:

Provident Fund

The Group contributes to mandatory government administered provident funds which are defined contribution schemes as the Group does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and recognised in the statement of Profit and Loss

iv. **Defined benefit plans**

The Group's net obligation in respect of gratuity is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. **Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

j. Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

• has a legally enforceable right to set off the recognised amounts; and
• intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

• the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
• the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

l. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group has been identified as the chief operating decision maker for the Group.

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements for the year ended 31 March 2025

m. Earnings Per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

n. Provision, Contingent Liabilities and Contingent Assets

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are not recognised in the consolidated financial statements but disclosed, where an inflow of economic benefit is probable.

o. Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Manish Kankani
Partner
Membership No: 158020

Suman Saurabh
Managing Director and CEO
DIN: 07132387

CEO & CFO

CERTIFICATE

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Suman Saurabh, Managing Director & Chief Executive Officer and Harshit Agrawal, Chief Financial Officer of Utkarsh CoreInvest Ltd. (erstwhile Utkarsh Micro Finance Limited), "the Company", hereby certify to the Board that:

a) We have reviewed financial statements and the cash flow statement of the Financial Year ended March 31, 2025 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware of and the steps we have taken or proposed to be taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

  (i) Significant changes in internal control over financial reporting during the year;

  (ii) Significant changes in accounting policies during the year and the same have been disclosed in the Notes of the financial statements; and

  (iii) Instances of significant fraud of which we have become aware of and involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any).

Sd/-	Sd/-
Suman Saurabh	**Harshit Agrawal**
Managing Director & CEO	Chief Financial Officer

ANNUAL CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT OF FINANCIAL YEAR 2024-25

1 Brief outline on CSR Policy of the Company

Policy Statement

Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited), through its CSR projects, will enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate Citizen. The ultimate aim of the CSR projects will be to benefit the communities at large and over a period of time enhance the quality of life and economic well-being of the local populace.

CSR Philosophy and Guiding Principles

The Company shall continue its efforts to impact the society positively, particularly to underserved and unsecured communities, including in the area of its and its subsidiaries operations. The Company has formulated policies for social development based on the following guiding principles:

i. Serving households through a range of socially oriented products and services.
ii. Adopting an approach that aims at achieving a greater balance between social development and economic development.
iii. Adopting new measures to accelerate and ensure the basic needs of deprived sections of the society.
iv. Work towards elimination of barriers for the social inclusion of disadvantaged groups such as the poor and the disabled.
v. Enabling ways for enhancing skills for better livelihood opportunities.
vi. Support underprivileged and underserved segments by providing financial and non-financial services through a socially responsible, sustainable and scalable institution.

Management Structure: CSR Committee

Corporate Social Responsibility Committee (“CSR Committee”) of the Board of Directors of the Company (“Board”) shall be responsible for framing and approving the Policy and for the overall governance of CSR activities. The CSR Committee shall consist of three (03) or more Directors including at least one (01) Independent Director and it shall meet at least once a year and as and when required.

The activities of CSR Committee will be in accordance with Schedule VII of the Companies Act, 2013 (as amended from time to time) and as per approved terms and reference (CSR Charters) by the Board of the Company.

Roles and Responsibility of the Board and its Committee

The CSR Committee shall formulate and recommend to the Board an annual action plan in pursuance of the CSR Policy of the Company, which shall include the following:

i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Act;
iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
iv. monitoring and reporting mechanism for the projects or programmes;
v. details of need and impact assessment, if any, for the projects undertaken by the company; and
vi. the mechanism and adherence of necessary compliance under the applicable CSR Act and Rules, including for the unspent CSR Amount, if any.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

1. Scope of Activities during the Financial Year 2024-25

The Board of the Company had approved for a CSR Expenditure of ₹5,00,000 (Rupees Five Lakh only) for FY2024-25, to be expended towards Health Initiatives and such incidental or related activities being taken up through Utkarsh Welfare Foundation (UWF), the regular CSR Implementing Agency of the Company.

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FY 2024-25

2 Brief outline on CSR policy of the Company: Forming Part of Agenda Item No. VIII.

3 Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the Year
1	Mr. G. S Sundararajan	Independent Director, Chairperson	1	1
2	Mr. Atul	Independent Director, Chairperson	1	-
3	Mr. Aditya Deepak Parekh	Nominee Director	1	1

4 Web-link to refer about the Composition of CSR Committee, CSR Policy and CSR projects approved by the Board:

http://www.utkarshcoreinvest.com/index.php/CSR/Activities

5 Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

N.A.

6 Average net profit

(a) Average net profit of the company as per sub-section (5) of section 135: **₹2,09,87,389**
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **₹4,19,748**
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **Nil**
(d) Amount required to be set-off for the financial year, if any: **Nil**
(e) Total CSR obligation for the financial year [(b)+(c) -(d)]: **₹4,19,748**

7 Amount Spent

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹4,83,484**
(b) Amount spent in Administrative Overheads: **₹24,899**
(c) Amount spent on Impact Assessment, if applicable: **N.A.**
(d) Total amount spent for the Financial Year [(a)+(b) +(c)]: **₹5,08,383**
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the FY 2024-25 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer.	Name of the Fund	Amount	Date of transfer.
5,00,000/-	-	-	-	-	-

(f) Excess amount for set-off, if any.

#	Particulars	Amount (in ₹)
(1)	(2)	(3)
I.	Two percent of average net profit of the company as per sub-section (5) of section 135	4,19,748
ii.	Total amount spent for financial year	5,00,000
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	80,252
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous FY 2023-24	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

The Board had approved CSR contribution of **₹5,00,000 (upper rounded off) against the CSR obligation of ₹4,19,748 for FY25 and hence, the company does not intend to set-off the excess CSR contribution spent during FY25 in future.*

8 Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl.	Proceeding financial years(s)	Amount transferred Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	FY-1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY-2	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	FY-3	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created / acquired: **N.A**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
NA							

(All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

10 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

N.A.

For and on behalf of the Board of Directors

Sd/-
Managing Director & CEO

Sd/-
Chairperson, CSR Committee

INVESTORS
PROFILE FY 2025

AVISHKAAR BHARAT FUND

Aavishkaar Bharat Fund, an alternative investment fund registered with the Securities and Exchange Board of India, is an India-focused equity oriented fund with an objective to invest in enterprises serving large market segments with a special emphasis on the under-served demographic segments.

AAVISHKAAR GOODWELL INDIA MICROFINANCE DEVELOPMENT COMPANY II LIMITED

Aavishkaar Goodwell India Microfinance Development Company II Limited, a private company limited by shares under Mauritius law has objectives to (A) provide commercial long-term risk capital and active support directly to MFIs in India and (B) to facilitate the setting up and accelerate the growth of these MFIs, in order to build value and integrate them into the mainstream financial sector.

AAVISHKAAR VENTURE MANAGEMENT SERVICES PRIVATE LIMITED

Aavishkaar Venture Management Services Private Limited ("Aavishkaar Capital") is a Company registered under the laws of India. Aavishkaar Capital pioneered the venture capital approach of investing in early-growth stage enterprises in India, with a focus on geographies and sectors that were often overlooked and challenging. Aavishkaar Capital currently manages/advises funds with geographical focus on India and South & South East Asia and Africa.

BRITISH INTERNATIONAL INVESTMENT(BII)

British International Investment (BII), erstwhile CDC Group Plc, is the UK's development finance institution and impact investor with a mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. BII invests to create more productive, sustainable and inclusive economies in Africa, Asia and the Caribbean, enabling people in those countries to build better lives for themselves and their communities.

FAERING CAPITAL INDIA EVOLVING FUND II & III

Faering Capital is a leading Indian private equity firm with an entrepreneurial vision. The firm adopts a disciplined, sector-focused investment approach to develop proprietary investment themes and partners with exceptional companies to navigate sustainable growth. Faering Capital has a proven track record and long-term approach to build trusted partnerships with investors and exceptional companies and built expertise, teams, and networks across its focus sectors of Financial Services, Consumer & Retail, Healthcare, and Business Services.

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

ICICI Prudential Life Insurance Company Limited (ICICI Prudential Life) is promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited. ICICI Prudential Life began its operations in fiscal year 2001 and has consistently been amongst the top players in the Indian life insurance sector. ICICI Prudential Life is also the first insurance company in India to be listed on NSE and BSE.

NORWEGIAN MICROFINANCE INITIATIVE (NMI FRONTIER FUND KS)

NMI invests in and builds up MFIs in developing countries through equity and loan investments. NMI primarily targets poor women in SubSahara Africa, South Asia and Southeast Asia. NMI targets double bottom line results and thereby contributes to the empowerment of poor people in developing countries and to the creation of jobs and wealth on a sustainable basis.

TRIODOS MICROFINANCE FUND (TMF)

Triodos SICAV II - Triodos Microfinance Fund (Triodos - TMF) aims to support an accessible, well-functioning and inclusive financial sector across the globe by providing loans and equity to microfinance institutions that demonstrate a sustainable approach, including small and medium-sized enterprises; hereby offering investors a financially and socially sound investment in Financial Inclusion. The fund is established in Luxembourg. Triodos Investment Management acts as investment manager of the fund.

INTERNATIONAL FINANCE CORPORATION (IFC)

"IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets"

RESPONSABILITY PARTICIPATIONS MAURITIUS (RAPM)

responsAbility Participations AG is a company limited by shares with its registered office in Zurich, Switzerland. The company targets long term participations in established and primarily unlisted companies in emerging and transitioning economies, with a particular focus on institutions that provide financial services to micro, small and medium-sized enterprises and/or low-income clients. responsAbility Participations AG is managed by responsAbility Investments AG, a sustainable investment house with a track record of more than two decades of specializing in impact investing.

HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

HDFC ERGO General Insurance Company Limited ("HDFC ERGO" or the "Company") was promoted by erstwhile Housing Development Finance Corporation Ltd. (HDFC), India's premier Housing Finance Institution and ERGO International AG, the primary insurance entity of Munich Re Group. Consequent to the implementation of the Scheme of Amalgamation of HDFC with and into HDFC Bank Limited, one of India's leading private sector bank (Bank), the Company has become a subsidiary of the Bank. The Company offers complete range of general insurance products ranging from motor, health, travel, home and personal accident in the retail space and products like property, marine and liability insurance in the corporate space. With a network of branches spread across wide distribution network and a 24x7 support team, the Company has been offering seamless customer service and innovative products to its customers.

HDFC LIFE INSURANCE COMPANY LIMITED

Founded in 2000, HDFC Life Insurance Company Limited ('HDFC Life' or the 'Company') is a leading provider of long-term life insurance solutions in India. It offers a broad range of individual and group plans across the Protection, Pension, Savings, Investment, Annuity, and Health categories, with a portfolio of products and optional riders designed to meet the diverse needs of its customers.

HDFC Life is a subsidiary of HDFC Bank Limited, one of India's leading private banks. The Company has a nationwide presence, operating through its own branches and a network of over 300 distribution partners, including banks, NBFCs, MFIs, SFBs, brokers, and emerging ecosystem partners. HDFC Life also maintains a strong base of financial consultants.

Recognised as a great place to work, HDFC Life is deeply committed to governance and sustainability, ensuring responsible business practices that align with its long-term objectives.

SHRIRAM LIFE INSURANCE COMPANY LIMITED

Shriram Life Insurance Company Ltd.; jointly promoted by Shriram Capital Ltd. and South Africa-based financial services group Sanlam Ltd.; is a leading insurer having built its operations over 18 years by catering to a wide demographic and providing the average Indian with a bouquet of life insurance products catering to their financial needs. The company works with the purpose of ensuring that all families in the community are provided with adequate financial protection especially in the vulnerable segment. Shriram Life Insurance offers comprehensive protection and long-term savings life insurance solutions, focused on people at the bottom of the socio-economic pyramid, with close to 40% of insurance beneficiaries being from rural markets. It has a network of 478 branch offices across India. Shriram Life Insurance underwrote gross premium of over INR 4200 crore in FY24, recording Assets Under Management (AUM) exceeding INR 13208 crore. The average ticket size of the company for individual policies stands at around ₹20,000. The company's protection and long-term savings plans help it give working-class families comprehensive life cover besides offering stable investment solutions for their key life goals. The company has an in-force policyholder base of over 10 lakhs. With a claims settlement ratio crossing 98% in FY 24; the company has been true to its purpose of providing security to the community.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

"Small Industries Development Bank of India (SIDBI), set up on April 02, 1990, under an Act of Indian Parliament, acts as the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for coordination of the functions of the institutions engaged in similar activities. The role of SIDBI is to facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system."

PATNI FAMILY TRUST

PATNI FAMILY TRUST

"Patni Family trusts are part of Patni Family office. The Patni Family Office invests in a wide range of asset classes such as equity, debt, real estate, commodities, joint ventures and other financial structures. The Patni Group is a pioneer in computer hardware and software in India. The flagship company, Patni Computers, was founded in 1978 and went public in the year 2004. It was sold in the year 2011."

RBL BANK LIMITED

RBL Bank is one of India's leading private sector banks with an expanding presence across the country. The Bank offers specialized services under five business verticals namely: Corporate Banking, Commercial Banking, Branch & Business Banking, Retail Assets and Treasury & Financial Markets Operations. It currently services over 15.48 million customers through a network of 561 branches; 1,472 business correspondent branches (of which 296 banking outlets) and 412 ATMs spread across 28 Indian states and Union Territories. RBL Bank is listed on both NSE and BSE (RBLBANK).

REGISTERED & CORPORATE OFFICE

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