Utkarsh Small Finance Bank

July 10, 2026

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

National Stock Exchange of India Limited
Symbol: UTKARSHBNK

Dear Sir/Madam,

Sub: Annual Report for the Financial year 2025-26 and Notice of Tenth (10th) Annual General Meeting of Utkarsh Small Finance Bank Limited

We refer to our letter dated June 20, 2026 in relation to the date of the 10th Annual General Meeting ("AGM") of the Bank and pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Notice of 10th AGM ("Notice") and Annual Report (including the Business Responsibility and Sustainability Report) for the financial year 2025-26 which is also available on the website of the Bank at the link given below:

- https://www.utkarsh.bank.in/uploads/template_forty_pdf/Notice_of_10th_AGM 04_08_2026.pdf
- https://www.utkarsh.bank.in/uploads/template_forty_pdf/Annual_Report_FY_2025-26.pdf

The Notice of AGM and the Annual Report for financial year 2025-26 are being sent by electronic means to the Members & Debenture holders who have registered their e-mail addresses with Bank/Registrar and Share Transfer Agent ("RTA")/Depository Participants ("DP"). A letter providing the QR Code and the web-link giving the exact path, for accessing the Notice of AGM and the Annual Report 2025-26 is being sent to those Members & Debenture holders who have not registered their email addresses with the Bank/RTA/DP. A copy of the said letter is enclosed for your record.

This is for your information and records.

Thanking You.

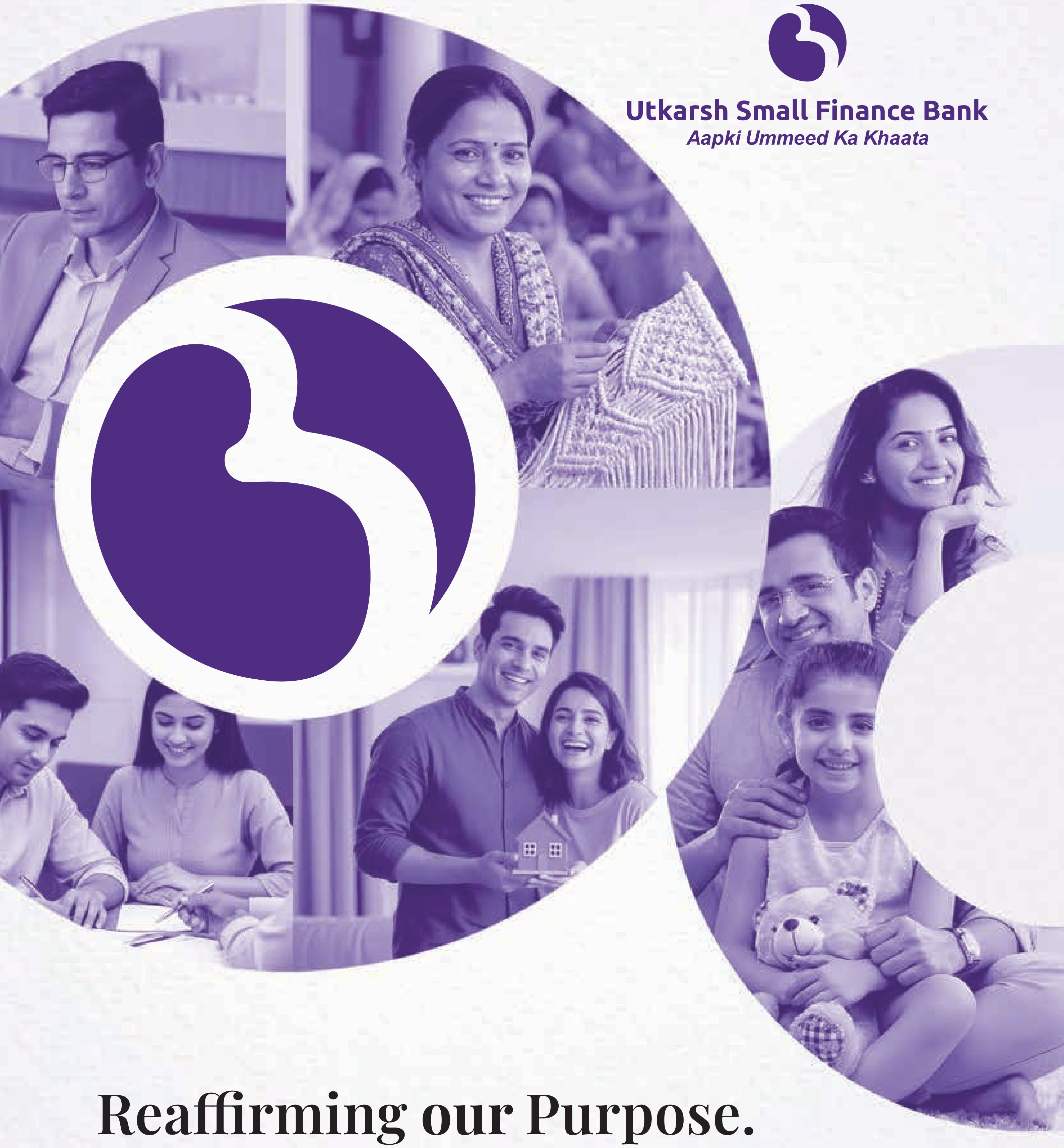
Yours faithfully,
For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Digitally signed by Muthiah Ganapathy
Date: 2026.07.10 16:23:31 +05'30'

Muthiah Ganapathy
Company Secretary & Compliance Officer

Encl.: a/a

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata



Reaffirming our Purpose.
Renewing our Collective Commitment.

Annual Report, FY 2025-26

About this report

This Annual Report of Utkarsh Small Finance Bank Limited for FY 2025–26 presents a comprehensive overview of the Company's financial and non-financial performance, covering the period from April 1, 2025, to March 31, 2026.

Contents

Forward-Looking Statement

This Annual Report has been prepared in compliance with applicable laws, including the relevant regulations issued by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI). It may include forward-looking statements that reflect the Utkarsh Small Finance Bank's current views and expectations based on the information available at the time. These statements are inherently subject to risks, uncertainties, and assumptions, and actual results may differ materially from those expressed or implied. Utkarsh Small Finance Bank Limited assumes no obligation to revise or update any forward-looking statements, whether due to new information, future developments, or otherwise. This Report is provided solely for general informational purposes and should not be regarded as financial, investment, legal, or professional advice. Readers are encouraged to consult Utkarsh Small Finance Bank's regulatory filings and seek advice from qualified professionals before making any decisions. All content within this document – including text, articles, and other material, unless sourced from third parties – is the intellectual property of Utkarsh Small Finance Bank Limited and may not be reproduced or distributed without prior written permission of the Bank. All rights reserved.

Our Performance, FY 2025-26

An overview of scale, growth and resilience

3,809.75

₹ Crore, total revenue

950

₹ Crore, Equity raise

19,332.44

₹ Crore, total loan portfolio

21,653.98

₹ Crore, total deposit portfolio

51

%, Secured Portfolio share

24

%, CASA Ratio

1,100+

Banking outlets

5.19

Million Total Customers


PART
ONE

What We Are *and* What We Do

About the theme

Reaffirming Our Purpose.

Renewing Our Collective Commitment.

5 PRINCIPAL MESSAGES OF THIS ANNUAL REPORT

1

Purpose tested, not diluted: The institution continued advancing its financial inclusion mandate with consistency, commitment, and customer focus across evolving market conditions.

2

Asset quality reset as a conscious pivot: The spike in NPAs and elevated credit costs were acknowledged without obfuscation.

Reaffirming our purpose is most meaningful when tested by adversity; renewing our commitment is most credible when backed by action.

For Utkarsh Small Finance Bank, FY 2025-26 was such a year — when our financial performance reflected stress, even as our institutional intent stood firm.

In a challenging environment, reaffirming purpose meant staying anchored to financial inclusion, serving the underserved and the unserved without deviation.

Renewing this commitment required decisive actions: tightening our underwriting, accelerating a shift towards secured and diversified lending, and proactively resolving stress through measures such as NPA sales and Balance Sheet clean-up, ensuring the sustainability of our inclusion agenda.

For stakeholders, the message is clear.

Customers remain at the centre, depositors are protected by strong liquidity buffers, and investors benefit from transparency over short-term pain.

FY 26 may then be remembered as a year of compression but also as an inflection point where discipline, resilience and responsibility converged to rebuild trust and restore momentum.

3

Earnings pressure is cyclical; franchise strength is structural: While profitability compressed, the underlying business engine remained stable.

4

Calibrated diversification: There has been a shift from concentration risk in microfinance towards secured, granular, and diversified portfolios.

5

Stakeholder trust as currency: Transparent disclosures, conservative provisioning and continued customer commitment reinforced trust.

Corporate snapshot

India's financial inclusion journey is being shaped by institutions like Utkarsh Small Finance Bank Limited.

The Bank combines reach with relevance, bringing formal banking closer to underserved and unserved communities.

It delivers modern banking solutions with speed to millions across the country.

It leverages a deep local understanding to make banking simple, accessible and responsive.

The Bank's approach empowers micro-entrepreneurs and rural households through tailored credit, savings and wealth creation solutions.

Our customer-centric ecosystem - from doorstep banking to secure mobile platforms - is redefining everyday banking experiences across India's heartland.

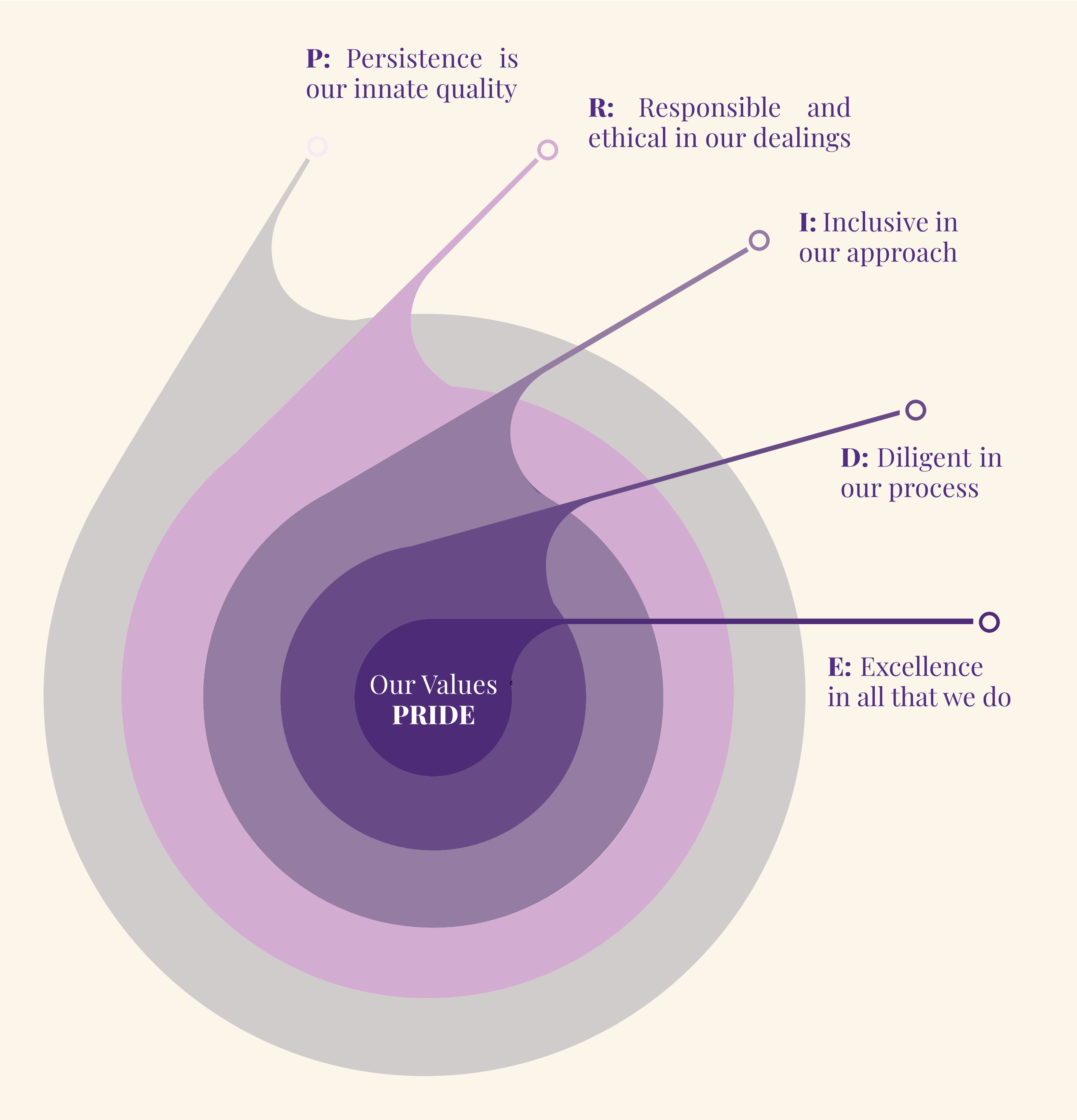
Our commitment to strong governance is playing a meaningful role in strengthening financial wellbeing and economic progress for millions.

Vision

To be the most trusted, digitised Bank that is financially and socially inclusive, and creates value across social strata through insightful and viable solutions.

Mission

Be the preferred financial institution across all customer segments through technology-enabled solutions that are sustainable, inclusive and scalable, supported by a work culture that centres on passion, values and corporate ethics to deliver best-in-class customer experience.



Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Our Background

Established in 2009 as a microfinance institution, Utkarsh evolved into a Small Finance Bank in 2017 with the objective of expanding access to formal banking services.

Since then, the Bank has steadily strengthened its presence across India, building a diversified banking franchise that serves individuals, households and enterprises through an extensive network of branches and digital channels.

Today, Utkarsh offers a comprehensive suite of deposits, lending and transaction banking solutions, supported by technology, prudent risk management and a customer-centric approach.

Driven by purpose. Built for inclusion.

Experienced leadership

The Bank is guided by an experienced and balanced Board that provides strategic oversight and governance discipline. It is supported by a senior management team with deep expertise across banking, risk management, technology and operations.

A foundation for prudent decision making and sustained growth.

Digital initiatives

The Bank leverages technology as a strategic enabler to simplify banking and expand its reach. Through digital onboarding and online account opening, customers can access services quickly and securely with minimal friction. Mobile and internet banking platforms enable seamless transactions, account management and payments at any time. Micro-ATMs and tablet-based digi onboarding extend essential banking services to the doorstep, ensuring access even in remote and underserved locations.

A contemporary platform to take customers ahead.

Network and outreach

The Bank has steadily expanded its footprint across India, building a strong and diversified distribution network. As of March 31, 2026, it operated 1,110 banking outlets across 27 States and Union Territories, supported by 779 micro banking branches and 331 general banking branches. This presence is strengthened by 373 ATMs and 787 micro-ATMs, enabling last-mile access to formal banking services. Further, 298 of our branches are classified as URCs i.e branches operating at Unbanking Rural Centres.

This network is designed to serve customers across urban, semi-urban and rural markets with consistency and depth.

Our credit rating

As of March 31, 2026, the Bank's certificate of deposit programme carried the highest short-term credit rating of A1+ from ICRA Limited. Its long-term credit rating stood at A (Negative), reaffirmed by ICRA and CARE Ratings.

This is a reflection of financial strength and disciplined execution.

Our workforce

As of March 31, 2026, the Bank's workforce comprised 18,400 employees, reflecting its people-centric approach. Of the total, 16,062 employees (87%) were male and 2,338 employees (13%) were female, with an average age of 29.44 years.

A young and agile organisation built for execution excellence.

Building momentum as a listed entity

Utkarsh Small Finance Bank is listed on the stock exchanges, marking its transition into a publicly owned banking institution.

This reflects the Bank's growing scale and relevance within India's financial services sector.

As of March 31, 2026, it operated 1,110 banking outlets across 27 States and Union Territories, supported by 779 micro banking branches and 331 general banking branches.

Our insurance partners

The Bank collaborates with leading insurance providers through corporate agency arrangements to offer comprehensive protection solutions.

General Insurance: HDFC ERGO General Insurance Company Limited, Zurich Kotak General Insurance Company India Limited and Future Generali India Insurance Company Limited.

Health Insurance: Aditya Birla Health Insurance Company Limited.

Life Insurance: HDFC Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited, Bharti AXA Life Insurance Company Limited, and Kotak Mahindra Life Insurance Company Limited.

These partnerships help deliver integrated financial services that enhance customer security and long-term wellbeing.

Our diversified business model

Over the years, the Bank has evolved from a predominantly microfinance-focused institution into a diversified banking franchise. While micro banking continues to remain an important pillar, the Bank has strengthened its presence across MSME lending, housing loans, commercial vehicle finance, retail assets and liability products. This diversification supports balanced growth, broadens customer engagement and enhances resilience across business cycles.

Building multiple growth engines for sustainable value creation.

Risk and governance framework

The Bank operates within a robust governance and risk management framework designed to support sustainable growth. Strong oversight mechanisms, prudent underwriting standards, portfolio monitoring systems and regulatory compliance practices help maintain financial stability while protecting stakeholder interests.

Creating confidence through discipline and accountability.

Utkarsh Small Finance Bank Limited raised ₹950 Crore in equity capital in FY 26, further strengthening the Bank's Balance Sheet and growth platform

Recognition

Awards and Accolades

Digital Dynamo Award, Yubi's Lending Ecosystem, 2025

Cyber Security Team of the Year at the 4th IBA CISO Summit & Citations, 2025

Best Embedded Finance Initiative at The ETBFSI EXCELLER Awards, 2025

Case Study Partner – Global Book Launch (2025): Recognised by Opresnik Management Consulting & NDIM for contributing a real-world case study to the textbook 'Social Media Marketing' by Dr Philip Kotler, Dr Marc Opresnik, and Dr Svend Hollensen.

Runner-Up-Best Fintech and DPI Adoption, Annual Banking Technology Conference, EXPO and Citations, 2024-25

Credit Modelling & Risk Team of the Year Award at the India Credit Risk Summit & Awards, 2024

Most Preferred Workplace 2023-2024 (BFSI Edition) by Marksmen Daily

Best Customer Experience Strategy by India Customer Excellence (CX) Summit & Awards, 2023

Employee Excellence 2023 by the Times Group-Et Edge, 2023

Best Technology Talent (Runner Up) by 19th Annual Banking Technology Conference, Expo & Citations 2023 Best Technology Talent (Runner Up) by 19th Annual Banking Technology Conference, Expo & Citations 2023

Most Trusted BFSI Brands by Teammarksmen Daily, 2023

Best Customer Experience at 18th Annual Summit and Awards by Assocham, 2023

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Capital structure and shareholding pattern of the Bank

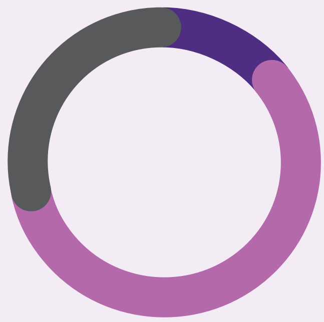
Utkarsh CoreInvest Limited
(Holding Company) (as on March 31, 2026)

% of shares

Foreign institutional investors	35.49
Domestic institutional investors	45.69
Individual and others	18.82
Total share (in %)	100

Utkarsh Small Finance Bank Limited
(as on March 31, 2026)

% of shares



Foreign institutional investors	14.48
Domestic institutional investors	57.00
Individual and others	28.52
Total share (in %)	100

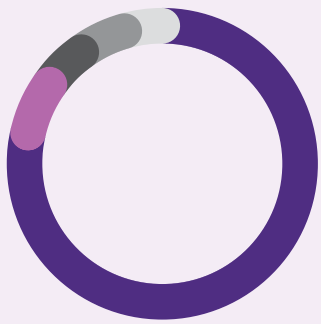
5 leading investors/investor groups
(as on March 31, 2026)

% of shares

British International Investment PLC	13.81
RBL Bank Limited	8.63
NMI Frontier Fund KS	7.75
Faering Capital India Evolving FUND II	7.71
Hero Enterprise Partner Ventures	4.88
ResponsAbility Participations Mauritius	4.88

5 leading shareholders of the Bank
(as on March 31, 2026)

% of shares



Utkarsh Coreinvest Limited	42.67
Cohesion MK Best Ideas Sub-Trust	3.21
India Capital Fund Limited	2.98
ICICI Prudential Life Insurance Company Limited	2.92
Kotak Mahindra Life Insurance Company Ltd.	2.37

What we offer

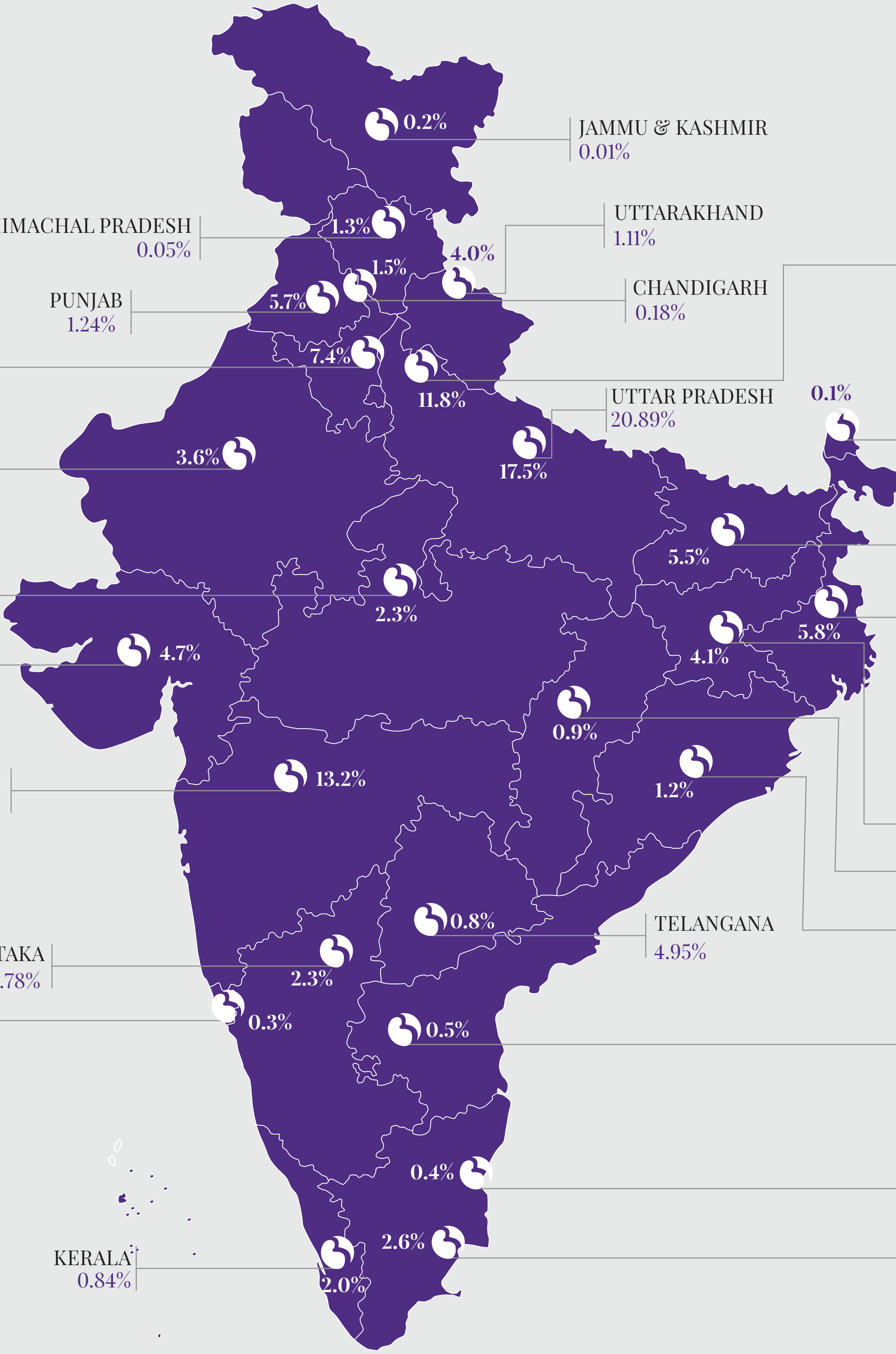
Utkarsh Small Finance Bank Limited offers a comprehensive suite of banking and financial products designed to meet diverse customer needs across India. Its portfolio is structured to support income generation, business growth and household financial security.

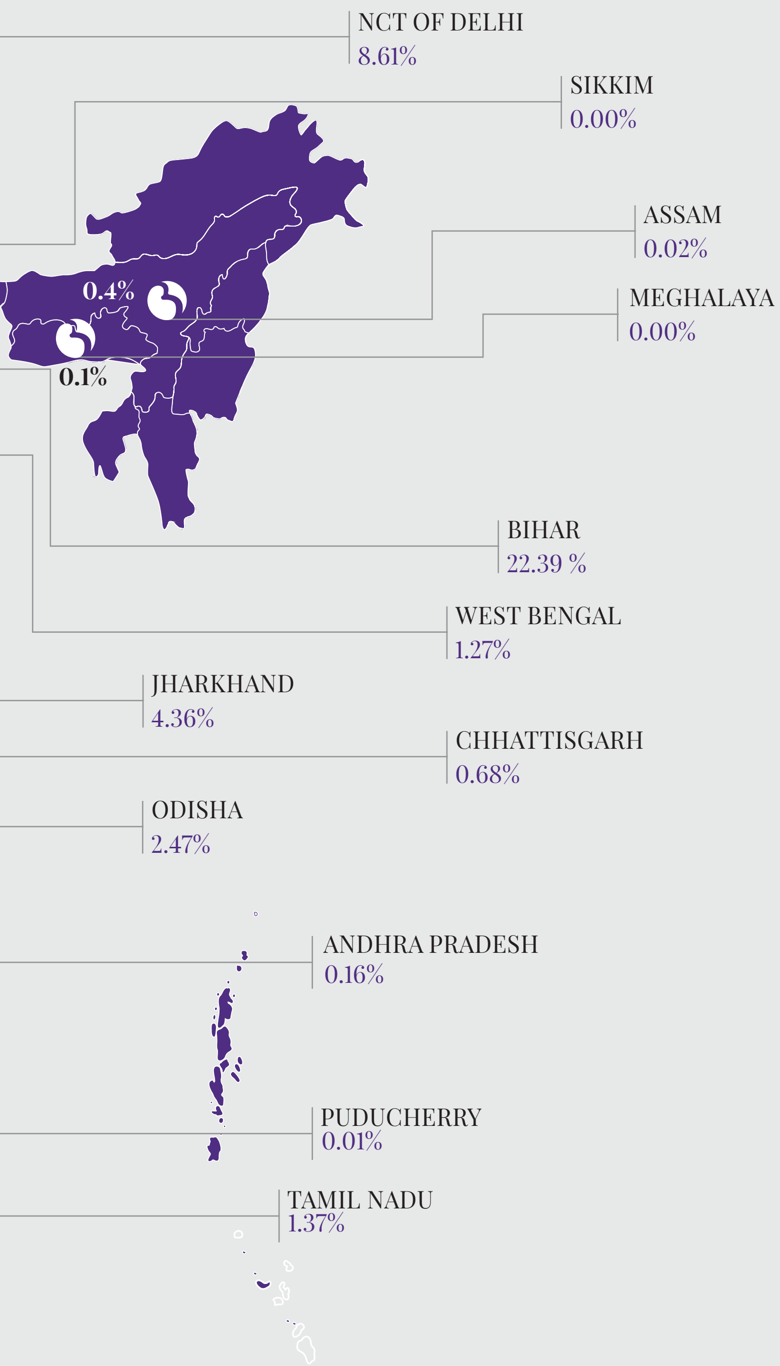
Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

PAN-INDIA PRESENCE

Utkarsh SFBL's geographical footprint across India.

The result: Inclusive banking delivered across urban, semi-urban and rural markets.





Our network in numbers

1110
Banking outlets

779
Micro banking branches

331
General banking branches

298
Unbanked rural centers

373
ATMs

787
Micro ATMs

27
States and Union Territories

% distribution

20,984
₹ Crore, (excl. digital FD sourced through Fintech and Bank website of ₹670 Crore), Total Deposits: ₹21,654 Crore

% distribution

19,332
₹ Crore, our total loan book as on 31st March, 2026

Our journey

How we have transformed and grown

FY 2016

- Utkarsh CoreInvest Limited (UCL) received an in-principle approval from the Reserve Bank of India (RBI) to establish a Small Finance Bank (SFB) on October 7, 2015.

FY 2017

- Utkarsh Small Finance Bank Ltd. was incorporated as a wholly owned subsidiary of Utkarsh CoreInvest Limited (UCL) on April 30, 2016.
- The Bank commenced its Small Finance Bank operations on January 23, 2017.

FY 2025

- Announced Ms. Mary Kom and Mr. Sunil Chhetri as Brand Ambassadors.
- Enabled ASBA application via Internet and Mobile Banking and launched RERA (Real Estate Regulation & Development) account.
- Tie up with LIC of India for Current Accounts
- Empanelled to act as SPARSH service centre.
- Empanelled under PFMS as a Sponsor Bank.
- Achieved a milestone by surpassing 1,000 banking outlets across the network.
- Grew the loan portfolio 7% YoY.
- Grew total customers to 4.99 Million.
- Achieved a significant milestone of crossing ₹20,000 Crore deposits

FY 2026

- Announced a strategic partnership with Kotak Life Insurance to expand life insurance penetration and enhance customer access to protection solutions.
- Entered into a partnership with Axis Securities to offer a seamless 3-in-1 Account experience.
- Partnered with Mumbai Indians as the Official Banking Partner for the T20 League 2026.
- Partnered Hitachi Payment Services to enhance payment processing capabilities and strengthen Debit Card management operations.
- Launched NRI savings and fixed deposits products.
- Launched BBPS Biller Operating Unit (BBPS-BOU) facility.
- Launched ITR Filing services in collaboration with Cleartax and will making services in arrangement with QuickDox.
- Successfully raised ₹950 Crore in Equity Capital.

FY 2018

- Entered the wholesale lending and personal loan segments, expanding our credit portfolio.
- Achieved a significant milestone with our deposit base surpassing ₹2,000 Crore.
- Gross loan portfolio exceeded ₹3,000 Crore, reflecting robust credit growth.
- Launched our bancassurance business through strategic partnerships.
- Saw a sharp increase in customer engagement, with over 200,000 active savings accounts and more than 2 Million active loan clients.
- Introduced bill payment services to enhance digital convenience for customers.

FY 2019

- Advanced digital inclusion through cashless microfinance disbursements and upgraded branches into full-service outlets.
- Expanded footprint to six new regions, strengthening its national presence.
- Loan portfolio crossed ₹6,600 Crore, supported by improved financial strength and an upgraded ICRA A1+ rating.

FY 2020

- Capital + Reserves crossed ₹1,000 Crore.
- Profit of ₹187 Crore in FY 20

FY 2021

- Launched the digital onboarding of Accounts.
- Raised equity capital of ₹240 Crore in March 2021.

FY 2022

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

FY 2023

- Expanded digital offerings with UPI Lite via BHIM, UPI QR for JLG clients, and mobile-based personal loan disbursals; over 10 Lakh accounts digitally onboarded.
- Enabled seamless payments through NEFT/RTGS e-collections and registered with SEBI as bankers to an issue.
- Strengthened MSME support with CGTMSE-backed loans, Micro LAP, and gold loans to diversify retail credit.
- WSL-NBFC portfolio crossed ₹1,000 Crore; micro banking book exceeded ₹9,000 Crore.
- Enhanced physical presence with 287 ATMs, 546 micro-ATMs, and 830 banking outlets.

FY 2024

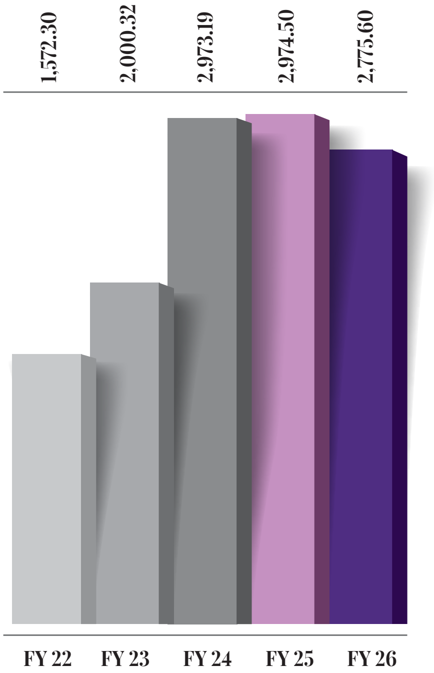
- Achieved its highest-ever annual profit of ₹498 Crore and launched an oversubscribed IPO in July 2023, raising ₹500 Crore in equity.
- Loan portfolio crossed ₹18,000 Crore; total deposits exceeded ₹17,000 Crore.
- Strengthened capital market presence with SEBI registration as SCSB, launch of ASBA (physical & UPI), and approval for collateral deposits with exchange members.
- Enhanced digital capabilities with e-Mandate/e-NACH, SmartPay for collections, and AD II services for outward remittances.
- Streamlined procurement with the rollout of a vendor management system in 2024.

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

How we have performed across the years

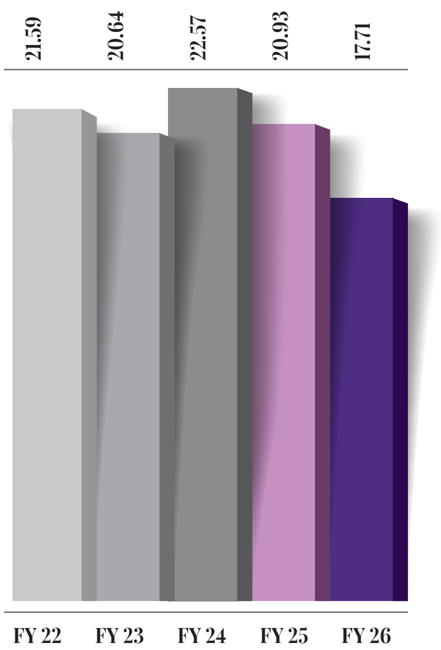
Balance Sheet indicator
Net worth (Capital + Reserves)

(₹ Crores)



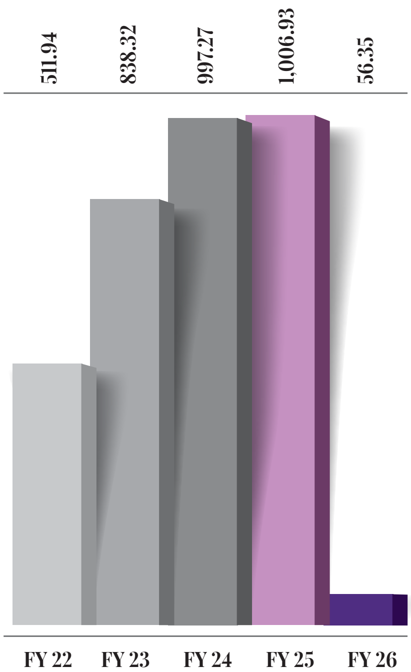
Balance Sheet indicator
Capital adequacy ratio

(%)



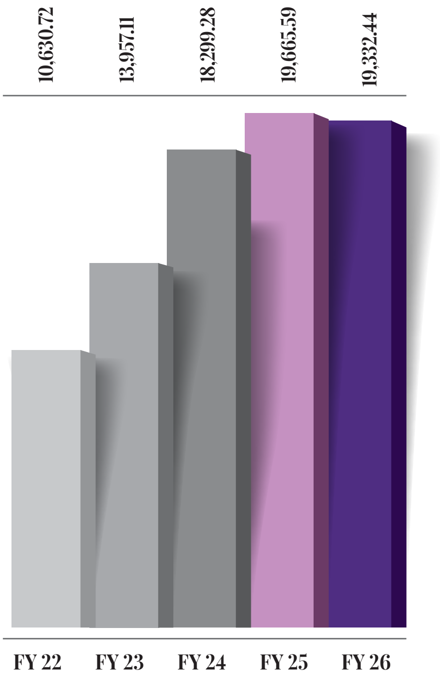
Profit & Loss indicator
Pre-provisioning operating profit

(₹ Crores)



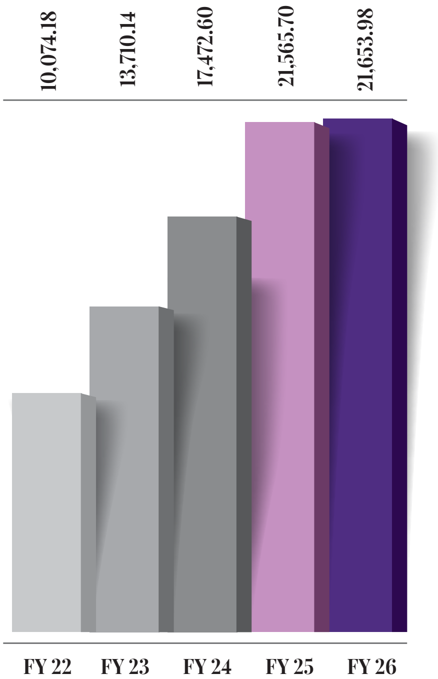
Operational indicator
Gross loan portfolio

(₹ Crores)



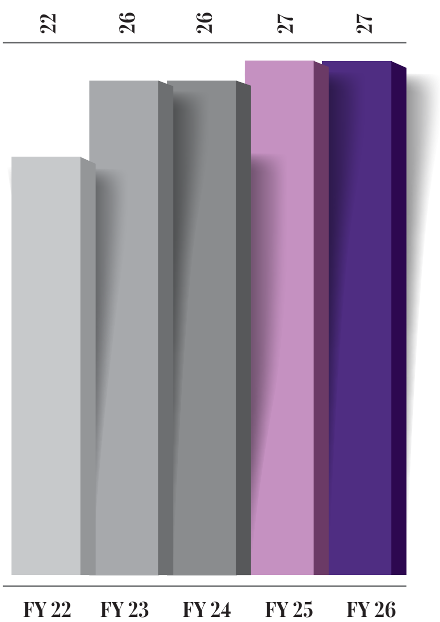
Operational indicator
Deposits

(₹ Crores)



Operational indicator
Presence

(Number of States & Union Territories)



PART TWO

Perspectives *of Our* Management

BIG PICTURE

The unprecedented Bharat opportunity…

How Utkarsh Small Finance Bank Limited is placed to capitalise

583
Million, size of India's middle class in 2015

715
Million, projected size of India's middle class by 2030

~47
%, share of India's population expected to be middle-class by 2030

Overview

India is entering a moment that every emerging economy works towards for decades — the income level from which consumption does not just grow but accelerates.

For long, Indian household spending was shaped by necessity. Discretionary choices were a privilege, not a norm.

That is changing – and rapidly.

India's GDP grew at an estimated 7.4% in FY 26, sustaining its position as the fastest-growing major economy.

Per capita income crossed US$2,800 - more than six times what it was at the turn of the century.

Across economies that have passed through this income threshold - China, Indonesia, Vietnam - the pattern is consistent: consumption shifts gear at this point.

Households move from buying what they need to buying what they seek - from subsistence to aspiration.

India is at that inflection point.

The structural gap that makes this relevant

What makes India's consumption story distinctive is not just the direction of travel, but the space still to be covered.

Despite rising incomes, credit penetration remains structurally low, especially in semi-urban and rural India, and especially for informal businesses, first-time borrowers, and low-income households that drive a majority of India's consumption growth.

These are people with real income, real aspiration, and real repayment capacity - but without the documentation trails, credit histories, or proximity to formal institutions that conventional lending requires.

Formalisation is accelerating the opportunity

India's financial formalisation has gathered pace. Digital payment infrastructure, GST implementation, and the expansion of formal business registrations have created a new data ecosystem - one where lenders can assess previously invisible borrowers using payment trails, transaction history, and GST records.

Businesses that once had no credit history now have one. Borrowers who once had no formal footprint are now traceable. The walls that kept large segments of India outside the formal credit system are coming down.

For an institution with roots in micro banking and a product suite spanning group loans, individual micro loans, housing finance, and gold lending, this formalisation is not a background development but the engine of growth.

The Bharat multiplier

Nowhere is this formalisation more alive than in Bharat's towns and villages.

Here, financial access has unlocked potential that was always present but never activated. Women borrowers are anchoring household stability and seeding small enterprises. Informal businesses are acquiring GST registrations, bank relationships, and growth ambitions. Communities are building economic lives on foundations that did not exist even ten years ago.

Financial inclusion has stopped being a welfare programme but economic infrastructure - as essential as roads, and more scalable than factories.

India's credit map has a white space

India's middle-class is expanding at a structural pace that rewrites demand curves. Some 400 Million people now sit in the middle-income band - a number expected to reach 715 Million by 2031. Consumer spending is expected to more than double: from US$2.1 Trillion today to US$5.2 Trillion by 2031. The housing loan market alone stands at US$382 Billion and is growing at 13% annually. This tidal wave of economic aspiration needs a banking system that can support it. Most of that system is built for people who already have a credit score.

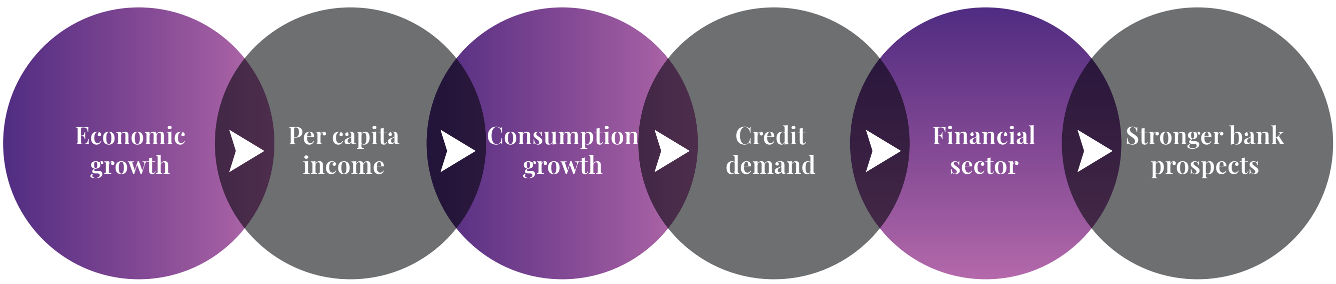
Not just a lender, a bank. The difference is everything.

Pure-play microfinance is powerful but bounded. It can lend - and that is it. A small finance bank like Utkarsh can do something more consequential: it can hold the savings of the very people it finances.

This is the compounding advantage of the SFB model. Every deposit mobilised lowers the cost of every loan extended. Every loan repaid earns a borrower their first credit footprint. Every credit footprint opens the door to the next product.

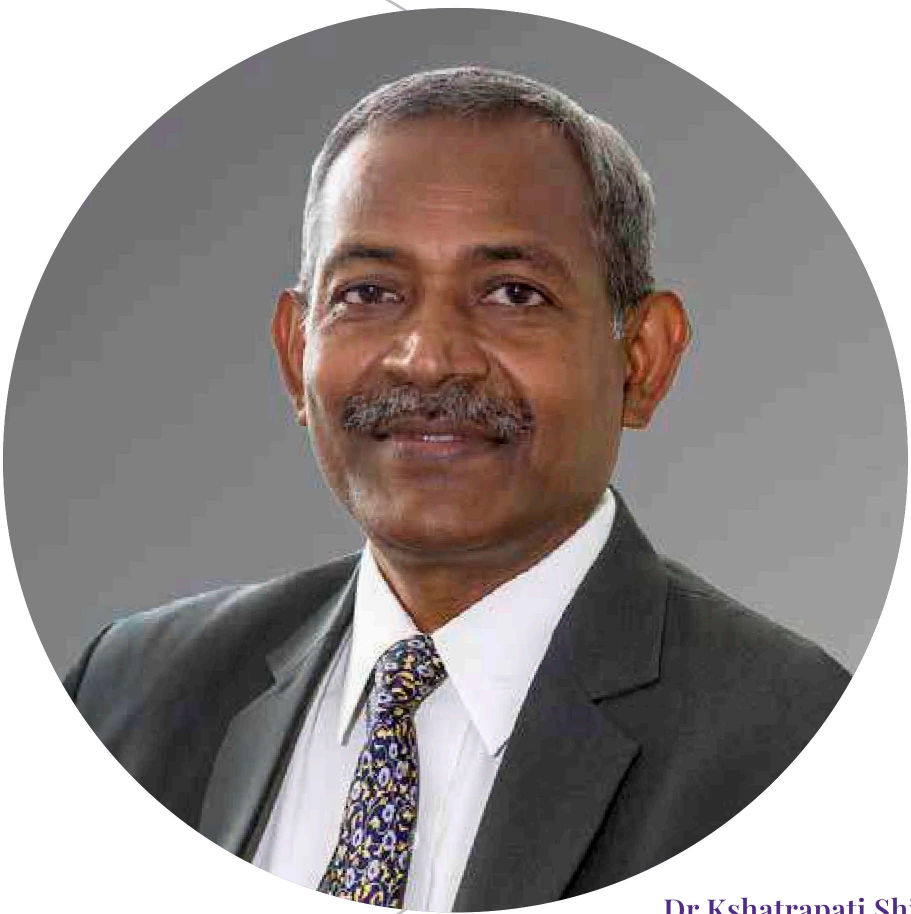
In this ecosystem, inclusion is not the mission at the expense of returns. Inclusion is the engine of both.

The economic equation: From growth to opportunity



Chairman's message

Reaffirming our purpose. *Renewing our collective commitment.*



Dr Kshatrapati Shivaji

Dear Shareholders

There are years when performance defines a company, and then there are years when its choices shape the future. The year under review was unquestionably the latter for our Bank.

In a business environment shaped by evolving market dynamics, shifting customer expectations, and emerging opportunities, we remain firmly focused on making decisions that will strengthen our institutional foundation and enhance our long-term competitiveness. While our financial performance continues to be an important measure of progress, we believe that enduring value is created through prudent strategic choices that reinforce resilience, deepen capabilities, expand opportunities, and position the organisation for sustainable growth.

Throughout the year, we invested in our strengths, sharpened execution, and reinforced the principles that have guided our journey. These decisions have not only helped us navigate present realities but have also prepared us to capture emerging opportunities with greater confidence and agility.

FY 2025–26 was such a year.

A year of transition

FY 26 unfolded as a period of transition, with performance reflecting the realities of a changing operating landscape.

The Bank reported a loss of ₹1,151 Crore during the year, compared to a profit of ₹24 Crore in the previous year. This outcome must be viewed in its context. This underperformance did not arise from weakened institutional capability, but rather from a deliberate and prudent response to external developments, most notably, regulatory changes impacting the microfinance ecosystem, which remains our largest business segment.

These regulatory interventions, designed to strengthen borrower protection, enhance credit discipline, and promote systemic stability, led to a temporary recalibration in the growth, collections, and portfolio behavior across our sector.

In response, the Bank adopted a conservative and forward-looking stance. We moderated lending, strengthened risk filters, and proactively recognised emerging stress. While these measures impacted our near-term profitability, they have reinforced the long-term integrity of our Balance Sheet. Importantly, our other lending businesses remained resilient, validating the strength and pedigree of our diversified franchise.

The management views FY 26 as a transitional phase that was externally influenced but anchored internally by conviction. With corrective measures now embedded, we remain confident of a measured and sustainable recovery in the current financial year.

Choosing discipline over acceleration

The defining message of FY 26 is clear: discipline over acceleration. In an environment where growth could have been pursued at the cost of quality, we chose to moderate disbursements, priorities collections, and strengthen our underwriting standards. In doing so, we reaffirmed our commitment to responsible lending and sustainable growth.

As an extension of this calibrated approach, the Bank maintained a strong capital position, with a Capital Adequacy Ratio of 17.71%, comfortably above regulatory requirements, providing adequate headroom for future expansions.

This approach reflects a deeper institutional belief: growth, in isolation, is not the objective; growth that is resilient, well-governed, and value-accretive is.

FY26 was a year of recalibration, with the Bank prioritizing consolidation over rapid expansion.

This phase underscored the importance of disciplined execution, prudent capital allocation, and sustainable growth.

Resilience amidst recalibrations

The macro-economic environment in India remained broadly supportive during FY 26, even as specific sectors experienced adjustments.

India continued to be the fastest-growing major economy, with GDP growth estimated at approximately 7.4%, supported by strong domestic consumption, sustained public investment, and improving private sector confidence. Credit demand remained robust at 14–15% growth, with traction across MSMEs, housing, and services.

> India continued to be the fastest-growing major economy globally, with GDP growth estimated at approximately 7.4% in FY26.

The banking sector demonstrated notable strength, with gross NPAs declining to around 2.2%, and capital positions remaining comfortable, reflecting an improved Balance Sheet quality and systemic resilience.

Inflation moderated during the year, supporting consumption, particularly across lower-income and rural segments. Financial inclusion continued to deepen, with India's Financial Inclusion Index rising to 67 and Jan Dhan accounts exceeding 550 Million.

The microfinance sector continued to offer long-term growth potential despite localized repayment pressures. This reinforced the importance of strong credit discipline and risk management.

Regulatory initiatives, including enhanced supervisory oversight and a proposed transition to expected credit loss frameworks, were aimed at strengthening long-term stability and transparency.

Industry reset: From expansion to sustainability

FY 26 marked a significant and necessary reset for India's microfinance sector.

After years of rapid expansion, certain imbalances, particularly elevated borrower leverage in select geographies, necessitated corrective regulatory intervention. Tighter borrower exposure norms, enhanced monitoring, and increased emphasis on credit discipline moderated growth.

The industry's focus shifted from rapid expansion to sustainable growth, asset quality, and responsible lending.

The Bank embraced this transition, strengthening its foundation through disciplined execution and prudent growth.

Reaffirming purpose, renewing commitment

The theme of this year's Annual Report 'Reaffirming our purpose. Renewing our collective commitment' captures the essence of our FY 26 performance.

Having completed a phase of rapid transformation in the earlier years, FY 26 marked our progression to an institution, anchoring embedding systems, strengthening culture, and ensuring that growth remains aligned with our purpose.

For us, our purpose is not abstract. It is reflected in how we serve the underserved communities, extend responsible credit, and advance financial inclusion. Commitment is demonstrated not only in favorable market conditions but in the ability to uphold these principles during challenging times.

Evolving strategy: Building a balanced institution

The Bank continued its journey towards becoming a more diversified and balanced institution.

While microfinance remained central to our identity, we consciously advanced portfolio diversification to enhance our resilience. During the year, non-microbanking businesses increased to 62% of the overall loan portfolio, supported by growth across MSME, Housing, Secured Retail, and Commercial Banking.

This shift improved our asset quality, reducing concentration risks, and strengthening sustainability. Our approach of disciplined diversification was not pursued for scale, but for resilience and long-term value creation.

Business performance and risk philosophy

FY 26 performance must be assessed through the lens of deliberate choices.

We prioritised Balance Sheet strength over short-term profitability moderating growth, strengthening collections, and enhancing provisioning. Our capital and liquidity positions remained robust, ensuring stability and flexibility.

We adopted a more forward-looking risk approach, recognising stress early, strengthening our provisioning, tightening our underwriting, and enhancing our monitoring systems.

Our philosophy remains clear: prudence and transparency today build resilience and credibility tomorrow.

Technology as a strategic enabler

Technology continues to play a central role in our strategy.

During the year, we advanced investments in digital platforms, analytics, and automation enhancing efficiency, customer experience, and governance. Over 6 Lakh customers were onboarded digitally, and digital transactions formed a significant share of activity.

Our objective is to build scalable, transparent, and resilient systems that support growth while maintaining control and compliance.

People, governance and responsibility

Our people demonstrated exceptional resilience, integrity, and commitment during the year. Their ability to adapt and uphold standards across challenging conditions reflected the strength of our institution.

We remained committed to financial inclusion and social impact extending beyond financial services to contribute to economic empowerment.

Strong governance continued to be our cornerstone. The Board provided strategic oversight, while our governance frameworks were further strengthened in alignment with regulatory expectations, ensuring accountability, transparency, and long-term resilience.

Outlook: From stabilisation to resurgence

As the sector stabilised post regulatory changes, early indicators point to improving collections and balanced growth.

The Bank entered FY 27 with a strong platform:

- Net worth of ₹2,776 Crore
- Liquidity Coverage Ratio of 175.1%
- Capital Adequacy of 17.71%

With a strengthened Balance Sheet, improved risk frameworks, and greater diversification, we remained positioned to participate in the next phase of growth.

We remained confident that disciplined execution and a purpose-led strategy will deliver sustainable long-term value.

Closing reflections

Institutions are defined not only by their performance in favourable conditions, but by their response to periods of challenge.

FY 26 demanded restraint, discipline, and conviction. We chose the path of responsibility—strengthening the institution deliberately and durably.

The year gone by was one of recalibration. The year ahead will be one of resurgence.

We move forward with a clarity of purpose, strength of foundation, and confidence in our future.

Acknowledgement

I convey my heartfelt gratitude to all our stakeholders for their continued trust, confidence, and partnership. Their support has been fundamental to our journey and achievements. As custodians of this institution, we remain committed to upholding the highest standards of governance, fostering sustainable growth, and creating enduring value for generations to come.

Dr Kshatrapati Shivaji
Independent Director and Part Time Chairman

Utkarsh Tower

Resilience in transition. Strength in diversification. Clarity in direction.

Govind Singh

Dear Stakeholders

There are defining moments in an institution's journey when its character is tested—not during uninterrupted growth, but during phases of disruption and recalibration. FY 2025–26 was one such year for our Bank.

The year brought sectoral challenges, particularly within the microfinance portfolio. However, these pressures remained concentrated, while the broader franchise continued to demonstrate stability across retail lending, deposits, operations, and customer relationships.

Importantly, the latter part of the year showed clear signs of stabilisation, with improving collection efficiency, moderation in slippages, and a calibrated revival in disbursements—creating a positive momentum as we entered FY 2026–27.

Concretely, disbursements improved across both JLG and non-JLG segments in Q4 FY 26: JLG disbursements grew 58% QoQ and 2% YoY, while non-JLG disbursements grew 41% QoQ and 51% YoY. These improvements will expand the portfolio base going forward and reflect a calibrated return to lending activity. At the same time, our X-Bucket collection efficiency in the JLG segment improved to 99.7% in March 2026, the highest level in the last 4 quarters, while net slippages reduced to ~₹170 Crores in Q4 FY 26 against ~₹710 Crores in the Q4 FY 25. Our GNPA ratio improved by ~330 basis points QoQ to 7.7% as on March 2026. These are the early, measurable signs that our actions are beginning to deliver.

In many ways, FY 26 represented a transition — from rapid expansion towards calibrated, quality-led and sustainable growth.

Macro context and industry dynamics: A structural reset in microfinance

India's macroeconomic environment remained among the strongest globally during FY 26, supported by rising domestic consumption, infrastructure investments, formalisation of economic activity and expanding digital connectivity. Financial inclusion continued to deepen across the country through supportive regulation, digital payment infrastructure and an expanding access to formal credit.

Within this broader landscape, however, the microfinance industry entered a period of structural reset. Regulatory interventions led by the Reserve Bank of India and industry self-regulatory bodies sought to address emerging risks associated with borrower leverage, credit discipline and ecosystem sustainability. The sector witnessed tighter borrower-level oversight, enhanced supervisory expectations and stronger emphasis on responsible lending practices.

These developments had a meaningful impact on the operating environment.

The JLG model—which has historically played a central role in financial inclusion—experienced moderation in growth, increased operating caution and pressure on collection efficiencies, particularly in regions with elevated credit penetration.

FY 26 therefore marked an inflection point for the microfinance sector. The industry is now transitioning from a phase driven predominantly by growth acceleration towards one characterised by sustainability, compliance, portfolio quality and disciplined execution. While the near-term effects of this reset have been visible, the changes underway are expected to create a more stable, transparent and resilient operating environment over the medium term.

> In many ways, FY 26 represented not merely a year of challenge, but a year of transition–from rapid expansion towards calibrated, quality-led and sustainability-oriented growth.

Contextualising FY 26: Building a more diversified and resilient Bank

FY 26 must be viewed through a lens of segmentation and context. The pressure on performance remained concentrated within the microfinance vertical – particularly the JLG portfolio – while the remainder of the Bank's operations continued to demonstrate resilience, operational continuity and steady progress.

The Bank reduced its JLG exposure to around 28% of the Gross Loan book (and around 30% including BC JLG) as on March 2026, down from nearly 88% (and 90% including BC JLG) in March 2020. Within micro-banking, our micro-banking business loan – targeted at graduating JLG customers with a proven repayment discipline – showed exceptional traction: MBBL portfolio grew 122% YoY and now represent 27% of our micro-banking loan book. To further de-risk incremental flows, we registered with CGFMU for credit guarantee coverage on eligible JLG and MBBL disbursements with effect from January 17, 2025. Around 45% of our microfinance book for disbursements till Q3 FY 26 were covered under the guarantee scheme. And, counting Q4 FY 26 disbursements, ~70% of our microfinance book is covered. This coverage materially reduces our incremental portfolio risk on new disbursements and supports portfolio stability.

The resilience demonstrated by our non-MFI businesses during FY 26 was reassuring and strategically significant. Our MSME loan book expanded by 15% YoY to ₹4,456 Crores, supported by the newly started Micro LAP segment, which is delivering a disbursement yield of ~18%. Housing loans grew by 8% YoY to ₹990 Crores and our BBG (Business Banking Group) portfolio, fully secured against immovable collateral, grew by 19% YoY. These businesses, supported by calibrated expansion, prudent underwriting and disciplined portfolio management, are inherently more diversified and, in several cases, secured in nature—providing greater resilience across economic cycles. Their growing contribution is steadily improving the overall quality and balance of the Bank's portfolio, reducing prospective volatility, improving our risk-adjusted returns and strengthening our earnings consistency.

A major priority during the year was strengthening the quality of revenue generation. Rather than pursuing growth at any cost, the Bank consciously focused on building sustainable revenue streams supported by stronger customer relationships, better product mix and an improved operating discipline.

Importantly, the organisation also intensified its focus on process accuracy and service quality through stronger 'First Time Right' execution practices, strengthening customer-centric execution.

On the liabilities side, our focus was on building a granular, low-cost deposit base and aligning deposit growth with disbursements. Total deposits were broadly stable, with 0.4% YoY growth, while retail term deposits grew by 20% YoY. Our CASA deposits increased by 11% YoY, lifting the CASA plus RTD ratio to 83% as of March 2026 from 71% as on March 2025. The CASA ratio improved to 24.0% as on March 2026 from 21.8% as on March 2025. These improvements reflected a better quality of account sourcing and a conscious reduction in our reliance on bulk deposits. The calibrated repricing of deposits along with the change in deposits mix has driven a reduction in our overall cost of funds to 8.1% in FY 26.

From a Balance Sheet perspective, the Bank remained well-capitalised and maintained prudent liquidity buffers: our CD ratio declined to 83% as on March 2026 from 87% as on March 2025 and we ended the quarter with a surplus liquidity of almost ₹3,800 Crores and an LCR of 175%. These metrics provide us with the flexibility to support calibrated disbursements while preserving Balance Sheet resilience.

Viewed through this perspective, FY 26 was not a systemic institutional challenge. It was a segment-specific disruption within an otherwise stable and resilient franchise.

Geographic concentration: A lesson in balance

Our deep presence across States such as Uttar Pradesh and Bihar has historically enabled a strong market penetration, meaningful customer engagement and scalable growth.

However, FY 26 also highlighted the risks associated with elevated geographic concentration during periods of regionalised sectoral stress.

This experience reinforced an important strategic insight. While geographic depth strengthens operating efficiency and franchise positioning, balanced geographic diversification is equally essential for long-term resilience. Going forward, the Bank will continue to diversify its geographic presence while retaining the strengths of its existing distribution network and customer relationships.

One of the defining achievements of FY 26 was the successful mobilisation of ₹950 Crore in equity capital.

Capital strength and Balance Sheet management

One of the defining achievements of FY 26 was the successful mobilisation of ₹950 Crore in equity capital. This capital raise was completed during a period marked by sectoral caution and a temporary pressure on performance metrics. Its success reflects enduring investor confidence in the institution's governance standards, strategic direction and long-term potential. The capital infusion significantly strengthened the Bank's Balance Sheet, enhanced our capital adequacy to 17.71% and created an additional capacity to support future growth opportunities.

In parallel, we proactively addressed legacy stress through the ARC Sale of our stressed JLG portfolio. This was a deliberate, value-enhancing decision that improved Balance Sheet strength and positioned the Bank on a cleaner footing for sustainable growth.

Operational execution and organisational alignment: Driving discipline, accountability and culture

The year marked a conscious transition from rapid growth orientation towards quality-led and productivity-driven execution. Considerable effort was directed towards strengthening our collections discipline, enhancing portfolio monitoring, recalibrating risk frameworks and improving operational controls. Decision-making became increasingly data-driven, enabling a faster course correction and a sharper managerial oversight.

A strong emphasis was placed on embedding a culture of ownership and accountability across the organisation. Teams were encouraged to take a greater ownership of outcomes, exercise sharper decision-making responsibility and operate with higher execution discipline.

We expanded our collections workforce for JLG and MBBL to more than 1,200 as on March 2026, operationalised a specialised call center for overdue accounts and split larger micro-banking branches to improve oversight and control. Training programmes for new frontline staff emphasised core processes such as center meetings and customer onboarding, ensuring consistent execution across the field.

Technology and transformation: Building a future ready institution

Technology continued to play a central role in our transformation journey. During FY 26, we accelerated investments in digital infrastructure, automation and process modernisation with the objective of improving scalability, operational control and customer experience.

Our ongoing core banking transformation programme represents a major milestone in this journey. The initiative is designed to create a robust, future-ready technology architecture capable of supporting growth while strengthening governance, monitoring and compliance capabilities.

Technology is also being leveraged to strengthen underwriting standards, improve portfolio visibility, enhance collection efficiency and deepen customer engagement.

As the financial services ecosystem becomes increasingly dynamic and data-driven, digital capability will remain central to our long-term competitiveness and institutional resilience.

Strategic priorities for FY 27: Consolidation with purpose

FY 27 will be guided by disciplined consolidation, execution intensity and sustainable growth.

Technology is also being leveraged to strengthen underwriting standards, improve portfolio visibility, enhance collection efficiency and deepen customer engagement.

Rather than pursuing aggressive expansion, our focus will remain on strengthening the quality of the franchise, improving our operational efficiency and building our long-term stability.

The key priorities for the year include the following:

- Strengthening portfolio quality
- Accelerating our revenue diversification
- Improving our productivity metrics
- Optimising our operational expenditure
- Enhancing execution efficiency
- Driving profitability through disciplined operating performance.

This approach reflects our belief that enduring institutions are built not through rapid expansion alone, but through disciplined execution, balanced growth and sustained operational excellence.

Takeaway

FY 26 was undoubtedly a challenging year. It was also a year that strengthened the institution in important and lasting ways.

It sharpened our execution discipline It accelerated our diversification journey. It reinforced the importance of balance, accountability and sustainable growth. It brought the organisation together with a greater alignment and clarity of purpose. The Bank enters FY 27 with a stronger foundation, improving momentum and renewed organisational focus.

With a resilient franchise, committed teams, strengthened capital position and clear strategic direction, we remain confident in our ability to create enduring long-term value for all stakeholders.

We move forward with confidence – guided by experience, strengthened by resilience and committed to building an institution of lasting strength and sustainable momentum.

Acknowledgement

I extend my sincere gratitude to our customers, shareholders, regulators, Board of Directors, partners, rating agencies and employees for their enduring trust, confidence, and support. I am thankful to our Board of Directors for their strategic guidance, prudent counsel, and unwavering oversight, which have played a vital role in navigating the evolving operating environment. Their collective commitment has been instrumental in strengthening our institution and advancing our purpose. As we move forward, we remain steadfast in our pursuit of sustainable growth, prudent governance, and long-term value creation for all stakeholders.

Govind Singh

Managing Director
and Chief Executive Officer

Financial perspective

Overview

Financial performance, in its most meaningful form, is not merely a reflection of outcomes - but a reflection of choices made in context.

In FY 2025-26, the Bank navigated evolving market conditions within its microfinance business, particularly in the Joint Liability Group (JLG) segment, shaping its strategic and operational priorities during the year. This translated into a sharp increase in provisioning, which rose to ₹1,563 Crore, materially impacting reported profitability and resulting in a loss of ₹1,151 Crore, compared with a profit of ₹24 Crore in the previous year.

However, to view the year solely through the lens of reported profitability would be incomplete. Beneath the impact of elevated credit costs, the Bank's operating engine continued to demonstrate resilience. Pre-provision operating profit remained at ₹56 Crore, reflecting a degree of stability in our core income-generating capability despite adverse external conditions.

FY 26 was a year of margin pressure driven by higher credit costs, while the Bank's operating strength remained intact. The measures taken were prudent and aligned with long-term Balance Sheet stability.

A year defined by credit costs, not operational fragility

The financial trajectory of FY 26 was shaped decisively by the behaviour of credit costs.

As stress within the microfinance ecosystem became more visible, the Bank adopted a consciously conservative stance, choosing to recognise risk timely and comprehensively. This translated into a sharp increase in credit cost to 8.24%, compared with 5.16% in FY 25, with total provisions rising to ₹1,563 Crore, representing a 60% increase year-on-year.

This level of provisioning had a direct bearing on our earnings. However, it is important to contextualise this impact correctly. The increase in credit costs was not symptomatic of an erosion in underwriting capability or operating inefficiency; rather, it reflected a strategic decision to recognise the stress in the loan book and reinforce Balance Sheet credibility.

Through a timely recognition of stress and prudent provisioning, the Bank prioritised transparency over short-term performance optics. This approach compressed near-term profitability but materially strengthened the foundation for future stability and growth.

Credit costs and provisioning

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Credit cost (%)	2.20	5.16	8.24
Provisions (₹ Crore)	337.88	979.28	1,562.96
Provision coverage ratio (%)	98.9	51.2	59.3

Revenue and income trends: Moderation, not erosion

The Bank's income trajectory during FY 26 reflected a moderation in momentum rather than a structural weakening.

Total income stood at ₹3810 Crore, compared with ₹4,365 Crore in the previous year, representing a moderation of 12.72 %. This movement must be viewed in the context of a deliberate business calibration. As the Bank adopted a more cautious approach to lending, disbursement volumes were moderated, directly influencing interest income, which declined to ₹3,379 Crore from ₹3,765 Crore in FY 25.

At the same time, yield profiles experienced some softening. This was not a consequence of pricing pressure alone, but the reflection of a more selective approach to asset creation, where portfolio quality was prioritised over yield maximisation.

Other Income, which is typically linked to transactional intensity and disbursement activity, also moderated to ₹431 Crore, accounting for 11.31% of total income compared with 13.74% in the previous year.

Taken together, these trends indicate a slowdown in business activity aligned with risk recalibration. Importantly, they do not indicate any structural impairment of the Bank's franchise or its ability to generate income over the medium term.

Income profile

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Total income (₹ Crore)	3,578.76	4,364.76	3,809.75
Interest income (₹ Crore)	3,178.41	3,764.93	3,378.78
Other income (₹ Crore)	400.34	599.83	430.97
Other income as % of total	11.19	13.74	11.31

Cost structure and operating efficiency: Discipline amid rigidity

The Bank's approach to costs during FY 26 was characterised by discipline within the constraints of structural rigidity.

On the funding side, stability was evident. Cost of funds remained largely controlled at 8.08%, compared with 8.21% in FY 25, reflecting a resilient liability franchise and sustained depositor confidence even during a period of sectoral stress.

On the operating side, costs reflected a mix of discipline and necessary investment. Operating expenses stood at ₹1,851 Crore, with employee costs increasing by 12% to ₹948 Crore. This increase was driven by continued investments in distribution expansion, capability building and organisational depth - investments that are essential to sustain our long-term growth.

Other operating expenses remained relatively contained, indicating effective cost control.

However, the interplay between moderated income and a largely fixed cost base led to a contraction in operating leverage. This was reflected in the cost-to-income ratio, which increased to 97% from 62% in the previous year, exerting a pressure on our operating margins.

Cost and efficiency

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Cost of funds (%)	7.80	8.21	8.08
Operating expenses (₹ Crore)	1,288.88	1,615.77	1,851.36
Cost-to-income ratio (%)	56.38	61.61	97.05

Operating performance: Underlying strength, temporary pressure

Operating performance during the year reflected the combined effect of moderated income and stable cost structures.

Operating profit stood at ₹56 Crore compared with ₹1,007 Crore in FY 25.

Operating performance

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Pre-provision operating profit (₹ Crore)	997.27	1,006.93	56.35

Profitability trends: Cyclical compression, not structural decline

The impact of elevated credit costs was most visible in the Bank's profitability metrics.

The Bank reported a net loss of ₹1,151 Crore during FY 26, compared with a profit of ₹24 Crore in FY 25. Return on assets declined to - 4.14%, while return on equity stood at -42.11 %, reflecting the compression in earnings.

While these metrics indicated pressure, it is important to interpret them within the correct context. The decline was cyclical and concentrated, driven by stress within a specific segment of the portfolio rather than a systemic weakness in the overall business model.

As asset quality stabilises and credit cost moderates, profitability metrics are expected to recover.

Profitability

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Profit after tax (₹ Crore)	497.63	23.70	-1,150.98
Return on assets (%)	2.45	0.09	-4.14
Return on equity (%)	19.54	0.79	-42.11

Asset quality: From deterioration to stabilisation

Asset quality trends during FY 26 reflected a phase of deterioration followed by early signs of stabilisation.

Gross NPA decreased to 7.71% from 9.43% in FY 25, while Net NPA stood at 3.29%, reflecting gradually reducing stress within the microfinance portfolio, particularly the JLG segment.

However, as the year progressed, the Bank's focused efforts on collections and portfolio monitoring began to yield results. Collection efficiency improved in the latter part of the year, incremental slippages moderated and portfolio behaviour showed signs of normalisation.

These trends indicate that the asset quality cycle is transitioning from deterioration towards stabilisation, with gradual improvement expected over the coming periods.

Asset quality

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Gross NPA (%)	2.51	9.43	7.71
Net NPA (%)	0.03	4.84	3.29

Q4 turnaround: Early evidence of stabilisation

While the first three quarters of FY 26 were characterised by elevated stress, the fourth quarter marked a visible shift in trajectory.

Key operating and portfolio indicators showed early signs of improvement. Collection efficiency strengthened to 87.47% in Q4, compared with 82.50% in the earlier part of the year, reflecting the impact of intensified collection efforts and tighter portfolio monitoring. Incremental slippages moderated sequentially, indicating a stabilisation in borrower behaviour, particularly within the microfinance portfolio.

This operational improvement translated into a relative moderation in provisioning intensity during the quarter. Credit costs, while still elevated for the full year at 8.24%, showed early signs of easing, with Q4 provisioning lower than the preceding quarters.

As a result, the Bank reported an improvement in financial performance in Q4, with a reduced loss of ₹188 Crore, whereas we had losses in the range of ₹230 Crore to ₹375 Crore from Q1 2026 to Q3 2026.

While it would be premature to view a single quarter in isolation, Q4 provides early evidence that the corrective actions undertaken during the year were beginning to yield results. The Bank entered FY 27 with an improved performance on asset quality trends and a more stable operating trajectory.

Quarterly performance trend

Particulars	Q1'26	Q2'26	Q3'26	Q4'26
Profit / (Loss) (₹ Crore)	-239.48	-348.46	-375.02	-188.02
Credit cost (%)	8.49	9.66	9.56	5.26
Overall collection efficiency (%)-MB	82.50	80.34	81.84	87.47
X-Bucket collection efficiency (%)-MB	98.65	98.62	99.08	99.69
GNPA (%)	11.42	12.42	11.05	7.71

Capital position: Strength reinforced during stress

One of the most defining financial actions during the year was the strengthening of the Bank's capital base.

The Bank raised ₹950 Crore during a period of sectoral stress, demonstrating both market confidence and proactive Balance Sheet management. As a result, the Bank was able to maintain its capital adequacy at 17.71% despite losses incurred during the year.

This enhanced capital position provided a strong buffer for loss absorption, supported future growth and reinforced confidence among regulators, investors and stakeholders.

Capital adequacy

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Capital adequacy ratio (%)	22.57	20.93	17.71
Tier I capital (%)	20.95	17.88	14.98

Liquidity and funding stability: Pillars of resilience

Despite pressures on the asset side, the Bank's liability franchise remained stable and resilient.

Total deposits increased to ₹21,654 Crore, reflecting a growth of 0.4% year-on-year. CASA ratio stood at 24%, while CASA plus retail deposits accounted for 82.74% of total deposits.

Importantly, cost of funds remained stable at 8.08%, indicating that depositor confidence and liquidity conditions remained strong through the year.

This stability in funding was a critical anchor, enabling the Bank to navigate a challenging environment without compromising Balance Sheet integrity.

Deposits profile

Particulars	FY 2023-24	FY 2024-25	FY 2025-26
Total deposits (₹ Crore)	17,472.60	21,565.70	21,653.98
CASA ratio (%)	20.50	21.79	24.00
CASA + retail deposits (%)	66.11	71.10	82.74

FY 26 was a year of elevated credit costs, with a provisioning of ₹1,563 Crore significantly impacting reported profitability.

However, beneath this compression, the Bank's operating engine remained functional, reflected in a pre-provision operating profit of ₹56 Crore. The Balance Sheet was strengthened through a ₹950 Crore capital infusion, and the liability franchise remained stable.

The actions taken during the year - though impacting short-term earnings - reinforced long-term financial stability.

With improving asset quality trends, moderating credit costs and a strengthened capital base, the Bank is positioned to transition from stress absorption to a phase of gradual, sustainable and high-quality recovery.

What ultimately defines Utkarsh SFBL

Institutions are often assessed through numbers, growth rates, profitability, market share or balance sheet size. While these measures are important, they do not fully capture what defines an institution over time.

What ultimately defines Utkarsh Small Finance Bank is its ability to remain relevant to the communities it serves while continuously strengthening the foundations on which sustainable banking is built. It is an institution that understands the realities of underserved and unserved markets, appreciates the aspirations of emerging households and enterprises, and recognises that long-term impact must be supported by financial discipline.

Over the years, the Bank has evolved from a microfinance-focused organisation into a more diversified banking franchise. Yet, throughout this evolution, its underlying purpose has remained unchanged, expanding access to formal financial services, enabling economic participation and creating pathways for progress.

This journey has also reinforced an important belief: inclusion and prudence are not competing objectives. Meaningful inclusion becomes sustainable only when supported by strong governance, disciplined risk management, sound capitalisation and responsible growth.

As Utkarsh SFBL looks ahead, it does so with greater institutional maturity, stronger capabilities and a clearer sense of direction. The ambition is not merely to grow larger, but to become stronger, more resilient and more relevant to the customers, communities and stakeholders who place their trust in the Bank.

Our risk management framework

Embedding discipline, foresight and control into every layer of our institution

Risk as a strategic enabler, not a constraint

At Utkarsh Small Finance Bank, risk management is not viewed as a control function operating at the margins of the business. It is an integral part of strategy – embedded within decision-making, aligned with growth objectives and central to long-term value creation.

Operating in segments characterised by informality, geographic diversity and evolving borrower behaviour requires a risk framework that is rigorous and adaptive. The Bank's approach is therefore anchored in anticipation rather than reaction—identifying emerging risks early, calibrating exposure dynamically and ensuring that growth remains aligned with institutional resilience.

Governance structure: Oversight with accountability

The Bank's risk governance framework is built on clearly defined roles, layered oversight and strong accountability. At the apex, the Board of Directors—supported by specialised committees such as the Risk Management Committee—provides strategic direction and oversight. These bodies review risk policies, monitor key indicators and ensure an alignment with regulatory expectations.

At the executive level, the senior management is responsible for implementing risk strategies, supported by independent risk, compliance and internal audit functions. This separation ensures objectivity in assessment while maintaining operational responsiveness.

The framework is designed to ensure that risk ownership is distributed across the organisation, while oversight remains centralised and disciplined.

Defining our risk appetite: Balancing growth and prudence

A clearly articulated risk appetite framework guides all lending and operational decisions. This framework defines the level and nature of risk the Bank is willing to assume in pursuit of its strategic objectives.

It incorporates thresholds across key parameters, including:

- Portfolio concentration (segmental and geographic)
- Asset quality indicators
- Capital adequacy and leverage
- Liquidity buffers

These thresholds are not static. They are reviewed periodically in response to changes in the operating environment, ensuring that the Bank remains responsive while maintaining discipline. The experience of FY 26 reinforced the importance of this calibrated approach, prompting sharper alignment between growth ambitions and risk tolerance.

Credit risk management: The core focus area

Credit risk remains the most significant risk category for the Bank, given its focus on lending to underserved segments. The Bank employs a multi-layered credit risk framework that spans:

Origination: Underwriting combines data-driven models with field-level insights. In segments where formal documentation is limited, surrogate indicators—such as business activity, cash flow behaviour and local market dynamics—are incorporated into credit assessment.

Portfolio monitoring: Continuous monitoring mechanisms track portfolio performance across geographies, products and borrower cohorts. Early warning systems identify deviations in repayment behaviour, enabling timely intervention.

Collections and recovery: A structured collections framework ensures consistent follow-up, supported by technology-enabled tracking and local engagement models. Recovery strategies are aligned to minimise loss while preserving customer relationships where possible.

Provisioning discipline: The Bank follows a conservative and forward-looking provisioning approach, recognising stress timely and strengthening Balance Sheet resilience.

Managing concentration risk: Diversification as a control

The events of FY 26 highlighted the importance of managing concentration risk—both geographic and segmental.

In response, the Bank accelerated its efforts to diversify:

- Expanding beyond high-concentration geographies
- Increasing the share of secured and semi-secured lending
- Building complementary retail and MSME portfolios

This approach reduced our dependence on any single segment and enhanced the Bank's ability to absorb shocks without a disproportionate impact on overall performance.

Liquidity and market risk: Ensuring financial stability

The Bank maintained a prudent approach to liquidity and market risk management, recognising their critical role in sustaining operations during periods of uncertainty.

Liquidity was managed through:

- A diversified deposit base with a strong retail participation
- Maintenance of adequate high-quality liquid assets
- Regular stress testing under multiple scenarios

Interest rate risk was monitored through asset-liability management frameworks, ensuring that mismatches were within acceptable limits and did not materially impact earnings or capital.

Operational and technology risk: Strengthening internal resilience

As the Bank scaled its operations and deepened digital integration, managing operational and technology risks became increasingly critical.

Robust internal controls, process standardisation and periodic audits formed the first line of defence. These were complemented by investments in secure technology infrastructure, data protection frameworks and system redundancy. Cybersecurity was treated as a priority area, with continuous monitoring and upgrades to safeguard customer data and transaction integrity.

Early warning and stress testing: Preparing for uncertainty

A key feature of the Bank's risk framework was its emphasis on forward-looking assessment. Early warning systems tracked a range of indicators—including repayment trends, regional stress signals and macroeconomic developments—to detect emerging risks. These insights informed timely corrective actions.

In parallel, stress testing exercises simulated adverse scenarios, evaluating the potential impact on asset quality, capital and liquidity. These exercises strengthened preparedness and informed strategic decision-making.

A culture of risk awareness: Embedding discipline across the organisation

Beyond frameworks and systems, effective risk management depends on culture.

At Utkarsh SFBL, risk awareness was embedded across levels—field officers, credit teams and senior management alike. Training programmes, performance metrics and internal communication reinforced the importance of responsible lending and disciplined execution. The objective was to ensure that risk was not confined to a function but understood and owned across the institution.

Learning from FY 26: Strengthening the framework

The challenges experienced during FY 26 served as a critical learning phase. They highlighted the need for sharper monitoring, greater diversification and enhanced alignment between growth and risk.

The Bank incorporated these learnings into its framework—tightening underwriting standards, strengthening early warning systems and recalibrating portfolio strategies.

The way forward: Risk-aligned growth

Utkarsh SFBL's risk management framework is designed not to limit growth, but to enable it sustainably. By aligning strategy with risk appetite, strengthening governance and embedding discipline across operations, the Bank is building an institution capable of navigating complexity with confidence. In doing so, it ensures that growth is not only achieved—but sustained, protected and converted into long-term value.

The experience of FY 26 reaffirmed a simple principle: sustainable growth can only be built on a foundation of strong governance, prudent risk management and disciplined execution. These principles will continue to shape the institution's future direction.

The Utkarsh SFBL culture:

'Aapki Umeed Ka *Khaata*'

"Apna business shuru karna chahti thi. Aaj main financially independent hoon."
Sushma Jaiswal, Cosmetic Shop, Varanasi

"Mera chhota sa stall ab mere parivaar ka mazboot sahara hai."
Usha Devi, Food Stall, Varanasi

"Achha furniture banana aata tha; ab behtar furniture bana paata hoon."
Sonu, Furniture Maker, Uttarakhand

"Pehle dukaan bas chalati thi, aaj use badha bhi rahi hoon."
Pooja Gupta, General Store, Gaya

"Mujhme kala toh thi hi; ab usse badhane ka mauka bhi mil gaya."
Rajkumar Prajapati, Pottery Artisan, Varanasi

"Dukaan mein variety badhi, toh graahak bhi badhe."
Neetika Pramod Malewar, General Store, Nagpur

"Mobile shop kholne ka sapna tha. Utkarsh ne usse haqeeqat banaya."
Mukesh Kumar, Mobile Shop, Varanasi

"Khud par bharosa tha; Utkarsh ne us bharose ko sahara diya."
Preeti Sarathi, Mobile Shop, Raipur

"Aaj meri dukaan sirf rozgaar nahi, meri pehchaan hai."
Reshma Dehriya, General Store, Chhindwara

"Mere salon mein naye upkaran aaye, toh naye customers bhi aaye."
Rajesh Kumar Sharma, Hair Salon, Varanasi

"Roz khareedta tha, roz bechta tha. Aaj mera business zyada organised hai."
Sarvendra, Fruit Vendor, Varanasi

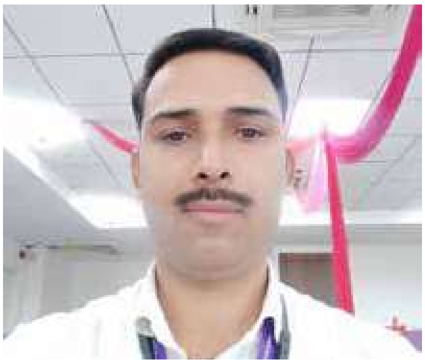
What our employees have to say about Utkarsh SFBL

“Sirf process improve nahi hua, kaam karne ka tareeka bhi badla”

A few months ago, our team identified small bottlenecks in vendor payment processing that were causing delays. We shared our suggestions, and within just three working days, the improvements were implemented.

The impact was immediate – smoother workflows, faster approvals, and better efficiency. What stood out most was seeing employee feedback translated quickly into action. It reinforced a culture where every voice matters.

Kumar Gaurav Upadhyaya,
Assistant Manager, Accounts



“Do Lakh SMS se shuru hua ek simple sawaal”

A few years ago, we noticed that customer communications in our Micro Banking business were generating over two Lakh SMS messages every day.

Instead of accepting it as normal, we asked: Kya isse aur behtar kiya ja sakta hai?

Working with business teams and our SMS partner, we simplified message formats. The result was lower costs, clearer communication, and a better customer experience.

At Utkarsh, innovation often begins with improving everyday.

Deepak Yadav,
Senior Manager, IT

“Branch banking ka experience nahi tha. Phir bhi mauka mila.”

In 2019, I was offered the opportunity to become a Cluster Head, despite having limited experience in branch banking.

It was a challenging transition, with new responsibilities, customer interactions, and government account onboarding. I still remember wondering whether I was ready.

What stood out was the Bank’s faith in me. Instead of focusing on my experience, it focused on my potential.

The role transformed my confidence and career, reinforcing a simple belief: at Utkarsh, opportunities are created for people who are willing to learn, grow, and assume ownership.

Pallavi Singh,
Zonal Distribution Head, Liabilities

The customers we cater to

They are helping build a modern grassroots India

Building India does not begin in Boardrooms; it begins in small rooms – where ambition meets constraint and credit becomes a possibility.

The customers we serve are not segments; they are the first architects of grassroots prosperity.

Micro banking customers and rural households convert access into agency – transforming consumption into productivity.

Micro entrepreneurs and first-generation business owners create livelihoods where none existed, turning informal effort into formal enterprise.

Women borrowers, often excluded from traditional finance, reinvest with discipline – into families, education, and community stability – multiplying the impact of every rupee.

Small business owners, traders, and retailers form the connective tissue of India's economy, enabling local commerce and sustaining demand across geographies.

MSMEs and small manufacturing units drive decentralised industrialisation, reducing regional imbalances and strengthening supply chains.

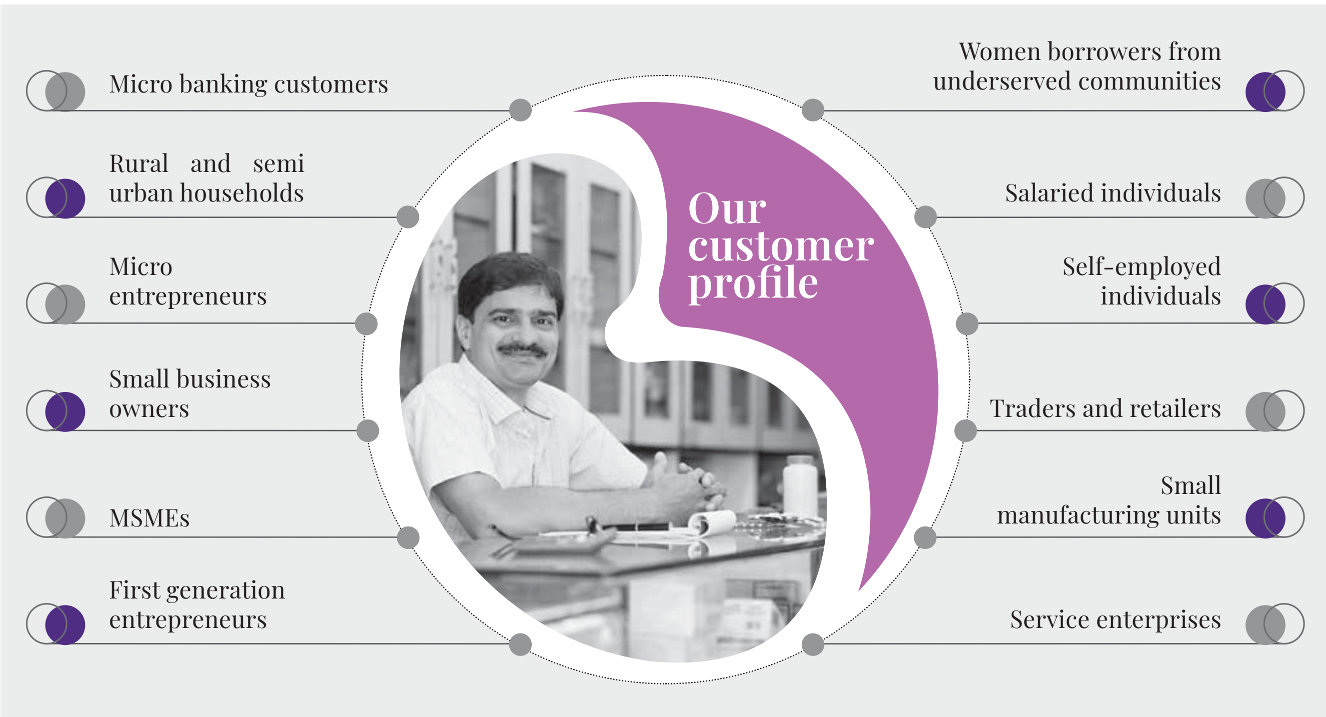
Service enterprises and self-employed individuals bring resilience to local economies, adapting quickly and sustaining employment through cycles.

When these segments grow, India grows – quietly, incrementally and irreversibly.

Financial inclusion at this level is not charity; it represents nation-building. It expands the tax base, deepens consumption, and fosters entrepreneurship at scale.

By serving those who build from the ground up, we are not merely extending credit – we are enabling dignity, unlocking enterprise, and participating in the most fundamental act of development.

Empowering millions to shape their own economic destiny.



Why millions choose Utkarsh banking solutions

Built for inclusion: Banking solutions designed to serve underserved and unserved individuals and emerging enterprises.

Simple and accessible: Easy onboarding and intuitive platforms that make banking seamless and convenient.

Speed and reliability: Quick processing and secure transactions that customers can trust.

Last mile reach: Doorstep banking and strong distribution ensuring access even in remote locations.

Tailored offerings: Products across credit, savings and payments aligned to diverse financial needs.

Customer-first approach: Every solution designed to deliver ease, transparency and long-term value.

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Fostering a service-first culture

At Utkarsh Small Finance Bank, culture is not a statement on paper.

It is a lived mindset that plays out every day - in branches, in field interactions, in credit decisions, and in the quiet responsibility of serving customers who often stand at the edge of formal finance.

The Bank operates in Bharat where aspirations are abundant, but access to finance remains limited.

This reality shapes its cultural fabric. It calls for speed without haste, growth without dilution of discipline, and empathy without compromising risk prudence.

At the core lies a people-first philosophy.

Employees across branches, operations hubs, and corporate offices are not viewed as resources but as custodians of the Bank's purpose. Their local understanding, customer relationships, and sound judgement define the institution's credibility on the ground.

At Utkarsh Small Finance Bank, culture is anchored in a simple belief: 'When employees grow, customers progress, and communities prosper, the institution grows with them.'

This belief quietly shapes the Bank's journey - one branch, one borrower, one opportunity at a time.

"Before opening hours"

By the time the branch opens, a small line has already formed.

A trader with a GST file. A dairy owner with a notebook of daily entries.

No one asks if they are eligible. They ask how quickly things can move.

For many, this is not just another bank visit. It is their first structured interaction with formal finance.

At Utkarsh SFBL, access is not positioned as a product. It is treated as a starting point.

"The moving file"

At the credit hub, a loan file moves across multiple checkpoints:

KYC validation. Cash flow assessment. Risk filters.

What once took days now moves within hours.

The difference is not just speed. It is consistency.

Technology now enables throughput. Judgement now ensures quality.

"Beyond the Balance Sheet"

During onboarding, a new relationship officer is asked a simple question:

'What if the borrower has no formal statements?'

The answer is not in policy documents.

It lies in observation, business activity, inventory cycles, customer movement.

At Utkarsh SFBL, underwriting is not limited to what is documented.

It extends to what is understood.

"Operating across realities"

Teams working across regions compare borrower behaviour.

Cash cycles differ.

Business practices vary.

Risk signals are not uniform.

A single framework cannot address a diverse market.

Internal diversity strengthens decision-making.

In lending, context is critical.

"A first asset"

At a housing finance desk, a self-employed borrower completes documentation for his first home loan.

There is no visible celebration.

Just a pause before leaving the branch.

For the institution, it is one more account.

For the customer, it is a structural shift - from uncertainty to ownership.

"Monitoring in real time"

At the operations centre, dashboards track portfolio health continuously.

Variations are identified early.

Trends are analysed.

Interventions are planned.

What was once reactive is now structured.

Discipline is embedded into the system.

"Learning in the field"

A senior officer guides a new recruit during customer visits.

The instruction is direct: Observe how the business operates.

Policy explains eligibility.

Field exposure builds judgement.

How we are making a difference in the lives of our customers

#1 Formalising informal enterprises

A small hardware retailer with stable cash flows remained underserved due to the absence of formal financial documentation.

Utkarsh Small Finance Bank applied a surrogate-based assessment framework, evaluating operational indicators such as inventory velocity, customer throughput, and cash flow consistency.

The intervention enabled structured credit access, supporting working capital optimisation and assortment expansion.

Outcome: Transition from informal operations to formal credit inclusion, with improved business scalability.

#2 Proximity-led credit deepening

In a semi-urban market with limited institutional presence, a micro-entrepreneur faced constraints in accessing timely finance despite steady demand.

Following branch network expansion, the Bank enabled localised engagement and streamlined onboarding.

Credit support facilitated incremental capacity creation and improved revenue visibility.

Outcome: Enhanced credit penetration driven by distribution expansion and local market integration.

#3

Time-critical working capital support

A distributor required immediate funding to execute a high-value order with defined timelines.

Through a co-lending structure, the Bank enabled accelerated credit decisioning while maintaining risk calibration.

The borrower successfully executed the order, establishing a foundation for repeat business cycles.

Outcome: Conversion of time-sensitive demand into sustained revenue opportunities.

#4

Expanding housing finance access

A self-employed household with stable but non-standard income profiles faced constraints under conventional eligibility norms.

The Bank adopted a cash flow-based evaluation approach, incorporating income stability and repayment behaviour.

The financing enabled first-time home ownership.

Outcome: Asset creation supported through adaptive underwriting aligned to informal income segments.

Our vast and *growing operating landscape*

Translating systemic opportunity into focused, segment-led growth execution

Overview

India's financial system is not constrained by demand, but by access, distribution, and the cost of delivery.

As the landscape evolves, the opportunity lies in reaching segments that remain structurally underserved despite formalisation efforts.

Utkarsh Small Finance Bank is focused on building a model that is inclusive and scalable. By deepening its presence across micro-banking, MSME lending, and mass retail segments, the Bank operates at the intersection of access and affordability.

#1

BUSINESS SEGMENT

Micro Banking Loans

Overview

Micro Banking Business Loans form the foundation of the Utkarsh SFBL franchise, providing accessible credit to underserved and unserved customers while advancing financial inclusion across rural and semi-urban India.

Market landscape

India's microfinance sector remains one of the largest in the world.

The country's gross loan portfolio stood at ₹3.25 Lakh Crore as of March 2026 across approximately 5.5 Crore unique borrowers and 10.5 Crore active loan accounts.

Nearly 95% of borrowers are women, underscoring the sector's role in financial inclusion and socio-economic empowerment.

The demand is structurally anchored in rural and semi-urban India, which accounts for over 80% of the clientele, where access to formal credit remains limited.

Ticket sizes have risen, with the average loan disbursed per account at ₹59,553 in FY 26, up 18.4% year-on-year, though the range of ₹10,000 to ₹1 Lakh remains the operational norm, and frequency and continuity of borrowing drive sustained engagement.

The bottomline: Microfinance is not just a lending category; it is a distribution architecture for formal finance for India's most underpenetrated segments.

(Source: Business Standard, SIDBI, The tribune)

Its relevance for Utkarsh

Micro banking represents the core of the Bank's operating model, contributing ~38% of the total AUM and serving over 1.9 Million customers across 184 districts.

Because 88% of our micro banking presence lies in rural and semi-urban geographies, we operate in markets where credit demand is high but formal access constrained.

Our average ticket size of ~₹75K for MBBL and ~₹30K for JLG and high customer repeat rates reflect sustained relevance and engagement.

Our network of 779 micro banking outlets, supported by our field force, enables a high-touch delivery model, balancing scale with discipline.

Collection efficiency remains strong at 87% for Q4 2026, supported by group-based lending, localised underwriting, and continuous borrower engagement.

By combining proximity, data-backed credit assessment, and a disciplined operating framework, we have built a scalable and resilient franchise.

₹5,386
Crore, JLG portfolio as of March 2026

₹2,022
Crore, MBBL portfolio as of March 2026

#2

BUSINESS SEGMENT

Wholesale Lending

Overview

Wholesale Lending provides portfolio diversification and balance by supporting established businesses with structured credit solutions. Built on rigorous underwriting, prudent risk assessment and continuous monitoring, the segment complements the Bank's retail-focused franchise while contributing to stable and risk-calibrated growth.

Market landscape

In FY 2025-26, bank credit growth in India remained steady at around 14% year-on-year, with corporate or wholesale lending growing at around 10% and gaining traction in the second half as bank loans became cheaper than bonds.

Growth was largely retail-led, while large industrial lending stayed muted due to limited private capital expenditure, with firms relying on internal accruals.

Credit mix gradually diversifies, with micro, small and medium enterprises gaining share and non-banking financial companies stabilising.

Declining lending rates moderated net interest margins, while geopolitical risks could drive working capital demand but delay investment-led credit growth.

India's wholesale lending market continues to evolve as businesses increasingly seek structured financing backed by faster decision-making, sector understanding, and relationship-led service. Alongside capital, lenders are expected to demonstrate strong underwriting discipline, robust monitoring frameworks, and prudent risk management. Institutions with deep regional presence and close customer engagement are well positioned to identify quality opportunities while maintaining portfolio resilience.

(Source: Business Standard)

Its relevance for Utkarsh

Wholesale Lending complements the Bank's retail franchise by providing a well-diversified portfolio of established borrowers across select sectors. The segment reflects the Banks disciplined approach to credit, with a strong emphasis on rigorous underwriting, relationship-led engagement, and continuous portfolio monitoring. This balanced approach supports sustainable growth while preserving asset quality and portfolio resilience.

Wholesale lending is a disciplined component of our portfolio, contributing ~15% of our total AUM, with an exposure of ₹2,981 Crore across 390+ borrowers.

Our focus remains selective, with 76% of WSL FI portfolio rated A or higher denomination. The average ticket size of ₹~20 Crore for WSL FI and ₹~4 Crore for BBG reflect the structured nature of these loans.

Monitoring intensity remained high, supported by periodic reviews, tracking, and early warning systems.

By maintaining a disciplined, opportunity-led approach, wholesale lending complemented our granular retail franchise, contributing to portfolio balance while preserving our risk integrity.

76%
of WSL FI portfolio rated "A" category or higher by external credit rating agencies

₹2,981
Crore, Wholesale Lending as of March 2026

#3

BUSINESS SEGMENT

MSME lending

Overview

MSME Lending is a strategic growth segment for Utkarsh SFBL, supporting small businesses and entrepreneurs with access to timely and relevant credit. By combining local market understanding with structured underwriting and prudent risk management, the Bank is helping drive enterprise growth while building a diversified portfolio.

Market landscape

India's MSME sector is one of the largest and fastest-growing segments of formal credit.

The commercial credit portfolio for enterprises, with exposure below ₹50 Crore, has grown at a CAGR of 13%, reaching ₹35.2 Lakh Crore as of March 2025, with MSME credit expanding 17.8% in FY 26, ahead of overall bank growth.

The sector is structurally critical, with 7.16 Crore registered MSMEs employing 31.39 Crore people, contributing 30.1% to GDP, 35.4% of manufacturing output, and 45.73% of exports.

NBFCs are leading growth with a 32% CAGR in lending, compared to private banks at 20.9% and public sector banks at 10.4%.

Asset quality strengthened, with delinquencies falling to 1.8%.

The Union Budget 2026-27 introduced a ₹10,000 Crore SME Growth Fund to build high-potential MSMEs through equity support, along with a ₹4,000 Crore top-up to the Self-Reliant India Fund for micro enterprises.

MSME credit today is not just a priority sector obligation. It is the primary transmission channel for productive capital into India's real economy.

(Source: SIDBI, SBI Bank, IBEF, PIB, CareEdge)

Its relevance for Utkarsh

MSME Lending reflects the Bank's commitment to enabling entrepreneurship and local economic development. By combining deep market understanding with disciplined underwriting and relationship-led banking, Utkarsh supports the financing needs of small businesses across diverse sectors. The segment strengthens portfolio diversification while creating sustainable opportunities for long-term growth and customer engagement.

MSME lending represents a key growth vector, contributing ~23% of our total loan book, with a portfolio of ₹4,456 Crore across 15000+ active borrowers.

We focus on segments where credit demand is strong but formal access remains limited. Our average ticket size of ₹~30 Lakhs reflects a calibrated approach to balancing risk and reach.

By combining local market insight with structured credit frameworks, we are building an MSME franchise that scales with discipline, addresses the credit gap, and strengthens our position in India's most underbanked business segment.

>95%
secured MSME lending as on March 2026

₹4,456
Crore, MSME lending as of March 2026

#4

BUSINESS SEGMENT

Housing Loans

Overview

Housing Loans strengthens our Bank's diversified lending portfolio while supporting the aspirations of first-time homebuyers. Focused on affordable housing in underserved and semi-urban markets, the segment combines prudent underwriting with customer-centric solutions to promote home ownership and create long-term portfolio stability.

Market landscape

India's housing finance sector remains one of the most resilient credit markets, with outstanding home loans growing 12.8% YoY to ₹41.2 Lakh Crore by June 2025. Demand is structural, supported by lower interest rates and rising urbanisation beyond metros. Asset quality is strong, with NPAs at 1.6% in FY 25 and 1.8% in FY 26, reflecting the secured nature of mortgages. However, penetration remains low, with housing loans at just 13% of GDP versus 60 to 80% in developed markets, indicating significant growth potential. Policy support through PMAY allocations and innovations like RMBS and digital lending are improving affordability and access. Housing finance is now a key channel for urbanisation and financial inclusion in India.

(Source: CRIF report, Care ratings, Business today)

Its relevance for Utkarsh

Housing loans are a strategic lever for portfolio diversification, contributing ~5% of our total loan book, with an AUM of ₹990 Crore across 4,000+ customers.

Focused on affordable housing, the portfolio strengthens the Bank's secured lending franchise while advancing financial inclusion. Through disciplined underwriting, local market understanding, and customer-centric solutions, the segment enables responsible home ownership, builds long-term customer relationships, and supports resilient balance sheet growth.

With 65% of our housing portfolio originating from metropolitan cities, we maintain a strong presence in India's key urban centers while continuing to serve diverse customer segments across geographies.

An average ticket size of ~₹24 Lakhs reflects a focused approach towards first-time homebuyers in the affordable segment.

The distribution network of 62+ branches, supported by a field-led acquisition model and local ecosystem partnerships, enables a strong origination in underpenetrated markets.

By aligning product design, distribution, and credit assessment to the realities of underserved borrowers, we are building a housing finance portfolio that drives inclusion while strengthening long-term Balance Sheet stability.

~58%
of the housing loan portfolio comprised loans up to ₹35 Lakh, as on March 31, 2026

₹990
Crore, Housing Portfolio as of March 2026

#5 BUSINESS SEGMENT

Commercial vehicle and construction equipment

Overview

Commercial vehicles delivered a record FY 26, with retail sales crossing 10.6 Lakh units, up 11.7% YoY, driven by infrastructure-linked freight demand and policy tailwinds.

Growth was led by buses at around 10%, while light commercial vehicles (LCV) grew 3-5% and medium and heavy commercial vehicles (M&HCV) saw a modest recovery.

EV penetration, though still low, is gradually improving. In contrast, construction equipment declined 11.7% to 71,227 units, impacted by project execution delays and a high base, with minimal benefits from a demand-side stimulus.

Recovery in the segment remained contingent on actual infrastructure capex rollout.

(Source: Millennium post, Auto carpro, infra. tractorjunction)

Its relevance for Utkarsh

Commercial vehicle and construction equipment financing is a focused segment, contributing ~6% of our total loan book, with an AUM of ₹1,090 Crore across 4,400+ borrowers.

With 59% of our portfolio concentrated in urban, semi-urban, and rural markets, we operate in regions where asset ownership drives livelihoods but access to formal finance remains limited.

Our average ticket size of ₹25 Lakhs reflects a calibrated approach across vehicle categories and borrower profiles.

Our presence spans 46 branches, supported by strong relationships with local dealers, brokers, and channel partners, enabling consistent deal flow and market access.

By focusing on income-generating assets, localised underwriting, and ecosystem-led sourcing, we are building a portfolio that directly participates in economic activity while maintaining risk discipline and scalability.

#6 BUSINESS SEGMENT

Deposit franchise

Overview

In financial year 2025-26, deposit growth remained healthy at 11.3% for banking industry, with SFBs driving growth of 19.8% YoY. CASA deposits of the industry grew at 10.1% YoY, while SFB segment grew at 23.5%.

Industry CASA ratio was around 38.5%, marginally decreasing by 0.4% YoY, while SFB CASA Ratio was 31.0%.

As interest rates softened, banks faced pressure on margins while competition for deposits remained intense, marking a structural transition in the deposit landscape.

(Source: Business Standard, RBI)

Its relevance for Utkarsh

Our deposit franchise is built on a balanced mix of savings accounts, current accounts, and retail term deposits, contributing ₹17,916 Crore in total deposits, at 82.7% of overall deposit book and at CASA Ratio of 24.0%.

Saving accounts form the base, with 3.6+ Million customers, driven by a strong presence in rural and semi-urban markets.

This is complemented by current accounts, where we serve more than 1 Lakh+ MSMEs and local businesses, supporting their business banking needs.

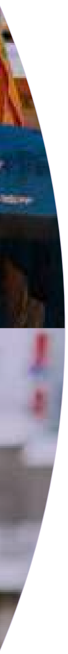
Retail term deposits contribute 59% of total deposits, providing stability and granularity.

Institutional term deposits remain a smaller share at 17%, ensuring balance without over-reliance on bulk funding.

Our distribution network of 331 GB branches, supported by digital channels, enables consistent deposit mobilisation across geographies.

By focusing on granular growth, customer relationships, and a balanced mix, we continue to strengthen our deposit base while maintaining cost discipline and long-term stability.

PART THREE



How we are structured *to* enhance value

Our structural advantage as a Small Finance Bank

Overview

The difference between a small financed bank and NBFC is not cosmetic — it is structural, regulatory, and strategic.

A Small Finance Bank is not just a lender—it is a funding engine with a license to compound, whereas an NBFC, however efficient, remains a borrower that lends.

The advantage of small finance banks

1 Access to low-cost funding

Small Finance Banks can accept savings and current account deposits (CASA) and term deposits, building a granular, stable, diversified and low-cost deposit base.

NBFCs depend on bank borrowings, market instruments (NCDs and CPs) and Institutional funding. These are more expensive, more volatile and cyclical in availability.

The result is that SFBs enjoy structurally better Net Interest Margins (NIMs) over time.

2 Balance sheet stability

Small Finance Banks accept granular and durable deposits from a diversified customer base. This usually results in a lower asset-liability mismatch risk.

NBFCs mobilise wholesale funding with a corresponding refinancing risk. This makes the business vulnerable in liquidity crises (as seen in IL&FS, DHFL episodes)

The result is that SFBs are inherently more resilient across cycles.

3 Regulatory credibility and trust

Small Finance Banks are regulated by Reserve Bank of India with higher compliance standards, transparency and depositor confidence.

NBFCs are also regulated by RBI but perceived as higher risk and hence generating lower public trust versus banks.

The result is that SFBs enjoy stronger brand trust, especially in rural and retail markets.

4 Ability to offer the full banking suite

Small Finance Banks accept deposits, offer loans and other comprehensive banking solutions (such as UPI, Debit cards, remittances, etc) to cater to diverse customer segments.

NBFCs are limited as they are primarily lending-focused and cannot offer full transaction banking.

The result is that SFBs can build deep, multi-product customer relationships, not just lending exposure.

5 Customer lifetime value

Small Finance Banks offer payment solutions (such as UPI, Internet and Mobile Banking, Debit Cards, Remittances), insurances, ATM facilities, ASBA, and other loan products.

NBFCs are limited largely to lending income.

The result is that SFBs have a higher lifetime value per customer and better cross-sell economics.

The cumulative advantage

The true strength of the Small Finance Bank model lies not in any single benefit, but in the way these advantages reinforce one another. A stable deposit franchise supports lower funding costs, lower funding costs improve competitiveness, and deeper customer relationships create opportunities for sustainable growth.

For Utkarsh SFBL, these structural advantages provide a foundation for building a stronger, more resilient and diversified banking franchise, capable of creating long-term value across economic cycles.

6 Priority sector advantage

Small Finance Banks are mandated to lend to underserved and the unserved segments (priority sector), which aligns with India's financial inclusion agenda, creates regulatory goodwill, and opens access to refinancing institutions (SIDBI, NABARD).

NBFCs participate—but without the same structural positioning or mandate advantage.

The result is that SFBs are more empowered to grow sustainably.

7 Cost of capital over time

Small Finance Banks enjoy a lower cost of capital because of retail deposit franchise, regulatory status and perceived safety.

NBFCs, especially smaller ones, pay higher borrowing rates and face rating-linked volatility.

The result is that SFBs are structurally more competitive.

8 Systemic importance and regulatory support

Small Finance Banks are more systemically protected in times of stress; their access to liquidity windows is stronger.

NBFCs are more exposed to market disruptions and depend on external liquidity support.

The result is that SFBs have a better downside protection.

9 Transition potential (Strategic upside)

Small Finance Banks have a clear pathway to becoming a universal bank over time (subject to RBI norms).

An NBFC must undergo a major transformation to become a bank.

The result is that SFBs carry embedded optionality for long-term scale transformation

10 Valuation premium

Markets typically reward deposit franchises, stable funding and banking licenses.

SFBs often command higher valuation multiples than NBFCs of a similar asset size.

The result is that SFBs are better positioned to regard stakeholders.

Governance: The basis of value creation

Governance ensures that technology enhances control, not bypasses it; data improves decision quality, not just speed; digital systems remain auditable and accountable.

Overview

At Utkarsh Small Finance Bank, governance is not a framework we comply with—it is a philosophy we live by.

It is the invisible architecture that supports every decision, shapes every action, and sustains the institution through cycles of expansion, stress and renewal.

In a year marked by sectoral recalibration and internal discipline, governance was not a backdrop—it was the decisive force that guided our response. It ensured that choices were not merely compliant, but considered; not merely prudent, but principled.

For us, governance is the enduring contract between intent and execution.

Sectorial relevance

At its core, a bank operates on a simple but fragile premise: it lends long and borrows short. Depositors entrust their savings. Borrowers deploy capital. The institution intermediates.

In such a model, governance is the only invisible guarantee. For Utkarsh SFBL, this becomes sharper because a large share of depositors are first-time entrants into formal banking, trust is often relationship-driven and not system-driven and any perception of opacity can trigger disproportionate reputational risk.

Inclusion amplifies responsibility. In this case, the organisation is not just managing money — it is introducing people to the idea of banking itself.

Utkarsh SFBL operates deep in microfinance, MSME and informal-income segments marked by structural characteristics like cash flow volatility (not salary-backed, often seasonal), limited formal documentation, behaviour-driven creditworthiness, and a higher sensitivity to local disruptions (political, climatic, economic).

Utkarsh SFBL operates deep in microfinance, MSME and informal-income segments marked by structural characteristics like cash flow volatility (not salary-backed, often seasonal), limited formal documentation, behaviour-driven creditworthiness, and a higher sensitivity to local disruptions (political, climatic, economic).

Governance becomes critical because lending decisions rely heavily on judgement, not just algorithms; rapid growth can easily mask emerging stress pockets and weak controls can lead to overleveraging at the borrower level. Without strong governance, inclusion can quickly become indiscipline disguised as outreach.

In the Microfinance Model, governance ensures responsible lending as opposed to aggressive disbursement, portfolio quality over headline growth and early stress recognition, not delayed denial.

In a rapidly growing organisation like Utkarsh SFBL, governance ensures that growth does not outpace risk understanding, expansion does not dilute underwriting standards and scale does not weaken control systems.

The sectors Utkarsh SFBL operates in — especially microfinance — are under regulatory scrutiny led by the Reserve Bank of India. This means that governance cannot be reactive but must be anticipatory, compliance cannot be procedural but must be embedded and risk cannot be reported late but must be identified early.

Utkarsh SFBL's strength — a deep presence in states like Uttar Pradesh and Bihar — also creates risk concentration. Governance ensures that diversification is pursued deliberately, concentration risks are identified early and corrective actions are taken before contagion spreads.

Utkarsh SFBL increasing digitisation brings efficiency. Governance ensures that technology enhances control, not bypasses it; data improves decision quality, not just speed; digital systems remain auditable and accountable.

The result is that at Utkarsh SFBL, governance separates inclusion from indiscretion, growth from excess and scale from instability.

From compliance to conviction

Regulation defines the minimum standard; we operate above it.

Utkarsh SFBL's governance framework is anchored in three enduring principles:

- Transparency, as a commitment to truth over presentation
- Integrity, as a discipline of doing what is right – especially when it is difficult
- Accountability, as clarity on ownership at every level of the institution

This governance philosophy ensures that governance is not episodic or reactive, but continuous and embedded – informing strategy, shaping culture and guiding conduct.

A framework built for cycles, not moments

Financial institutions are tested not in stability, but in volatility. Our governance architecture is therefore designed not for static environments, but for dynamic operating conditions—where regulatory expectations evolve, customer realities shift, and risk landscapes transform.

The Bank's governance model integrates the following:

- Strategic foresight, to anticipate rather than react
- Risk calibration, to balance growth with resilience
- Execution discipline, to ensure consistency across scale

This enables the institution to remain steady in uncertainty and measured in opportunity.

The governance roadmap: Clarity in direction

Governance at Utkarsh SFBL is guided by a clearly articulated roadmap—one that aligns strategy, risk and execution within a single, coherent framework.

This roadmap serves three critical purposes:

Alignment: Ensuring that business priorities remain consistent with long-term institutional objectives

Discipline: Embedding structured decision-making across functions and levels

Continuity: Sustaining governance standards irrespective of external cycles

It transforms governance from a control mechanism into a strategic enabler.

Board stewardship: Independence with insight

The Board remains the cornerstone of the Bank's governance ecosystem.

Its role extends beyond oversight—it provides direction, challenge and balance.

The strength of the Board lies in the following:

- Independence of judgement, ensuring objective decision-making
- Depth of expertise, spanning banking, risk, regulation and strategy
- Constructive engagement, balancing management agility with institutional prudence

In FY 26, as the Bank navigated a complex operating environment, the Board's role was pivotal in reinforcing discipline, endorsing corrective actions and ensuring alignment with long-term priorities. Governance, at its highest level, is not about control—it is about stewardship.

Ethics as the operating system

Policies define behaviour; values determine intent.

At Utkarsh SFBL, ethical conduct is not confined to codes—it is embedded in the organisational mindset.

Across the institution, emphasis is placed on the following:

- Fairness in customer engagement
- Non-discrimination in access and service
- Responsibility in credit delivery
- Integrity in reporting and disclosure
- This ensures that governance is not enforced externally but upheld internally.

In a sector where trust is foundational, ethics is not optional—it is structural.

Purpose-led governance

Our governance philosophy is inseparable from our purpose. As an institution committed to financial inclusion, we operate at the intersection of commercial viability and social responsibility.

This duality demands a governance approach that is:

- Prudent, in managing financial risk
- Inclusive, in expanding access
- Responsible, in balancing growth with customer well-being

Every governance decision is therefore evaluated not only for financial impact, but for its broader consequences across stakeholders.

Balancing growth with prudence

Growth, when pursued without discipline, erodes institutions. Governance ensures that growth strengthens them. At Utkarsh SFBL, expansion is calibrated through:

- Capital adequacy considerations
- Asset quality thresholds
- Risk-adjusted return expectations

This ensures that growth is not opportunistic, but sustainable — aligned with the Bank's capacity to absorb, manage and scale. FY 26 reinforced this philosophy, as the Bank consciously moderated growth to preserve balance sheet strength.

In FY 26, as the Bank navigated a complex operating environment, the Board's role was pivotal in reinforcing discipline, endorsing corrective actions and ensuring alignment with long-term priorities. Governance, at its highest level, is not about control—it is about stewardship.

Discipline as institutional habit

Discipline is not an episodic response — it is a sustained practice. The Bank's governance culture reflects discipline across three dimensions:

- Process discipline: Clearly defined systems and protocols
- Execution discipline: Consistency in implementation across geographies
- Risk discipline: Continuous monitoring and timely intervention

This structured approach enhances predictability, reduces volatility and strengthens institutional reliability.

Stakeholder-centric governance

A bank does not operate in isolation—it operates within an ecosystem of trust.

Bank's governance philosophy recognises the interconnected interests of customers, depositors, employees, investors, regulators and communities. Balancing these interests requires not neutrality, but informed judgement. Our approach is guided by a simple principle: 'Sustainable value is created when all stakeholders are considered, not when any single stakeholder is prioritised disproportionately.'

Trust through transparency

Trust is built slowly—and lost quickly. The Bank reinforces trust through the following:

- Clear, accurate and timely disclosures
- Conservative recognition of risk
- Consistency in communication

In FY 26, this commitment was evident in the Bank's decision to transparently acknowledge asset quality stress and proactively strengthen provisioning.

Transparency, in such moments, does not weaken confidence—it deepens it.

Controlled financial evolution

Financial growth at Utkarsh is intentional, not incidental. The Bank adopts a calibrated approach that ensures:

- Alignment with capital strength
- Preservation of asset quality
- Stability of the liability franchise

This measured evolution avoids volatility and builds durability—ensuring that performance is not just achieved but sustained.

Digitally strengthened governance

Technology is increasingly redefining governance. At Utkarsh SFBL, digital integration is enhancing governance across three fronts:

- Visibility – Real-time monitoring of portfolio and operations
- Speed – Faster, data-driven decision-making
- Control – Automated checks, alerts and risk triggers

This transition is enabling a governance model that is proactive, precise and scalable.

Process as the backbone

Strong institutions are built on strong processes. Utkarsh governance system is anchored in the following:

- Standardised workflows
- Clearly defined accountability structures
- Robust audit and control mechanisms

These processes ensure that governance is not dependent on individuals—it is institutionalised. Consistency, not personality, defines execution.

The way forward

Governance at Utkarsh is not static—it evolves with the institution. The experiences of FY 26 have reinforced key priorities:

- Strengthening risk frameworks
- Enhancing portfolio diversification
- Deepening digital governance capabilities
- Sustaining transparency in communication

As the Bank transitions from recalibration to recovery, governance will remain the central force ensuring that growth is responsible, resilient and repeatable.

Closing reflection

In banking, products can be replicated. Technology can be acquired. Capital can be raised. But trust must be earned—and governance is how it is sustained. At Utkarsh Small Finance Bank, governance is the quiet discipline that ensures the institution remains worthy of the trust it seeks to build.

The latter part of FY 26 provided encouraging evidence that the corrective measures undertaken across the industry and within the Bank are beginning to yield results.

The Utkarsh SFBL brand. From a high-growth microfinance-led entity to a diversified, disciplined and purpose-anchored Bank.

A Bank built on balance

Every institution reaches moments that test not only its performance but also its character. For Utkarsh Small Finance Bank, FY 26 represented such a moment. The year did not alter the Bank's purpose; it sharpened its identity.

At its core, Utkarsh SFBL is becoming an institution defined by balance. It continues to advance financial inclusion while strengthening credit discipline. It pursues growth while reinforcing resilience. It remains committed to underserved and unserved communities while progressively diversifying its business model. This deliberate balance is shaping a franchise designed not only for relevance, but also for long-term sustainability.

Evolving beyond a single engine

Microfinance remains integral to the Bank's heritage and purpose. However, Utkarsh SFBL is increasingly evolving into a diversified banking institution where multiple business segments contribute to growth and stability. Alongside micro banking, the Bank is strengthening its presence in MSME lending, housing finance and other retail segments, creating a more balanced portfolio capable of performing across economic cycles. Diversification is not a departure from its roots; it is an extension of its ability to serve customers at different stages of their financial journey.

Discipline as a defining characteristic

A distinguishing feature of our Bank's evolution is its growing emphasis on disciplined execution. The Bank is increasingly aligning business growth with risk appetite, strengthening portfolio monitoring and prioritising asset quality. Decisions are being guided not by short-term momentum but by long-term institutional strength. This approach may not always be visible in headline numbers, yet it is fundamental to building a resilient banking franchise.

Inclusion strengthened by capability

The Bank's model combines deep grassroots understanding with modern institutional capabilities. Years of operating in underserved markets have provided insights into customer behaviour, local economic realities and emerging opportunities. These strengths are increasingly complemented by investments in technology, analytics and governance frameworks, enabling Utkarsh SFBL to scale responsibly while maintaining customer proximity.

Continuity within transformation

Although the operating model continues to evolve, the underlying purpose remains unchanged. Utkarsh SFBL continues to serve first-time borrowers, micro-entrepreneurs, rural and semi-urban households and emerging businesses. What is changing is the sophistication of the systems, processes and capabilities supporting that mission. The commitment to inclusion remains constant; the ability to deliver it sustainably continues to strengthen.

Defining the institution of tomorrow

Utkarsh SFBL is not seeking growth at any cost, nor inclusion without discipline. It is building an institution where purpose and prudence reinforce each other. A bank where diversification enhances resilience, governance strengthens trust and growth is pursued with responsibility. In doing so, Utkarsh SFBL is laying the foundations of an institution designed not merely to recover from challenges, but to endure through them.

Utkarsh SFBL is increasingly evolving into a diversified banking institution where multiple business segments contribute to growth and stability.

WHAT DIFFERENTIATES UTKARSH SFBL

Utkarsh SFBL. A values-driven institution combining grassroots insight with disciplined banking execution

Overview

Utkarsh Small Finance Bank was built on a simple conviction: meaningful financial inclusion begins with understanding people, not merely serving markets. Over the years, the Bank has combined deep local insights, disciplined underwriting and relationship-led banking to create a franchise that remains closely connected to the aspirations of Bharat while operating with institutional rigour and long-term prudence.

Deep-rooted understanding of underserved and the unserved India

Utkarsh Small Finance Bank's most fundamental differentiator lies in its deep, lived understanding of Bharat—markets where aspiration is high but formal financial access remains limited.

A structured customer progression model

Customers often begin with small-ticket, group-based lending under the joint liability framework. As repayment behaviour and business stability are established, they transition to higher-ticket individual loans such as Micro Banking Business Loans, and eventually into MSME or other retail products.

High-touch distribution with scalable efficiency

Utkarsh SFBL combines extensive on-ground distribution with technology-enabled efficiency. Its hybrid model—human interface supported by technology—allows the Bank to operate effectively in markets where fully digital models may face limitations.

Contextual underwriting as a core capability

For segments where formal documentation is often limited, Utkarsh SFBL has developed a context-driven credit assessment approach, combining surrogate data, field observations and behavioural insights (evaluating business activity, inventory cycles, customer footfall and cash flow patterns).

A calibrated approach to diversification

The expansion into MSME, housing and other retail segments is not opportunistic; it is strategically aligned to reduce concentration risk and enhance portfolio stability across cycles.

Governance and prudence as operating principles

The Bank's proactive provisioning, tighter underwriting and clear disclosures prioritises long-term credibility over short-term performance.

The resulting advantage: Inclusion with institutional strength

Utkarsh SFBL is not merely participating in underserved and the unserved markets; it is building a system that understands them, grows with them, manages risk within them and navigates cycles with resilience to create enduring stakeholder value.

Utkarsh Small Finance Bank's most fundamental differentiator lies in its deep, lived understanding of Bharat — markets where aspiration is high but formal financial access remains limited.

Utkarsh SFBL is positioned to drive sustainable long-term stakeholder value

Overview

There is an increasing shift in how financial institutions are evaluated, with a growing focus on a holistic framework that goes beyond financial performance to include governance standards, management quality, risk discipline, operational resilience, and sustainability orientation.

For Utkarsh Small Finance Bank, this broader lens provides a more complete understanding of how value is created and sustained across its ecosystem, encompassing employees, customers, depositors, borrowers, partners, communities, regulators, and shareholders.

Value creation is therefore viewed as an integrated outcome of prudent financial intermediation, inclusive banking, strong governance practices, and responsible growth, underpinned by a commitment to long-term stability and trust.

The Bank's Value Creation Report reflects this approach by presenting a comprehensive view of its strategy, performance, and impact across financial and non-financial dimensions.

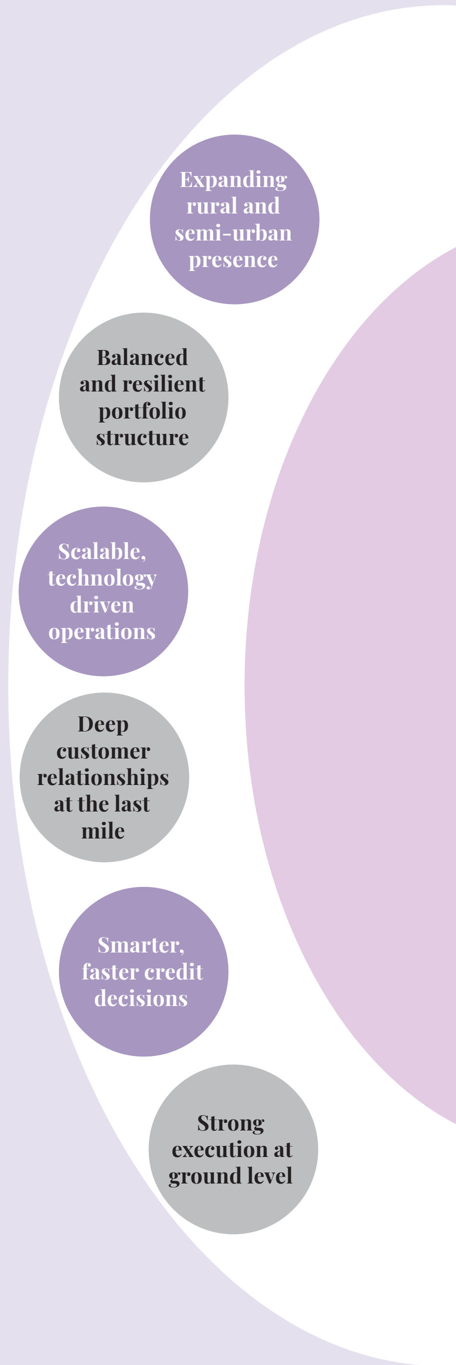
Our sustainability foundation

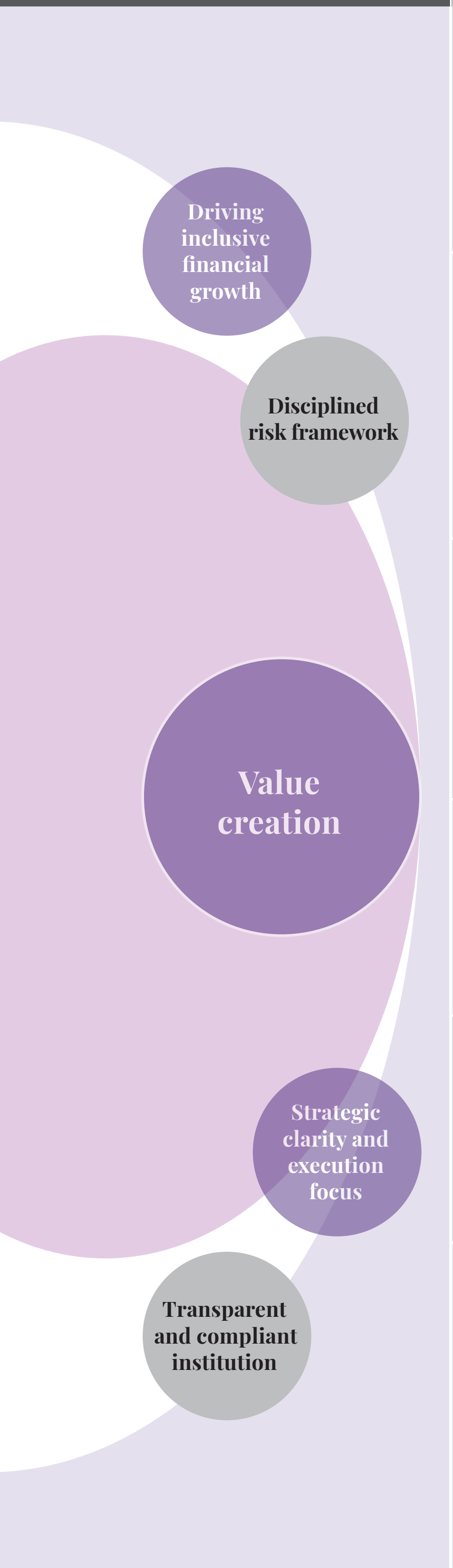
Purpose and vision	▪ Expand financial inclusion across underserved and the unserved markets	▪ Deliver accessible and affordable banking solutions	▪ Position the Bank as a trusted inclusive financial partner
Comprehensive strategy	▪ Strengthen micro banking led growth model	▪ Deepen reach in rural and semi-urban geographies	▪ Improve mix towards granular and diversified lending
Brand and customer focus	▪ Build a trusted, relationship led banking brand	▪ Ensure simple, fast, and reliable customer experience	▪ Grow responsibly with strong customer centricity
Technology driven growth	▪ Scale digital and analytics-driven operations	▪ Enhance credit underwriting through data intelligence	▪ Strengthen end-to-end digital banking ecosystem
Network expansion	▪ Expand branch and assisted banking presence	▪ Deepen last mile financial access	▪ Strengthen rural connectivity and penetration
Operational excellence	▪ Improve productivity across field and branch operations	▪ Strengthen collections and risk monitoring systems	▪ Drive efficiency through process optimisation
Financial discipline	▪ Maintain strong capital and liquidity position	▪ Focus on sustainable and quality growth	▪ Ensure disciplined credit and cost management
Environmental responsibility	▪ Promote paperless and digital banking adoption	▪ Reduce operational resource consumption	▪ Strengthen ESG aligned banking practices
Talent productivity	▪ Build a skilled and empowered field workforce	▪ Focus on continuous training and capability building	▪ Drive ownership and performance culture
Community engagement	▪ Advance financial inclusion at scale	▪ Support livelihood generation in rural economy	▪ Enable responsible and inclusive growth outcomes

BUSINESS MODEL

How Utkarsh SFBL is positioned to enhance holistic value

Capitals	Inputs	
Financial Capital: Granular deposit mobilisation, supported by a growing retail mix, and a diversified micro banking-led loan portfolio underpin stable growth while maintaining disciplined capital adequacy	₹21,654 Crores, total deposits ₹19,332 Crores, Portfolio ₹2,829 Crores borrowings	₹2,776 Crores net worth ₹6,914 Crores investment
Operational and Network Capital: Extensive presence across rural and semi urban markets, anchored by a steadily expanding branch network and assisted digital channels, strengthens last mile delivery and customer access.	1,100+ Number of branches 373 ATMs 787 Micro ATMs	7 Business correspondents (JLG)
Intellectual Capital: Digitally integrated operating platform, supported by analytics driven underwriting and continuous process optimisation, enhances turnaround times and supports scalable growth.	16.55 Lakh+ customer registrations and interactions across digital channels	6.72 Lakh customers registered on Retail Internet and Mobile Banking
Social and Relationship Capital: Deep rooted micro banking relationships, built through repeat customer engagement, foster trust and enable sustained financial inclusion across communities.	8.16 ₹ Crore, CSR expenditure	
Human Capital: Field intensive workforce with strong local familiarity, complemented by structured training and performance frameworks, ensures consistent execution and high touch service delivery.	18000+ Employees 33.62 Average training hours	
Natural Capital: Progressive shift towards paper lite processes, alongside energy efficient branch operations, contributes to a lower environmental footprint.	~1.43 Million GJ, energy (PVVNL Electricity KWH) consumed 13888.48 KL, water consumed	





Outcomes	SDGs
1,477 ₹ Crores, net interest income 5.42 %, net interest margin (4.14) %, return on assets (42.11) %, return on equity	8 Decent Work and Economic Growth 10 Reduced Inequalities
5.87 Lakh customers acquired digitally, from inception till March 2026, improving access to formal banking	9 Industry, Innovation and Infrastructure 10 Reduced Inequalities
30.59 Lakh customers onboarded through Digi Onboarding 13.49 Lakh of Debit cards inforce as on March 31, 2026	9 Industry, Innovation and Infrastructure
5.5+ Lakh Beneficiaries reached 5.5+ Lakh No of lives impacted 100+ Hours of employee volunteering	1 No Poverty 8 Decent Work and Economic Growth 10 Reduced Inequalities
13%, women employees 29.44 years, average age 474 Training sessions conducted	5 Gender Equality 8 Decent Work and Economic Growth
153.8 MWh, renewable energy usage 7,592.71 kL, water recycled	12 Responsible Consumption and Production 13 Climate Action

PART FOUR

Our business *enablers*

BUSINESS DRIVER

Technology role in Utkarsh SFBL

We are building a relevant, scalable, intelligent and control-oriented bank for the future

Technology

Expanding reach: Enables branchless banking through mobile, micro-ATMs, and assisted digital channels, reaching underserved and the unserved remote customers

Driving efficiency: Automates onboarding, lending, and servicing, lowering cost-to-income and enabling scalable operations

Faster credit decisions: Uses data and analytics to enable quick, informed lending in low-documentation environments

Internet and mobile banking

23
% growth in internet and mobile banking registered users

50.91+
Lakh digital transactions volume* via retail internet and mobile banking in FY 2025-26.

6.72+
Lakh customers registered on retail internet and mobile banking

25,800+
₹ Crore value of digital transactions processed via retail internet and mobile banking in FY 2025-26.

Unified payments interface (UPI)

7.57
Lakh registered users till March 31, 2026

20.24
Crore transactions

37,000+
₹ Crores value of transactions

**Data comprises of = Fund Transfer (NEFT +RTGS +IMPS + Internal Transfer) + Online FD created via IBMB*

Why it matters for a Small Finance Bank

Risk and compliance: Supports real-time monitoring, AML controls, and regulatory adherence in high-volume transactions

Customer experience: Delivers seamless, secure, and intuitive banking across digital touchpoints

Enabling innovation: Allows rapid rollout of tailored products for micro and small customer segments

Scalable and resilient operations: Ensures systems can handle growth in volumes without compromising performance or security

Overview

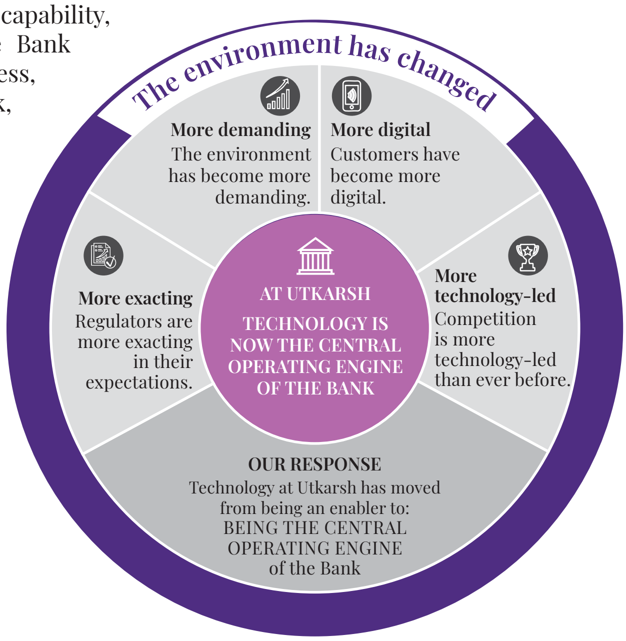
There was a time when banks were defined by their branches. Today, a bank is increasingly defined by the strength, intelligence, and agility of its technology spine. For a Small Finance Bank, this shift is even more decisive, because scale cannot be built branch by branch but must be engineered through systems.

Utkarsh SFBL recognised this early. From day one, the Bank invested in a unified, integrated technology architecture spanning core banking, digital channels, and control systems, designed to deliver consistency, control, and reach. This early clarity has shaped how the institution thinks, operates, and grows.

At Utkarsh Small Finance Bank, technology is no longer positioned as a support function. It is increasingly a core institutional capability, central to how the Bank originates business, manages risk, engages customers, and scales operations. In this phase, it is being re-architected to deliver control, consistency, and intelligence, ensuring that growth remains scalable and disciplined.

During FY 2025-26, this philosophy translated into decisive action. The Bank strengthened its core, modernised critical platforms, and began embedding intelligence across systems. The objective was not incremental improvement, it was structural readiness, to handle higher volumes, sharper risks, faster decisions, and better customer outcomes.

The direction: Technology is no longer a layer that supports the business but the architecture through which the business is built, scaled, and differentiated.



Digital momentum

2+
% growth in internet and mobile banking registered users

69
% YoY growth in Deposits through Fintech and Website

2+
Lakh, users onboarded on WhatsApp Banking

43+
Lakh, QR transaction volume processed

691
₹ Crore fixed deposit through phygital fintech partnerships and bank website

20+
Crore UPI transactions processed during FY 2025-26

49+
Lakh, internet and mobile banking transactions

8+
Lakh, customer interactions on WhatsApp Banking platform

Bharat Connect Bill Payments

1.51+
Lakh transactions

369+
₹ Crores Value of Transactions processed

Strategic priorities, FY 26

Core infrastructure strengthening: Reinforced the Bank's foundational systems to deliver higher throughput, lower latency, and superior reliability, ensuring seamless handling of rising transaction volumes and uninterrupted service delivery.

Risk platform modernisation: Upgraded critical systems to enable real-time risk visibility, sharper liquidity management, and more robust regulatory reporting, strengthening the Bank's control architecture.

Digital journeys acceleration: Re-engineered key customer journeys to reduce turnaround times, simplify interactions, and improve accessibility across digital touchpoints, particularly in lending and servicing.

API integration agility: Expanded API infrastructure and introduced low-code platforms to enable faster system integration, quicker deployment of solutions, and greater responsiveness to business needs.

Responsible AI adoption: Initiated structured adoption of AI across functions, supported by robust governance frameworks to ensure secure, compliant, and scalable implementation.

Platform transformation and core technology upgrades

As customer expectations evolve toward instant, reliable, and fully digital banking, and as regulatory and risk environments become more stringent, the Bank has accelerated its core technology transformation. These upgrades are designed not only to modernise infrastructure but also to strengthen resilience, improve scalability, and enable data-driven decision-making across the enterprise.

Payments and ATM ecosystem modernisation: The Bank transitioned its Debit card and IMPS switching infrastructure to a next-generation platform. This upgrade improved transaction throughput, system stability, and scalability. The ATM network was upgraded with new machines, enhancing uptime, service reliability, and customer convenience.

Treasury and risk management strengthening: A comprehensive upgrade of the Treasury Management System enabled efficient deal processing, enhanced regulatory reporting, and integrated risk monitoring. The migration to a new Asset Liability Management platform strengthened liquidity risk assessment and Balance Sheet oversight, enabling sharper financial control.

Advanced AML and compliance framework: The implementation of a new Anti-Money Laundering platform represented a significant step in compliance capability. The system delivered improved transaction monitoring, higher-quality alerts, and a scalable architecture to support business expansion while maintaining regulatory rigor.

Credit monitoring and recovery digitisation: The rollout of a Centralised NPA Management System enabled end-to-end visibility into delinquent accounts. The platform integrated recovery tracking, legal workflows, and analytics, strengthening governance and improving recovery outcomes.

Digital lending and product enablement: The launch of a fully digital gold loan platform significantly reduced turnaround time from application to disbursement. Enhancements to the Loan Origination System improved configurability and control for Micro Banking Individual Loans and Micro Banking Business Loans, enabling better product scalability and reporting.

In segments where formal financial documentation is often limited, underwriting requires a combination of speed, flexibility, and control. The Bank is leveraging digital tools to standardise credit assessment processes, incorporate alternative data sources into underwriting models, reduce turnaround time while maintaining risk calibration, and enable consistent decision-making across geographies.

Advanced analytics are also being embedded into decision-making frameworks, enabling improved portfolio monitoring, early identification of stress signals, sharper customer segmentation, and more informed underwriting outcomes.

Digital channels and customer experience

The Bank's continued investment in digital channels is central to its broader strategy of driving scale, deepening customer engagement, and improving cost-to-serve efficiency. As banking shifts toward real-time, omnichannel expectations, these capabilities are critical to ensuring consistent service delivery, expanding reach into underserved and the unserved markets, and strengthening long-term customer relationships.

The Bank strengthened digital onboarding journeys through video KYC capabilities, Aadhaar-enabled payment systems, UPI integration, and assisted banking infrastructure via micro-ATMs. Together, these platforms significantly reduced onboarding friction, improved accessibility, and enabled the last-mile delivery of financial services, particularly in remote and underpenetrated geographies.

This digital architecture is designed not only for convenience but also for inclusion. It ensures that banking remains intuitive, reliable, and widely accessible, especially for customer segments where digital familiarity is still evolving. In parallel, the Bank continued to recognise the importance of assisted models, ensuring that human support remained embedded within the digital ecosystem to drive adoption and trust.

On the engagement side, the Bank continued to enhance its digital interfaces to improve accessibility, usability, and responsiveness across channels:

- Expanded WhatsApp Banking capabilities, enabling a wider service coverage and a faster customer query resolution
- Ongoing upgrades to internet and mobile banking platforms, focused on strengthening security architecture, improving system performance, and enhancing overall user experience

Collectively, these enhancements positioned the Bank to deepen digital adoption, improve customer stickiness, and deliver scalable, low-friction banking experiences across diverse customer segments while maintaining strong operational efficiency.

Integration architecture and development agility

API and middleware expansion: The Bank strengthened its API and middleware layers to enable secure and scalable integration with fintech ecosystems and internal platforms. This architecture supports faster product deployment and ecosystem collaboration.

Low-code and no-code platforms: A low-code, no-code development framework was introduced to accelerate application development, streamline workflow automation, and reduce reliance on traditional development cycles, thereby improving time-to-market for internal solutions.

As the Bank continues to expand, its technology architecture is being designed to support scalable growth without dilution of discipline. This includes cloud-ready infrastructure, API-based integrations, modular systems enabling incremental upgrades, and data frameworks that support advanced analytics and reporting.

Artificial intelligence as a strategic lever

Artificial Intelligence is emerging as a foundational capability in the Bank's transformation journey, enabling faster decision-making, sharper risk assessment, improved productivity, and a more responsive customer engagement. As the banking environment becomes increasingly data-intensive and digitally driven, AI provides the ability to scale operations intelligently while improving consistency, control, and service quality across functions.

FY 2025-26 marked a decisive shift from experimentation to a structured, enterprise-wide AI adoption. The Bank initiated deployments across generative AI and agentic AI use cases, integrating capabilities into key operational and customer-facing processes to augment decision-making, streamline workflows, and enhance engagement quality.

Implementation was guided through a robust governance framework designed to ensure alignment with regulatory expectations, data privacy standards, cybersecurity protocols, and principles of responsible AI usage. This governance-led approach enabled the Bank to scale adoption confidently while maintaining strong oversight and accountability.

AI capabilities are being progressively embedded across the operating ecosystem to improve speed, accuracy, and consistency of outcomes. Applications span intelligent automation, assisted decision-making, workflow optimisation, and enhanced customer servicing, contributing to measurable improvements in operational efficiency, responsiveness, and service delivery quality.

The direction is clear: Artificial Intelligence is not being treated as a standalone technology initiative, but as a strategic capability that will increasingly shape how the Bank operates, competes, manages risk, and delivers value at scale.

AI at Utkarsh

AI as a foundational capability for growth, efficiency, and customer experience

Why it matters

- Operational efficiency
- Better risk control
- Customer responsiveness
- Scalable transformation

FY 26 AI implementation

- Generative AI
- Agentic AI
- Intelligent automation
- Assisted decisioning

Governance framework

- Regulatory alignment
- Data privacy
- Responsible AI
- Security controls

Infrastructure resilience and cybersecurity

Data centre and disaster recovery modernisation: A new on-premises data centre and disaster recovery set up was established to support the Bank's modernisation agenda. Managed services were deployed through an experienced partner, ensuring operational excellence, high availability, and adherence to best practices.

Data protection and threat management: Enterprise-grade backup solutions were implemented to ensure data integrity and rapid recovery. Advanced endpoint detection and response systems were deployed to strengthen cybersecurity posture, enabling proactive threat identification and mitigation in an increasingly complex risk environment.

As digital adoption accelerates, cybersecurity and fraud prevention remain integral to the Bank's operating model. Multiple layers of protection have been implemented, including secure authentication protocols, anomaly-based fraud detection systems, continuous transaction monitoring, and regular vulnerability assessments.

Cybersecurity is treated not merely as a technical requirement, but as a critical pillar of customer trust, operational resilience, and institutional integrity.

Process automation and operational control

Automation is being deployed across operational processes to reduce manual intervention and error rates, improve turnaround times, standardise workflows across branches and regions, and enhance productivity at scale.

Key areas of automation include loan processing and documentation, collections tracking and reporting, reconciliation processes, and back-office operations. These interventions are contributing to a more efficient, predictable, and control-oriented operating environment.

Positive outcomes

- Improved processing speed and reduced turnaround times across operational workflows
- Lower dependency on manual intervention, resulting in reduced operational errors and improved accuracy
- Enhanced monitoring, tracking, and auditability through digitally integrated workflows
- Improved productivity and resource utilisation, enabling teams to focus on higher-value activities
- Stronger operational control and governance through automated checks and process visibility
- Better scalability of operations to support business growth without proportional increases in manual overheads
- Improved customer experience through faster servicing, quicker resolution timelines, and more reliable process execution

Core banking transformation

The Bank continued to progress on its next-generation Core Banking System. This enterprise-wide transformation is designed to modernise the core technology architecture, enhance scalability, and deliver a consistent omni-channel experience.

A key objective of the transformation programme is to create a modular, flexible, and resilient technology backbone capable of adapting to evolving regulatory requirements, rising transaction complexity, and future business scale. Execution is being carried out through a phased approach under strong governance, ensuring uninterrupted operations and regulatory compliance throughout the transition.

Outlook

In FY 27, Utkarsh Small Finance Bank will continue to leverage technology, building on the stronger digital foundation created in FY 2025-26 to scale efficiently, respond dynamically to change, and enhance customer outcomes.

The roadmap will remain focused on platform modernisation, resilient infrastructure, digital innovation, and responsible adoption of emerging technologies, ensuring sustained long-term value creation.

The result is that technology at Utkarsh SFBL is progressing from enabling transactions to shaping decision-making, strengthening institutional control, and creating long-term competitive differentiation. The Bank's broader objective remains clear: build a technology-enabled institution where scale is supported by discipline, growth is guided by insight, and customer access is enhanced through simplicity, resilience, and trust.

Case study: **Hybrid distribution model**

Reality: Large parts of the Bank's customer base continue to value assisted banking interactions, particularly in semi-urban and rural markets where digital familiarity varies significantly. At the same time, customers increasingly expect faster onboarding, quicker servicing, and greater transaction transparency.

Activity: The Bank strengthened its hybrid distribution model by equipping field officers, relationship managers, and branch teams with tablet-based onboarding tools, real-time customer data access, and digital collection and repayment tracking systems. These capabilities enabled banking processes to be completed more efficiently at the point of interaction while improving operational visibility and service responsiveness.

Impact: The integration of digital tools into field operations improved turnaround times, enhanced process consistency, strengthened repayment monitoring, and reduced dependence on manual workflows. It also enabled frontline teams to engage customers with better information access and faster service delivery.

Outcome: The Bank created a scalable distribution model where technology enhances human capability rather than replacing it. By combining relationship-led engagement with digital efficiency, the model continues to support deeper customer reach, stronger operational control, and more effective service delivery across diverse geographies and customer segments.

Customer engagement

"Earlier, visiting the branch meant losing almost an entire day. Now, with mobile banking and digital service support, most transactions happen within minutes. Even when I face any difficulty, the staff helps me complete everything digitally."

"Using UPI, mobile banking, and digital repayment facilities has made everyday banking much easier. I can transfer money, check account details, and pay instalments directly from my phone without depending on others."

"Technology has made banking far more accessible for us. Through micro-ATM and assisted digital services in our area, we can complete transactions closer to home without travelling long distances to the branch."

BUSINESS DRIVER

How we market and widen our presence at Utkarsh SFBL

We are strengthening our reach, deepening engagement, and building a scalable phygital banking franchise

Sales and distribution

Expanding financial inclusion: Enables banking access across semi-urban, rural, and underserved markets.

Strengthening customer acquisition: Builds a diversified and granular customer base across geographies and segments.

Driving CASA mobilisation: Supports stable, low-cost deposit growth critical for profitability and funding quality.

Deepening customer relationships: Strengthens engagement, cross-sell opportunities, and long-term customer retention.

27
States and Union Territories served across India

88
% of Micro Banking branches are located in rural and semi-urban markets

373
ATMs across the network

787
Micro ATMs deployed in underbanked geographies

55
New branches less than below two years old contributed 18% of CASA + Retail TD growth

Why it matters for us

Improving customer accessibility: Enhances access through branches, ATMs, digital platforms, and assisted banking channels.

Enhancing operational scalability: Combines physical reach with digital infrastructure to support efficient growth.

Supporting liability diversification: Reduces concentration risk through wider retail deposit mobilisation.

Enabling phygital banking delivery: Integrates branch-led engagement with digital onboarding and servicing capabilities.

Overview

In banking, distribution is not only about expanding reach; it is about building accessibility, trust, engagement, and long-term customer relationships across markets. For a Small Finance Bank, a strong distribution franchise influences financial inclusion, customer penetration, granular deposit mobilisation, and institutional relevance across semi-urban and rural geographies.

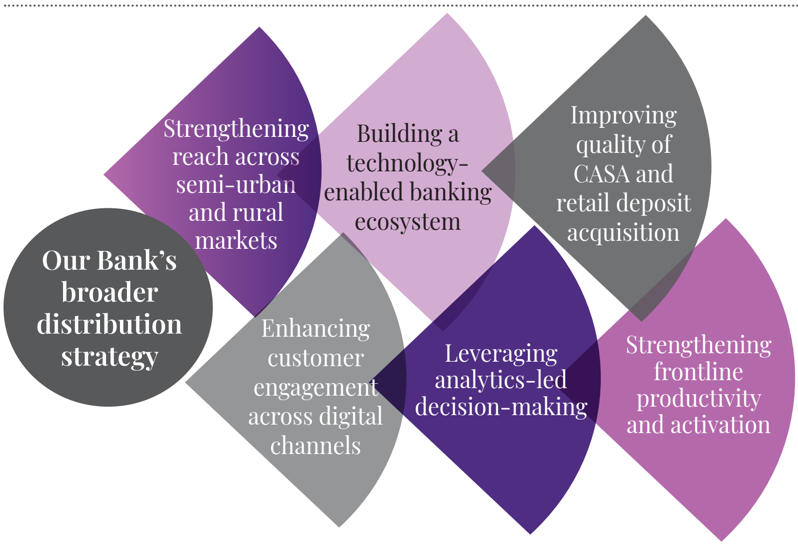
Against this backdrop, Utkarsh Small Finance Bank continued strengthening its sales and distribution ecosystem during FY 2025-26 through a calibrated combination of branch-led expansion, digital integration, customer-centric partnerships, analytics-led execution, and frontline capability enhancement.

The Bank focused on building a integrated distribution architecture by combining the strength of its physical network with the agility of digital platforms across customer acquisition, onboarding, servicing, engagement, and cross-sell. During the year, the Bank deepened its presence across emerging markets, strengthened CASA mobilisation, expanded digital capabilities, and enhanced productivity across branches and field teams.

The broader objective remained building a diversified and sustainable liabilities franchise supported by stronger customer engagement, disciplined acquisition, operational efficiency, and technology-enabled distribution capabilities.

Building a scalable and customer-centric distribution franchise

During FY 2025-26, Utkarsh Small Finance Bank continued strengthening its distribution architecture through deeper market penetration, stronger digital enablement, customer-centric partnerships, and productivity-led execution. The Bank focused on building a scalable and technology-enabled distribution ecosystem that combined physical reach with digital accessibility to serve customers across semi-urban, rural, and emerging markets more effectively.



58
Branches scaled to a deposit book of ₹100+ Crore

38
Branches scaled to CASA + RTD book of ₹100+ Crore

86
% retail CASA contribution to overall CASA (vs. 80% in FY 2024-25)

24
% YoY growth in our Current Account portfolio

16
% YoY growth in CASA average balances

Deepening our presence across emerging markets

Utkarsh Small Finance Bank continued leveraging its extensive branch-led franchise to strengthen customer access and deepen market penetration across semi-urban and rural geographies during FY 2025-26.

With nearly 88% of the Bank's Micro Banking branches located in rural and semi-urban markets, the institution remains strongly positioned within India's expanding financial inclusion landscape.

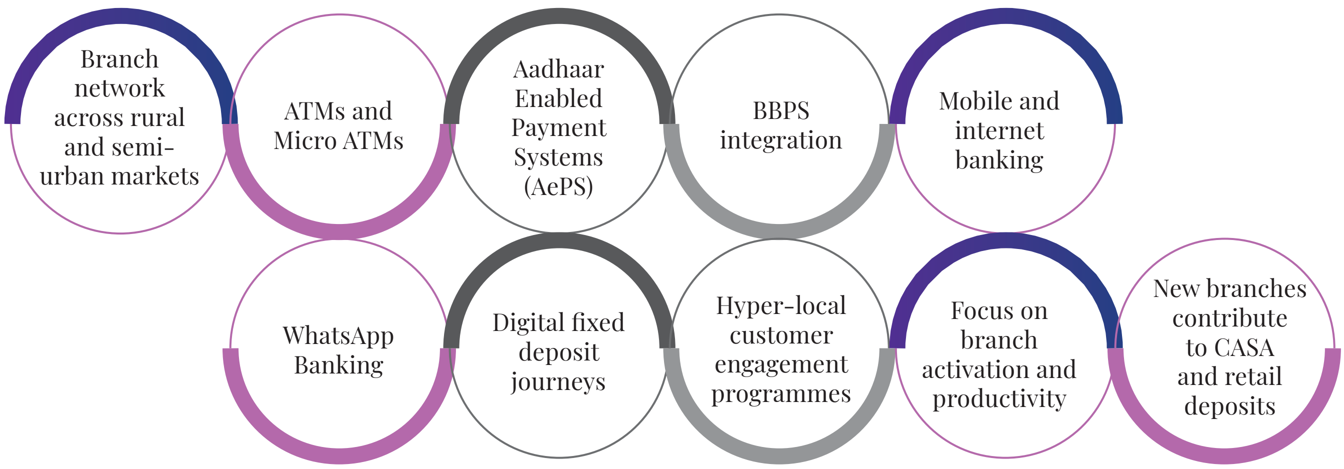
The Bank complemented its physical distribution capabilities with a diversified customer access infrastructure that included ATMs, Micro ATMs, Aadhaar Enabled Payment Systems, BBPS integration, mobile banking, internet banking, WhatsApp Banking, and digital fixed deposit journeys.

FY 2025-26 remained a year of consolidation and optimisation, with management focusing on improving branch activation, customer acquisition quality, and operating productivity across the existing network.

Hyper-local engagement initiatives, market-level activities, and branch-led customer outreach programmes helped strengthen visibility, improve acquisition quality, and deepen customer relationships across markets.

The Bank also focused on improving activation and productivity across newly launched branches. Branches with vintage below two years contributed meaningfully towards CASA and Retail Term Deposit growth during the year, reflecting improving franchise maturity and faster branch stabilisation.

Strengthening reach through a phygital distribution ecosystem



Strengthening the Bank's phygital banking ecosystem

Customer onboarding

- Customer servicing through Bring Your Own Device (BYOD) based Mobile App
- Digital term deposit onboarding
- Joint savings account onboarding
- Proprietorship current account onboarding

Customer servicing

- Digital re-KYC functionality
- Dormant account activation workflows
- Faster servicing and turnaround time

Operational controls

- Maker-checker authorisation controls during account opening
- Process automation initiatives
- Improved operational efficiency

Digital infrastructure

- Gold Loan LOS rollout
- In-house ODFD workflow platform
- Fintech-led deposit sourcing partnerships

Strategic objective

- Integrating branch trust with digital agility
- Delivering seamless customer experience across channels

Product innovation

The Bank continued developing in-house customer solutions aimed at improving product relevance and customer engagement.

Key launches during FY 2025-26

Non-resident banking products: Savings and term deposit products launched for NRI customers through face-to-face onboarding journeys.

Utkarsh SFBL smart business account: A premium current account proposition designed for retailers, wholesalers, and businesses.

These offerings reflect the Bank's increasing focus on solution-led and segment-specific banking propositions..

Strategic partnerships driving customer engagement

The Bank continued strengthening customer-centric offerings through strategic partnerships and integrated financial solutions.

Key partnership-led initiatives

3-in-1 account: Developed in partnership with Axis Securities Limited, enabling seamless opening of Savings, Demat, and Trading accounts.

BBPS biller operating unit: Collection infrastructure developed in collaboration with Transpure Solutions Private Limited across utility payments, recharges, financial payments, subscriptions, municipal taxes, and other categories.

ITR filing services: Introduced in partnership with ClearTax for premium customers seeking expert-assisted filing services.

Will-making services: Digital will-creation services launched in partnership with Quikdox for premium customer segments.

Insurance partnerships: Diversified life insurance offerings expanded through strategic alliance with Kotak Mahindra Life Insurance Company Limited.

The Bank continues evolving towards a broader financial solutions ecosystem rather than a purely transactional banking model.

Strengthening frontline productivity and execution

In banking, customer experience and business execution are ultimately shaped at the frontline. Recognising this, Utkarsh Small Finance Bank continued investing in resource capability, performance engagement, analytics-led monitoring, and activation frameworks during FY 2025-26.

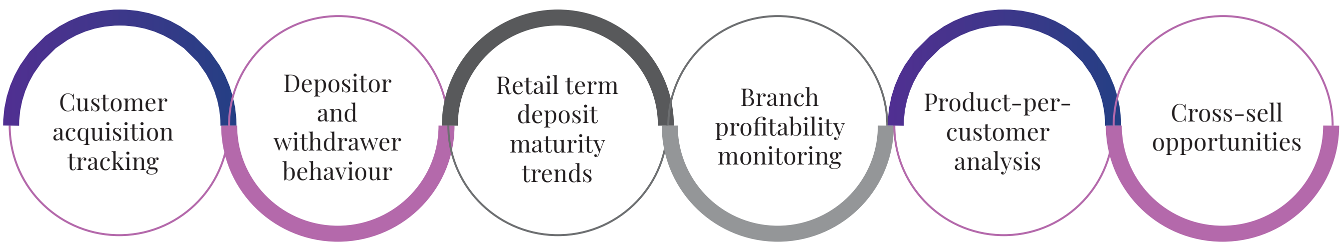
Multiple initiatives were undertaken to improve productivity, morale, and execution quality across branches and field teams.

Leadership engagement and recognition platforms such as Utkarsh Samvaad and the MD & CEO Club continued recognising high-performing branches and employees while reinforcing organisational alignment and operational discipline.

The Bank conducted structured capability-building initiatives through Branch Baithaks, sales orientation programmes, regulatory certification initiatives, product training sessions, induction programmes, and refresher interventions.

Alongside capability building, the Bank strengthened analytics-led execution through Simplified Interface for Business Analytics (SIMBA) dashboards and Lead Management System (LeMS)-based tracking frameworks.

These systems enabled actionable insights across:



Building a granular and diversified liability franchise

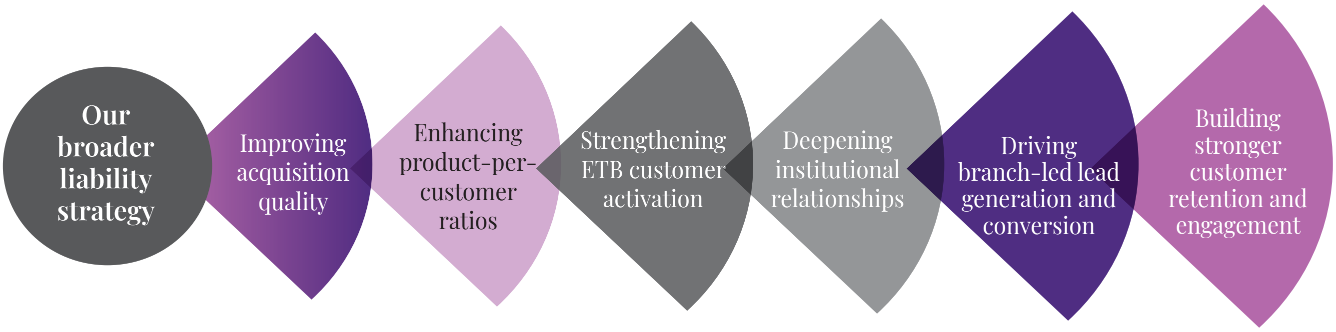
During FY 2025-26, Utkarsh Small Finance Bank continued strengthening its liabilities franchise through a calibrated focus on granular CASA mobilisation, diversified customer acquisition, premium account onboarding, and customer activation.

The strategy remained focused on reducing concentration risks and improving customer-level engagement across products while building a more diversified and granular deposit franchise.

Multiple branches scaled into higher deposit buckets during the year, reflecting improving productivity and stronger customer traction across the franchise.

The Bank also witnessed improvement in the retail composition of CASA deposits, alongside healthy growth in current accounts and average CASA balances.

The Bank continued strengthening cross-sell and relationship deepening initiatives across CASA, Retail Term Deposits, Gold Loans, third-party products, and ODFD offerings.



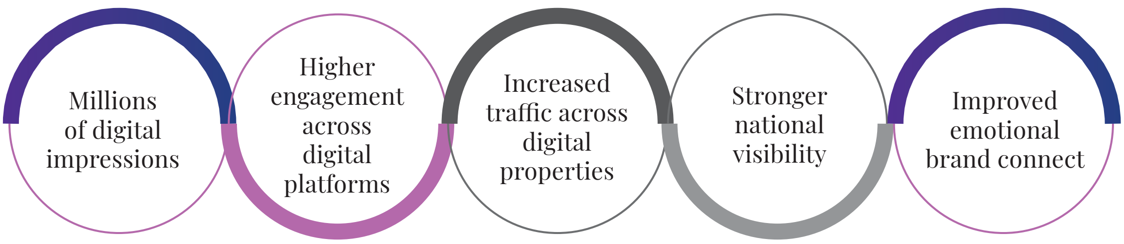
Brand visibility and customer recall

The Bank strengthened national visibility and customer engagement through high-impact brand partnerships and sports-led campaigns.

The Bank continued its association with Sunil Chhetri as Brand Ambassador, reinforcing brand values centred around trust, consistency, aspiration, and discipline.

The Bank also partnered Mumbai Indians as its Official Banking Partner during the Indian Premier League season, significantly expanding visibility across digital and mass audiences.

Outcomes



The Bank's distribution advantage

Granular rural reach: 88% of Micro Banking branches located in rural and semi-urban markets, supported by 787 Micro ATMs deployed across underbanked geographies.

Integrated phygital architecture: Branch-led engagement integrated with digital onboarding and servicing capabilities.

Diversified liabilities franchise: Granular CASA growth and diversified retail deposits reducing concentration risks.

Analytics-led execution: Business intelligence dashboards and lead management systems improving productivity and conversion.

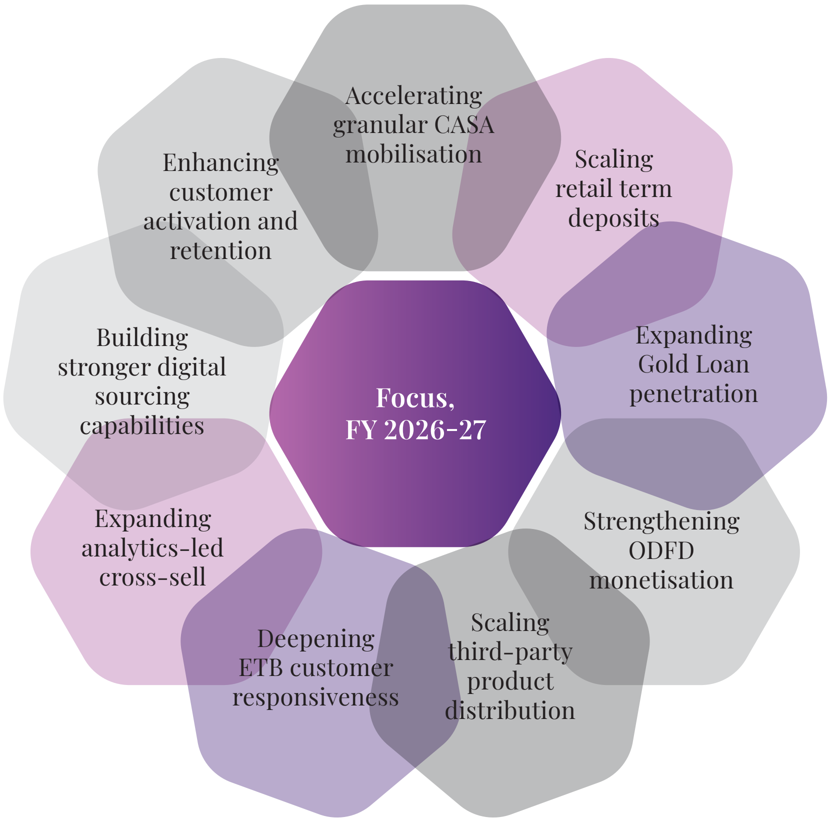
Resource-centric growth model: Continuous frontline empowerment through recognition, training, and performance-linked initiatives.

Partnership-led ecosystem expansion: Strategic partnerships enabling broader customer propositions and integrated financial solutions.

Outlook

The Bank's sales and distribution strategy is evolving towards building a sustainable, profitable, and diversified liabilities franchise supported by granular CASA growth, retail term deposits, cross-sell monetisation, and digital scalability.

The broader objective remains in building a connected banking franchise anchored in customer interation, disciplined growth, granular liabilities, operational efficiency, and long-term profitability.



Distribution and digital transformation in action

Case study #1: Digital fixed deposit franchise scaling

Activity: The Bank identified increasing customer preference for digital savings journeys and sought to scale fixed deposit acquisition beyond branch-led sourcing.

Initiative: Utkarsh Small Finance Bank expanded its fintech partnership ecosystem and strengthened digital fixed deposit journeys across online channels.

Outcomes

- FD through phygital fintech partnerships and bank website generated ₹691 Crore
- Portfolio recorded 69% YoY growth
- Digital FDs contributed nearly 5% of retail term deposits
- Customer connectivity and retention improved across digital channels

Impact: The initiative demonstrated the Bank's ability to combine fintech-led sourcing with a strong liabilities franchise, while improving scalability, customer convenience, and acquisition efficiency.

Case study #2: ODFD digitisation driving faster customer conversion

Activity: Traditional processing workflows in overdraft against fixed deposits resulted in a longer turnaround time and operational friction.

Initiative: The Bank developed an in-house digital ODFD portal enabling seamless workflow processing and reduced FTNR.

Outcomes

- ODFD sanctioned value increased 52% YoY
- Outstanding portfolio improved 59% YoY
- Faster turnaround and improved customer experience achieved

Impact: The initiative strengthened customer stickiness while enhancing monetisation of the Bank's deposit base through low-risk lending.

Case study #3: Gold loan LOS transformation

Activity: The Bank identified the need to improve processing efficiency, turnaround time, and operational control within its growing Gold Loan business.

Initiative: The Bank introduced a digital Loan Origination System (LOS) for Gold Loans aimed at improving turnaround time, controls, and operational efficiency.

Outcomes

- Gold loan disbursement volumes scaled significantly following the rollout
- Operational efficiency and processing consistency improved
- Customer servicing experience strengthened through faster processing

Impact: Gold Loans are increasingly emerging as a key profitability and relationship-deepening product within Utkarsh Small Finance Bank retail franchise strategy, while also supporting growth in the secured asset portfolio.

Customer endorsements

"Earlier, we had to travel far for banking services. Today, Utkarsh SFBL branch and Micro Banking presence have made banking more accessible within our locality."

"The Bank's rural reach and on-ground teams have created a sense of familiarity and trust among customers in smaller towns."

"Utkarsh SFBL distribution network feels dependable because support is available both digitally and through nearby branches."

"Whether through branches, Micro ATMs, or relationship officers, the Bank has made everyday banking easier and more convenient."

"The expansion into semi-urban and rural markets shows that the Bank understands the needs of customers beyond metro cities."

"Utkarsh SFBL local presence and customer outreach have helped build stronger relationships across communities."

"The Bank combines digital convenience with human interaction, which makes customers feel more confident while banking."

"From branch access to doorstep engagement, Utkarsh SFBL has strengthened banking connectivity across underserved regions."

"The Bank's growing network has improved accessibility for customers who previously had limited formal banking options."

"Utkarsh SFBL distribution approach feels inclusive because it reaches customers across geographies and income segments."

BUSINESS DRIVER

Branding and marketing at Utkarsh SFBL

Building customer confidence and long-term franchise visibility through strategic brand engagement.

4
Brand partnerships

5,380
%, increase in digital visibility and share of voice

1 Lakh+
Customer enquiries and inbound leads generated

1,255
%, growth in social media engagement

17 Million +
Customer interactions across digital engagement channels

2
High-visibility campaigns executed across product and institutional branding initiatives

Overview

In banking, visibility alone is not enough. Customer confidence is built through familiarity, trust, accessibility, responsiveness, and consistent engagement. As customer acquisition increasingly shifts toward digital and assisted ecosystems, branding has emerged as an important strategic lever in strengthening institutional recall and long-term franchise relevance.

For Utkarsh Small Finance Bank, branding extends beyond advertising and communication campaigns. It plays a meaningful role in reinforcing customer trust, improving engagement, supporting acquisition, strengthening visibility, and shaping long-term institutional perception.

Over the years, the Bank's communication approach has progressively evolved from product-led awareness towards broader engagement-led and institution-focused branding. Today, the focus extends beyond products towards creating stronger customer connection, institutional familiarity, and long-term franchise relevance.

Why the Bank's brand is strengthening

- Expanding digital visibility
- Strategic sports partnerships
- Higher customer engagement
- Stronger institutional recall
- Improved customer confidence
- Purpose-led communication
- Younger audience engagement
- Customer-centric outreach initiatives

Strategic branding priorities

#1 Strengthening national visibility

FY 2025-26 marked a meaningful expansion in the Bank's branding initiatives through high-visibility partnerships, sports-led engagement, digital campaigns, and institutional associations aimed at strengthening customer familiarity and improving recall.

The Bank continued its association with Sunil Chhetri, reinforcing brand attributes centred around trust, aspiration, confidence, and discipline.

During the year, the Bank also strengthened national visibility through its banking partnership with Mumbai Indians for the Indian Premier League season, significantly expanding reach across sports, entertainment, and digital audiences.

Moreover, the Bank became the official banking partner for *Kal ke Krorepati - Chhote Sheher, Bade Sapne*, strengthening engagement across entrepreneurial, aspirational, and emerging customer segments.

What these initiatives contributed

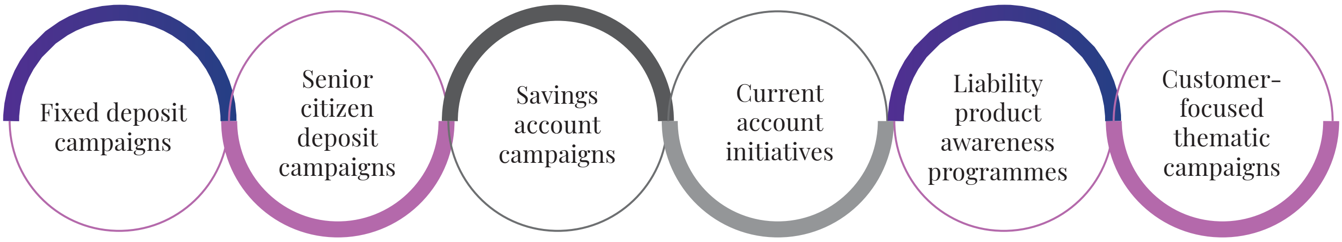
- Higher digital visibility
- Improved customer engagement
- Stronger search traction
- Increased inbound enquiries
- Improved customer interactions
- Enhanced institutional familiarity

#2 Driving product visibility and customer acquisition

During FY 2025-26, the Bank undertook multiple communication campaigns across its liability product portfolio, with marketing initiatives tailored towards specific customer segments and banking requirements.

These campaigns focused on strengthening product awareness, supporting customer acquisition, improving visibility, and increasing engagement across target markets.

Campaign focus areas



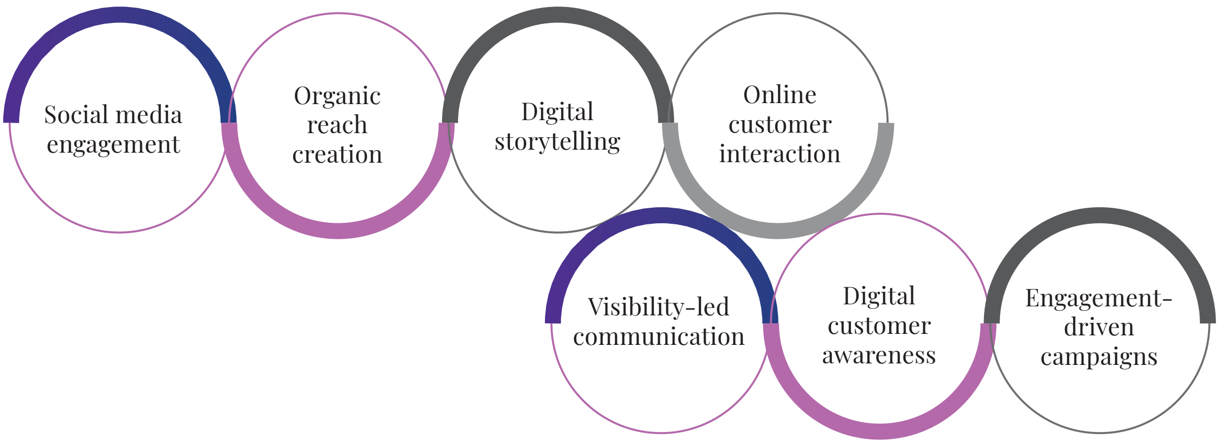
#3 Expanding digital-first engagement

The Bank continued strengthening its digital-first branding approach during FY 2025-26, recognising the growing influence of digital ecosystems in shaping customer awareness, engagement, and brand recall.

During the year, the Bank witnessed improved traction across Instagram, Facebook, LinkedIn, and other digital engagement platforms alongside higher inbound customer enquiries and stronger online interaction.

The management believes that digital ecosystems offer scalable visibility, measurable engagement opportunities, stronger customer interaction, and relatively lower acquisition costs, making them an important component of the Bank's long-term branding strategy.

Key digital focus areas

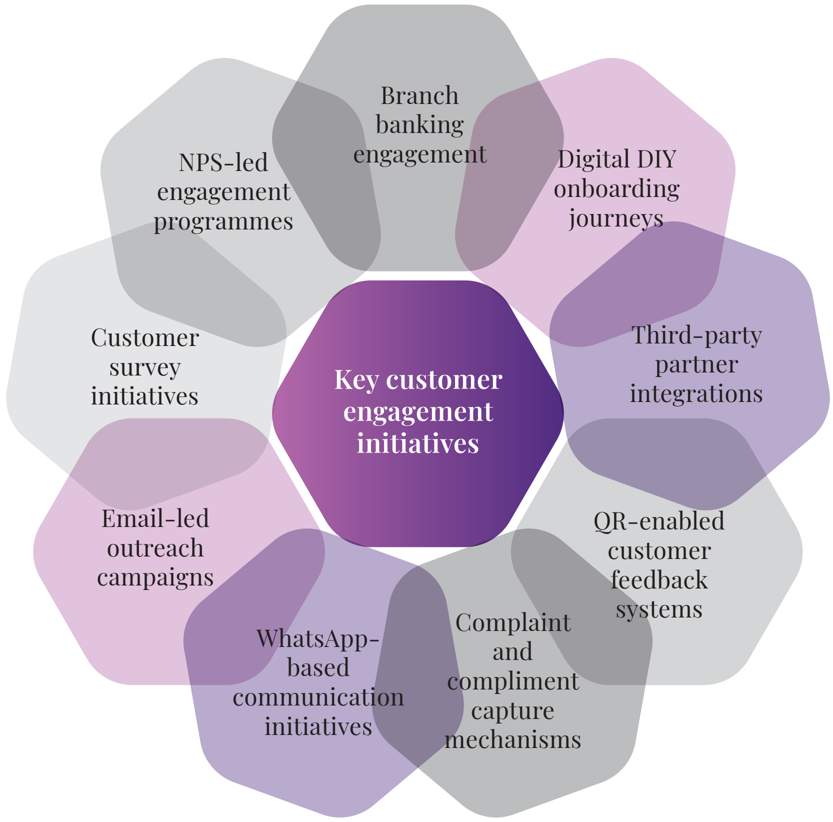


An integrated customer engagement ecosystem

During FY 2025-26, the Bank continued strengthening customer acquisition and engagement through an integrated ecosystem spanning branches, digital journeys, communication platforms, partner channels, and customer interaction initiatives.

The customer traction also improved across branch banking, digital onboarding journeys, and partner ecosystems following the Bank's strategic branding and visibility initiatives.

The Bank also expanded customer-focused communication initiatives aimed at improving responsiveness, strengthening engagement, and reinforcing customer confidence.



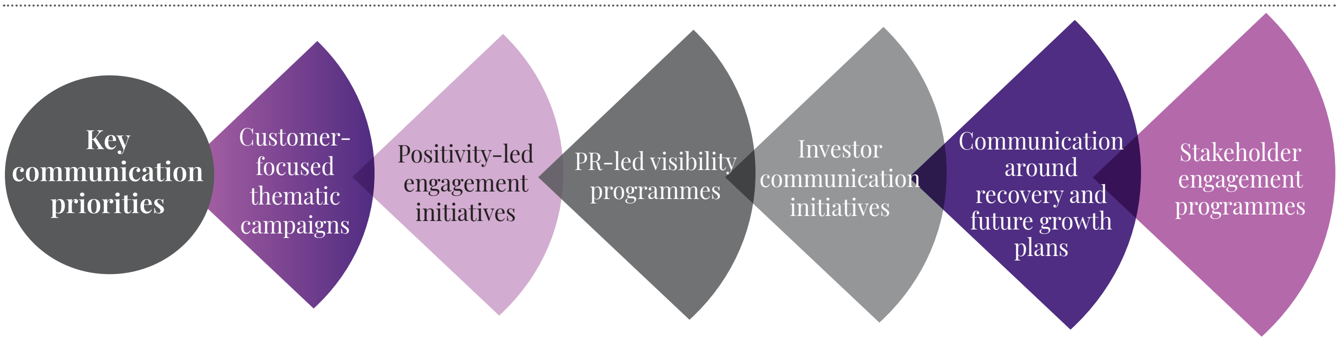
Branding evolution at Utkarsh SFBL

Phase	Branding focus	Strategic direction	Brand outcome
Initial years	Trust and awareness creation	Establishing credibility as a customer-focused banking institution	Improved customer familiarity
Expansion phase	Product-led visibility	Liability-focused campaigns and branch visibility initiatives	Stronger customer acquisition
Digital engagement phase	Digital-first communication	Strengthening visibility across social and online ecosystems	Improved digital traction
FY 2025-26	Strategic partnerships and integrated visibility	Large-scale associations and multi-channel campaigns	Enhanced recall and share of voice
FY 2026 onwards	Customer-centric and engagement-led branding	Stronger storytelling and digital-first engagement	Long-term institutional strengthening

Strengthening customer confidence, FY 2025-26

The broader banking environment remained challenging across parts of FY 2025-26. Against this backdrop, the Bank focused on strengthening customer confidence through visibility-led communication, customer engagement initiatives, and proactive stakeholder outreach programmes.

The institution also initiated PR-led and investor-focused communication programmes aimed at improving visibility around business recovery, strengthening confidence, and articulating future growth priorities.



The Bank's branding advantage

Customer familiarity: The Bank continued strengthening customer engagement through accessibility, responsiveness, and expanding digital interaction across banking touchpoints.

Strategic visibility: High-visibility partnerships and sports-led associations are helping improve national familiarity and customer recall.

Digital-first engagement: The Bank is expanding customer interaction across social media, online communication channels, and digital ecosystems.

Integrated communication: Branding initiatives increasingly combine product awareness, customer engagement, institutional messaging, and digital outreach within a unified communication framework.

Customer-centric positioning: The Bank's communication increasingly focuses on trust, accessibility, responsiveness, and customer connection beyond transactional banking relationships.

Outlook

In FY 2026-27, Utkarsh SFBL will continue strengthening its positioning as a recognisable, trusted, and customer-focused banking franchise within the small finance banking ecosystem. The Bank's branding strategy will focus on expanding digital visibility, deepening customer engagement, strengthening institutional recall, enhancing customer familiarity, and building integrated communication capabilities across channels through higher-visibility partnerships, digital engagement programmes, customer-focused communication strategies, and integrated outreach initiatives. The broader objective remains building stronger customer confidence, deeper engagement, improved institutional familiarity, and long-term franchise relevance within an increasingly competitive banking landscape.

Customer endorsements

"Utkarsh SFBL is no longer just a bank I visit, it is now a brand I recognise, trust, and connect with."

"The Bank's visibility and communication have created a stronger sense of confidence and credibility."

"Utkarsh SFBL campaigns feel purposeful and relatable, they speak to customers beyond banking products."

"The brand today feels more modern, accessible, and connected to customers across segments."

"The Bank's presence across digital platforms and major partnerships has significantly strengthened familiarity and trust."

"Utkarsh SFBL has built a stronger emotional connection with customers through consistent engagement and communication."

"The Bank's branding reflects confidence, stability, and a clear commitment towards customers."

"From digital engagement to customer outreach, the Bank has become far more visible and impactful."

BUSINESS DRIVER

Customer-centricity in action

Overview

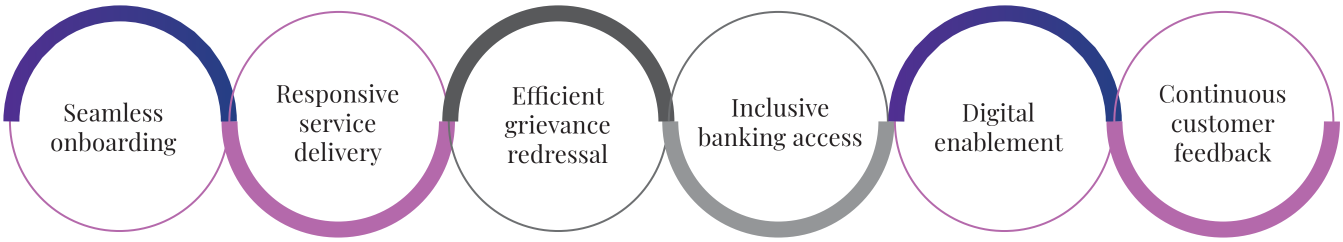
Customer experience plays a critical role in the success of a Small Finance Bank. Serving a diverse customer base that includes first-time formal banking users, microfinance borrowers, small business owners and customers in rural and semi-urban markets requires more than access to financial products. It requires building trust, ensuring ease of access, delivering timely support and creating positive banking experiences that encourage long-term relationships.

As financial services become increasingly digital and customer expectations continue to rise, banks must provide seamless, transparent and responsive service across every interaction. Strong customer experience not only improves satisfaction and loyalty but also supports financial inclusion by making banking simpler, more accessible and easier to navigate for underserved communities.

At Utkarsh Small Finance Bank, customer experience is viewed as a strategic enabler of inclusive growth and responsible banking. The Bank continuously works towards simplifying customer journeys, strengthening service delivery standards and improving responsiveness across branches, field operations, call centres and digital channels. Through a combination of technology-enabled processes, structured monitoring frameworks and customer-centric service models, the Bank seeks to ensure that customers receive consistent and reliable support throughout their banking relationship.

During FY 2025-26, the Bank continued to strengthen its customer experience ecosystem through focused investments in grievance redressal, service quality enhancement, customer engagement and accessibility initiatives. These efforts reflect Utkarsh SFBL's commitment to building deeper customer trust while delivering banking experiences that are simple, inclusive and dependable.

Customer experience framework



Delivering customer-centric service excellence

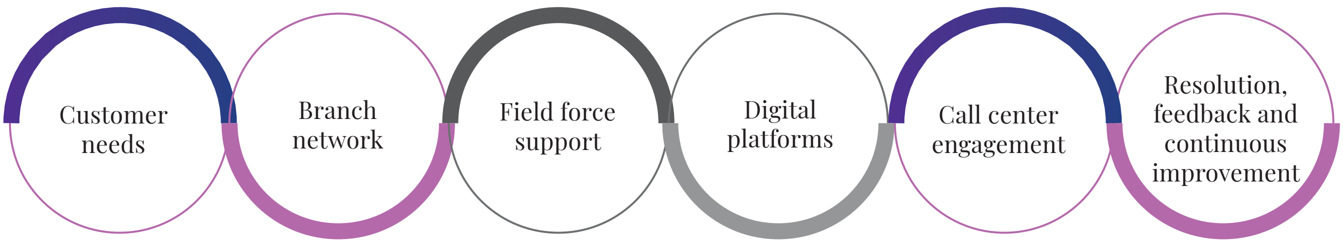
The foundation of our Bank's customer experience strategy lies in understanding the unique needs of its customers and ensuring that banking services remain accessible, reliable and responsive across every interaction.

The Bank continued to strengthen service delivery through clearly defined processes, customer-centric operating procedures and enhanced monitoring mechanisms designed to improve service consistency across its network. Particular attention was placed on ensuring that customers in rural and semi-urban markets received the same quality of service and support available across other customer segments.

To support this objective, customer-facing teams across branches, field operations and service centers were aligned through standardised service protocols and common service standards. This integrated approach helped create a more seamless customer journey while reducing friction points across the onboarding, servicing and support interactions.

The Bank's focus extended beyond transactional service delivery to building enduring customer relationships based on trust, transparency and accountability. By embedding customer-centric thinking across operational functions, Utkarsh SFBL continued to strengthen its ability to serve customers effectively throughout their banking lifecycle.

Customer experience embedded across channels



Reimagining customer journeys for greater accessibility

Utkarsh SFBL continues to simplify customer journeys across onboarding, servicing and grievance management through a combination of process improvements, assisted service models and technology-enabled support mechanisms.

Recognising the diverse needs of its customer base, the Bank focused on reducing complexity in customer interactions while ensuring that services remained accessible across physical and digital channels. Assisted service models played a particularly important role in supporting customers in rural and semi-urban markets, helping bridge accessibility gaps and improving the ease of banking.

The Bank also strengthened grievance redressal processes through centralised monitoring and structured follow-up mechanisms that enabled a faster issue resolution and improved service responsiveness. Enhanced customer communication and greater visibility into complaint status further contributed to improved customer confidence and satisfaction.

These efforts helped create a more intuitive and accessible banking experience while reinforcing the Bank's commitment to serving customers with empathy, efficiency and accountability.

Strengthening responsiveness through technology and monitoring

Technology continues to play an important role in enabling faster service delivery and improving customer engagement across the Bank's operating network.

During the year, the Bank further strengthened its customer management infrastructure through refinements in CRM tagging, integrated call center platforms and enhanced digital service channels. Automated workflows and tracking mechanisms improved issue identification, escalation management and complaint resolution effectiveness.

A centralised complaint monitoring framework enabled a greater visibility into service requests and customer grievances, allowing teams to proactively follow up on pending cases and improve turnaround times. These improvements proved particularly impactful in areas such as refund processing and charge reversal requests, where quicker resolutions have contributed to stronger customer trust and reduced repeat escalations.

By combining technology with structured monitoring and accountability, the Bank continued to enhance service quality while ensuring a more consistent customer experience across channels.

Listening, learning and improving continuously

Customer feedback remains an important source of insight for strengthening service quality and enhancing customer satisfaction.

The Bank has established multiple feedback mechanisms to capture customer perspectives across various touchpoints. These include Customer Satisfaction (CSAT) and Net Promoter Score (NPS) surveys, branch-level customer service committee interactions, call quality audits and structured analysis of customer complaints.

Insights generated through these mechanisms are regularly reviewed and translated into actionable improvements across processes, operating procedures and employee training programmes. This structured feedback loop enables the Bank to identify emerging service trends, address recurring concerns and continuously refine customer engagement practices.

The Bank also undertook targeted customer engagement initiatives during the year, including awareness campaigns and promotional outreach programmes that helped improve customer participation, strengthen brand visibility and enhance customer engagement levels.

This culture of listening and continuous improvement supports the Bank's broader objective of building stronger customer relationships while consistently elevating service standards.

Inclusive banking for every customer

Financial inclusion remains closely linked to the Bank's customer experience philosophy.

Utkarsh Small Finance Bank is committed to ensuring that banking services remain accessible to all customer segments, including senior citizens and persons with disabilities. In line with regulatory expectations, the Bank regularly reviews accessibility initiatives and reports progress to the Customer Service Committee.

Doorstep banking services are available for eligible customers within a radius of 7 kilometres from branch locations, helping improve convenience and accessibility for senior citizens and differently abled customers. The Bank also maintains and updates the list of branches offering doorstep banking services on its website.

In addition, the Bank continues to strengthen physical accessibility across its branch network by providing ramp facilities wherever feasible. These initiatives reflect the Bank's commitment to ensuring that banking remains inclusive, convenient and accessible for all customers.

Outlook

In FY 2026-27, Utkarsh Small Finance Bank will continue to strengthen customer experience by enhancing service responsiveness, expanding digital capabilities and further improving grievance redressal effectiveness.

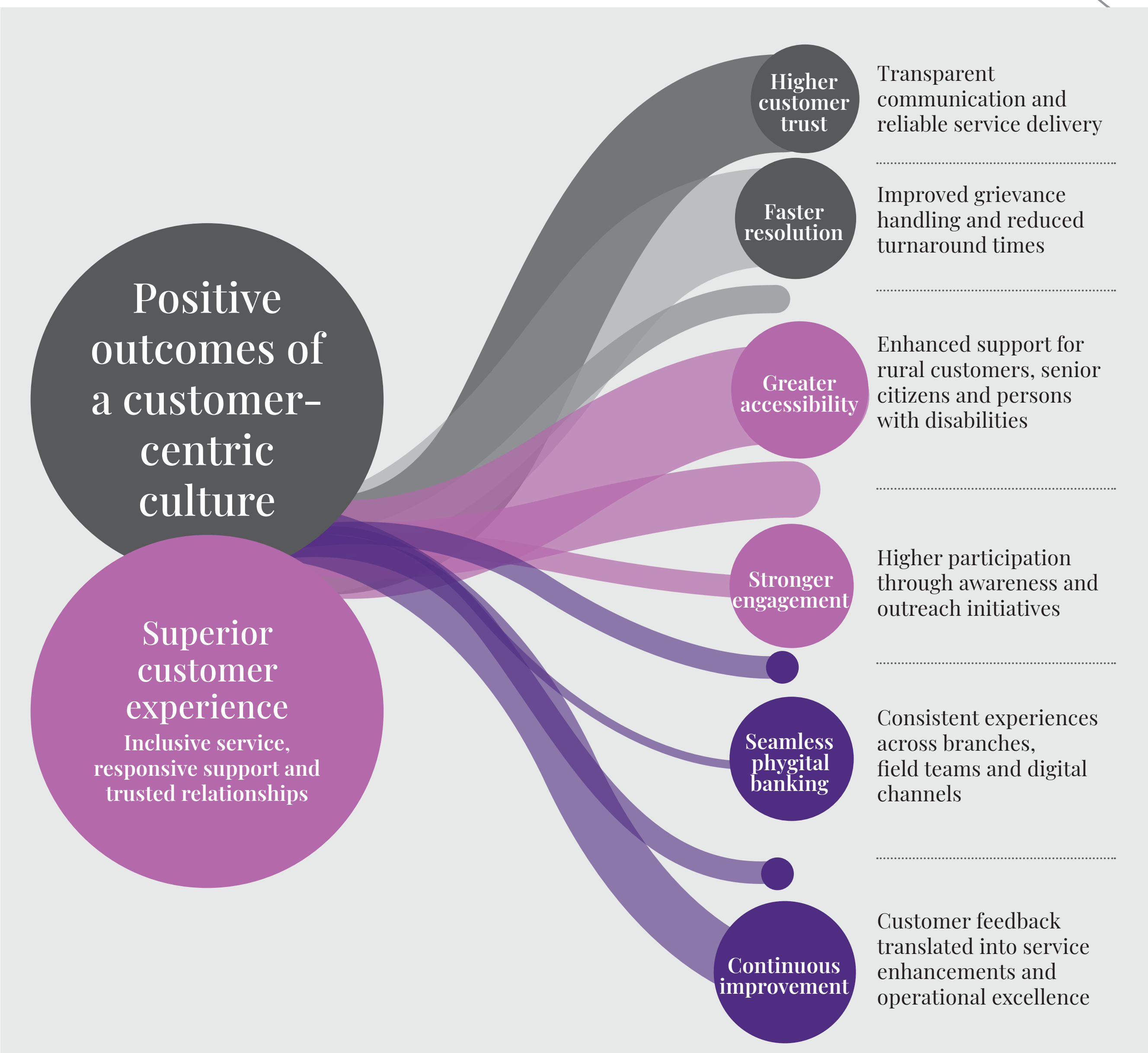
The Bank's priorities will include deeper integration across physical and digital channels, greater use of technology-enabled service monitoring, enhanced customer feedback analytics and continued investment in employee capability building to improve service delivery standards.

Accessibility and inclusion will remain important focus areas, with continued efforts to strengthen support mechanisms for senior citizens, persons with disabilities and customers in underserved markets.

The objective remains clear: to create a customer experience that is simple, trustworthy and inclusive while building stronger relationships that support long-term customer loyalty and sustainable growth.

331

Branches driving accessible doorstep banking within a 7 km radius, backed by staff training, process improvement and customer feedback initiatives.



GOVERNANCE DISCIPLINE

Regulatory compliance. Embedded into every layer at Utkarsh SFBL

Overview

The compliance function of the Bank encompasses monitoring and ensuring adherence to all applicable statutory and regulatory requirements, including the provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the Companies Act, 2013, the Prevention of Money Laundering Act (PMLA), 2002, the Foreign Exchange Management Act (FEMA), 1999, and other applicable laws.

It also ensures compliance with all Master Directions, circulars, and guidelines issued by the Reserve Bank of India and other authorities, while promoting adherence to the Bank's internal policies and governance standards.

The function oversees regulatory reporting, disclosures, and communications, ensuring all submissions are accurate, timely, and aligned with applicable regulatory requirements.

(A) Core Functions of Compliance

1. Regulatory Change Management

Regulatory Change Management involves the establishment of a structured mechanism for the systematic identification, tracking, and analysis of regulatory developments and evolving legal obligations, including RBI directions and other statutory requirements. It encompasses the comprehensive mapping of such regulatory obligations to relevant business processes, products, and functions across the Bank, along with the assessment of associated compliance risks, including regulatory, financial, and reputational risks. The framework further involves the conduct of periodic as well as event-based enterprise-wide compliance risk assessments across all functions, ensuring alignment with the Bank's overall risk profile and regulatory expectations, and facilitating timely implementation, dissemination, and monitoring of regulatory changes under the oversight of the Compliance Function.

2. Returns and Regulatory Reporting including RBS Data

The Compliance Function of the Bank is responsible for establishing a robust framework for the vetting, validation, and submission of all regulatory returns to the Reserve Bank of India (RBI) and other regulatory authorities. In line with RBI guidelines on compliance and supervisory expectations, the function ensures that all regulatory submissions are complete, accurate, and submitted within the prescribed timelines, thereby mitigating regulatory, financial, and reputational risks. A centralised Returns Calendar is maintained to capture the periodicity, format, and ownership of each return, and is disseminated across concerned departments for adherence. Further, the function acts as a single point of contact (SPOC) for regulatory correspondence, including clarifications, revisions, and supervisory reporting requirements such as Risk-Based Supervision (RBS) data submissions.

3. Policy and Process Management

The Compliance Function ensure a structured and independent framework for periodic review of all policies, processes, and procedures of the Bank, in line with applicable regulatory requirements and evolving supervisory expectations of the Reserve Bank of India (RBI). All Board-approved policies are subjected to at least an annual review, or more frequently as warranted by regulatory changes, business dynamics, or risk considerations, and placed before the Board of Directors for approval. Further, the Compliance Function facilitate comprehensive review of all operational processes and product notes to ensure alignment with extant RBI Master Directions, circulars, and statutory requirements, while identifying regulatory gaps and recommending necessary modifications. Such reviews supported by a robust regulatory change management framework, ensuring that new or amended regulations are promptly incorporated into policies and processes, with appropriate tracking, escalation of deviations, and reporting to Senior Management and the Board.

4. Compliance Risk Management

The Bank has instituted a robust Compliance Risk Management framework in line with the guidelines issued by the Reserve Bank of India (RBI) on Compliance Function and the Role of the Chief Compliance Officer (CCO), which involves bank to establish a comprehensive process for identification, assessment, monitoring, management, and reporting of compliance risks on an enterprise-wide basis. The framework entails systematic identification and mapping of all applicable regulatory obligations, including RBI Master Directions, circulars, statutory provisions, and internal policies, to respective business activities, products, and support functions. Further, the Bank undertakes a structured and risk-based assessment of compliance risks, encompassing regulatory, financial, and reputational dimensions, arising from potential non-compliance scenarios, process gaps, system limitations, or regulatory changes. In alignment with RBI's Risk-Based Supervision (RBS) approach, the compliance risk assessment is carried out across all business verticals and control functions, ensuring an enterprise-wide evaluation of the Bank's compliance risk profile and prioritisation of key risk areas.

5. Compliance Monitoring and Testing

The Compliance Function is establish a robust framework for ongoing monitoring and independent testing of regulatory compliance, in alignment with the Reserve Bank of India's (RBI) expectations under the Master Direction on Compliance Function in Banks and Risk-Based Supervision (RBS) framework. This include periodic as well as thematic compliance reviews based on a risk-based approach, focusing on areas of higher inherent and residual compliance risk. The function undertakes structured testing of key controls, processes, and regulatory adherence, ensuring alignment with applicable laws, RBI guidelines, and internal policies. All regulatory observations, supervisory concerns, and instances of non-compliance or breaches are systematically tracked through a centralised mechanism, with clear ownership, root cause analysis, and risk assessment. The Compliance Function ensure that corrective and preventive actions are implemented within defined timelines, with continuous follow-up, escalation of delays or critical issues to senior management/Board-level committees, and validation of closure. Further, management information systems (MIS) and reporting are designed to provide timely, accurate, and actionable insights to facilitate effective oversight, consistent with RBI's expectations on proactive compliance risk management and supervisory transparency.

6. Advisory Function

Providing interpretative guidance on regulatory requirements and supporting business units in product/ process structuring.

7. Compliance Risk Assessment Framework

As per the Reserve Bank of India (RBI) guidelines on Compliance Function in Banks, bank is establishing a structured and risk-based Compliance Risk Assessment Framework to systematically identify, assess, and manage compliance risks across the organisation. The framework should encompass comprehensive identification and mapping of applicable compliance obligations arising from RBI regulations, statutes, and internal policies, followed by assessment of compliance risks based on the likelihood of occurrence and potential impact. While evaluating such risks, due consideration must be given to the regulatory impact, supervisory sensitivity, financial implications, and reputational consequences of non-compliance. The framework is expected to be implemented on an enterprise-wide basis, aligned with the Bank's size, complexity, and risk profile, and should form the basis for prioritisation of compliance monitoring, testing, and reporting to senior management and the Board / Audit Committee, in line with RBI's Risk-Based Supervision approach.

8. Compliance Culture and Capacity Building

The compliance function in bank involves establishing and sustain a strong compliance culture across the organisation, driven by an explicit "tone from the top" and embedded within the overall governance framework. Bank promoted compliance as an integral part of business strategy and decision-making rather than a stand alone control function. In this regard, the Board and senior management ensure that comprehensive training and awareness programmes are conducted on an ongoing basis to enhance employees' understanding of regulatory requirements, ethical standards, and compliance responsibilities. A well established compliance culture should encourage proactive identification and mitigation of compliance risks, foster ethical conduct, and ensure personal accountability at all levels, supported by effective communication mechanisms and incentive structures, consistent with RBI's expectations on compliance philosophy and risk management. .

9. Independence Review and Quality Assurance

The Bank ensures that the Compliance Function is subject to a robust framework for independence review and quality assurance, in line with the regulatory expectations of the Reserve Bank of India (RBI) on Compliance Function in Banks. In this regard, the Compliance Function undertake periodic self-assessment of its effectiveness, covering the adequacy of compliance risk identification, monitoring, testing, and reporting mechanisms. Further, the Compliance Function is subject to independent external review at least once in three years, to provide objective assurance on its effectiveness, governance, and independence. Additionally, the Bank shall establish and maintain a Quality Assurance and Improvement Program (QAIP) for the Compliance Function, aimed at continuous evaluation and enhancement of processes, methodologies, and controls. The QAIP incorporate periodic testing, thematic reviews, benchmarking against regulatory expectations, and tracking of corrective actions, with outcomes reported to the Senior Management and the Audit Committee of the Board to ensure sustained regulatory compliance and strengthening of the overall compliance framework.

10. AML/Transaction monitoring process

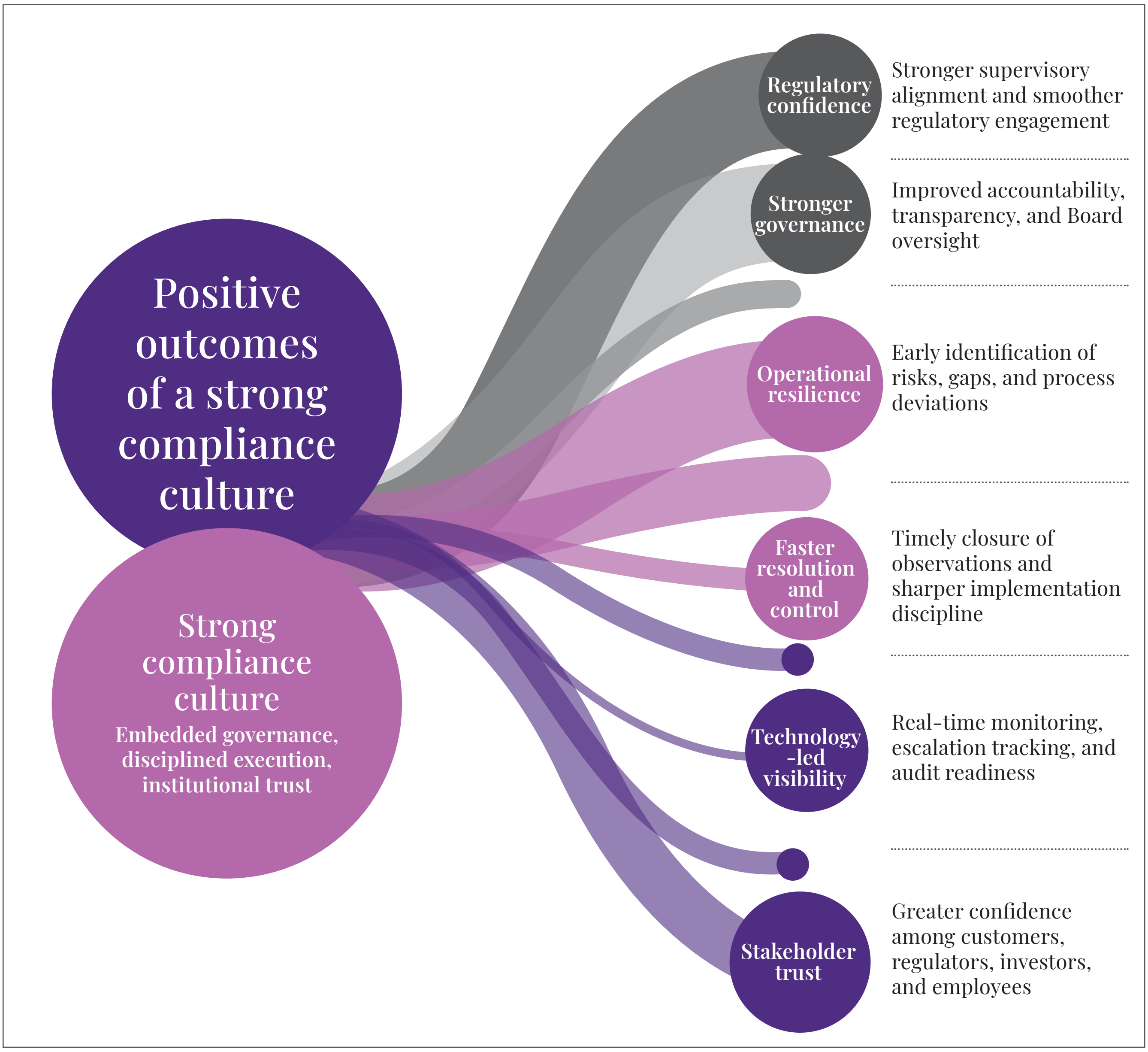
Anti-Money Laundering (AML) compliance under the Prevention of Money Laundering Act, 2002 (PMLA) aims to prevent misuse of the financial system for Laundering of proceeds of crime and Financing of terrorism. Banks, as Reporting Entities has implemented robust systems for detection, monitoring, and reporting of suspicious activities.

(B) Independence of Compliance Function

Compliance Functions in Bank are establishing a fully independent function with authority, stature, and resources to effectively discharge its responsibilities. The compliance function is separate from business and operational units and should not be involved in revenue-generating activities or subject to conflicts of interest. While business units retain primary responsibility for compliance within their respective domains, the compliance function is mandated to facilitate, oversee, and independently monitor adherence to regulatory requirements without compromising its objectivity.

(C) Governance and Oversight

The Board of Directors / Audit Committee of the Board (ACB) is responsible for approving the compliance policy, ensuring the independence and effectiveness of the compliance function, and periodically reviewing the Bank's compliance risk profile, major breaches, and status of regulatory adherence. Further, RBI mandate that compliance risk assessments, monitoring outcomes, and instances of non-compliance are reported to the ACB on a periodic basis, along with time-bound corrective action plans



BUSINESS DRIVER

Talent management at Utkarsh SFBL

We are building a future-ready team through a culture of learning, leadership and excellence

People. Why they matter for small finance banks

Enhancing frontline execution: Equips employees across branches and field operations to deliver responsive, accurate, and relationship-driven banking services.

Improving customer experience: Enables consistent service quality, faster resolution, stronger engagement, and deeper customer trust.

Driving productivity and operational discipline: Enhances execution efficiency, accountability, compliance adherence, and business performance.

Building future leadership: Strengthens leadership depth, succession readiness, and managerial effectiveness across organisational levels.

Supporting digital transformation: Prepares employees to adapt to evolving technologies, digital banking systems, and regulatory environments.

Deepening employee engagement: Builds motivation, collaboration, ownership, and a stronger sense of organisational belonging.

Reinforcing institutional culture: Creates alignment around shared values, customer-centricity, accountability, and long-term purpose.

Enhancing workforce continuity: Supports talent retention, organisational stability, and long-term institutional resilience.

18,400
Employees as on March 31, 2026

10,000+
Employees participated in developmental programmes during FY 2025-26

29.44
Average age of employees

33.62
Training hours per person per year

100
%, new joineres covered through induction and mandatory training programmes

170
Learning and capability-building interventions conducted during FY 2025-26

6
Leadership and functional development programmes implemented across levels

73.5
%, coverage achieved through digital and virtual learning initiatives

4,150
Employees covered through Sampark

86
Samvaad sessions conducted

552
Employee recognised with awards for completing 5 years of service

474
Training sessions conducted

What powers a strong bank workforce like Utkarsh SFBL

Overview

Institutions achieve scale through capital, technology, and strategy, but they sustain trust and long-term relevance through people.

In banking, employees shape the quality of customer relationships, operational discipline, compliance culture, and execution consistency across every touchpoint. As the banking environment becomes increasingly digital, competitive, and performance-driven, the role of human resources is also evolving beyond traditional workforce administration.

Today, HR functions as a strategic institutional capability focused on advancing leadership depth, enabling organisational transformation, building future readiness, and fostering a culture aligned with long-term business priorities.

For a Small Finance Bank, this becomes even more critical. Expanding across diverse and underserved markets requires a workforce that is skilled, agile, customer-centric, and deeply aligned with the institution's purpose and values.

Against this backdrop, Utkarsh Small Finance Bank continued strengthening its people ecosystem during FY 2025-26 through continuous capability building, leadership development, employee engagement, and technology-enabled workforce practices.

The Bank's people philosophy is anchored in a belief: sustainable growth can only be achieved when employees are empowered with opportunity, supported through continuous learning, and inspired by a shared institutional purpose.

The Bank's human resources strategy is designed to align business objectives with employee aspirations through transparent, equitable and employee-centric people practices. Supported by dedicated teams across recruitment, training, employee engagement, performance management, compensation and benefits, and HR operations, along with a zonal HR structure, the Bank ensures a strong workforce connectivity and last-mile employee support across geographies.

Building a learning-led and future-ready organisation

In banking, capability cannot remain static. Customer expectations evolve rapidly, regulations become increasingly dynamic, technologies continue to advance, and operating environments grow more complex. Institutions require employees who can continuously learn, adapt, and evolve alongside the business.

The Bank's learning philosophy is centred on providing continuous opportunities for employees to learn, adapt and grow throughout their professional journey. Structured learning interventions are designed to strengthen functional capability, regulatory awareness, behavioural effectiveness, leadership readiness and long-term career progression across organisational levels.

Recognising this, Utkarsh SFBL continued to place learning and capability development at the centre of its people strategy during FY 2025-26.

The Bank strengthened a structured learning ecosystem focused on enhancing functional expertise, behavioural effectiveness, leadership capability, and compliance awareness across organisational levels.

The Bank's flagship learning initiatives

Utkarsh Aarambh: A structured induction and onboarding programme designed to familiarise employees with the Bank's vision, culture, operating philosophy, and customer-centric approach. The initiative supports smoother integration into the organisation while enabling employees to transition into productive contributors with greater confidence and role clarity. Some 25,565 employees participated in onboarding and induction learning initiatives during FY 2025-26. The programme helps employees understand the Bank's vision, mission, values, culture and customer-centric approach while providing role clarity, essential resources and organisational support to enable faster integration and productivity.

Utkarsh Pragati: A career progression and performance development initiative focused on improving role readiness, enhancing performance effectiveness, and supporting long-term career growth within the organisation.

Utkarsh Udaan: A leadership development platform aimed at advancing managerial capability, decision-making effectiveness, and future leadership readiness across organisational levels.

Utkarsh Saksham: A capability enhancement initiative focused on reinforcing functional expertise, operational effectiveness, and role-based competencies across employee categories.

Utkarsh Manthan: An institutional learning platform focused on collaboration, strategic thinking, ideation, and compliance awareness to strengthen organisational alignment and decision-making capabilities.

Specialised learning interventions

The Bank also strengthened specialised learning interventions during FY 2025-26 through the following :

- Probationary Officer Programmes (PO)
- Branch Baithaks
- Leadership workshops
- Virtual learning initiatives
- Functional training across sales, liabilities, and asset businesses

The Bank conducted 474 learning and development sessions during the year, with more than 10,000 unique employees participating across capability-building, leadership, compliance, product, process and functional learning programmes.

PO Programme achievements

During FY 2025-26, the Bank onboarded 73 Probationary Officers and launched two additional batches comprising 56 students under training through partnerships with the Institute of Professional Banking (IPB) and Baddi University. The programme continues to build a pipeline of industry-ready professionals aligned with the Bank's operational and cultural requirements.

Leadership alignment workshop focus

- Shared accountability
- Leadership alignment
- Institutional culture
- Collaborative decision-making
- Transformation readiness

Collectively, these interventions reflect the Bank's broader objective of building a learning-led organisation where continuous capability development, leadership readiness, and organisational alignment remain central to long-term institutional resilience.

113
Probationary Officers onboarded

56
Students under training

5
Batches launched

Branch Baithak

Focused capability-building initiatives

During FY 2025-26, the Bank undertook several targeted learning interventions to strengthen productivity and performance across business functions. Key initiatives included:

- Branch Baithak and Asset Shakha programmes to strengthen business understanding, field-level knowledge and supervisory engagement.
- Cross-functional training for liabilities and assets customer service officers.
- Dedicated Loan Origination System (LOS) training programmes to support technology adoption and implementation.
- Virtual Instructor-Led Training (VILT) sessions for newly joined frontline employees with less than six months' tenure.
- Product and process-focused virtual learning interventions aimed at improving asset business performance and first-time-right execution in account opening and loan application processing.
- Deployment of Utkarsh Gyan through the U-Learn Learning Management System, enabling employees to access learning resources digitally and at scale.

Building a connected, engaged, and high-performing organisation

As the organisation continues to scale, strengthening workforce engagement, productivity, and organisational alignment remains central to the Bank's long-term growth journey.

During FY 2025-26, the Bank undertook multiple initiatives focused on enhancing talent retention, improving workforce effectiveness, reinforcing leadership accessibility, and fostering a more connected workplace culture.

The Bank continues to focus on building internal talent pipelines through competency mapping, succession planning, talent management frameworks, internal job postings and structured career progression opportunities. The objective is to strengthen leadership continuity while creating long-term growth opportunities for employees across functions and geographies.

The Bank believes that strong organisational culture is shaped not only through policies, but through everyday employee experiences, leadership behaviour, communication, recognition, and shared purpose.

Alongside workforce and capability-building efforts, the Bank continued enhancing employee engagement through recognition, wellness, communication, and regional connect programmes designed to foster collaboration, inclusivity, and motivation across geographies.

The Bank remains committed to supporting employee well-being through wellness programmes, fitness initiatives, emotional and mental well-being support, annual celebrations and cultural engagement activities designed to promote a healthy work-life balance and strengthen employee motivation.

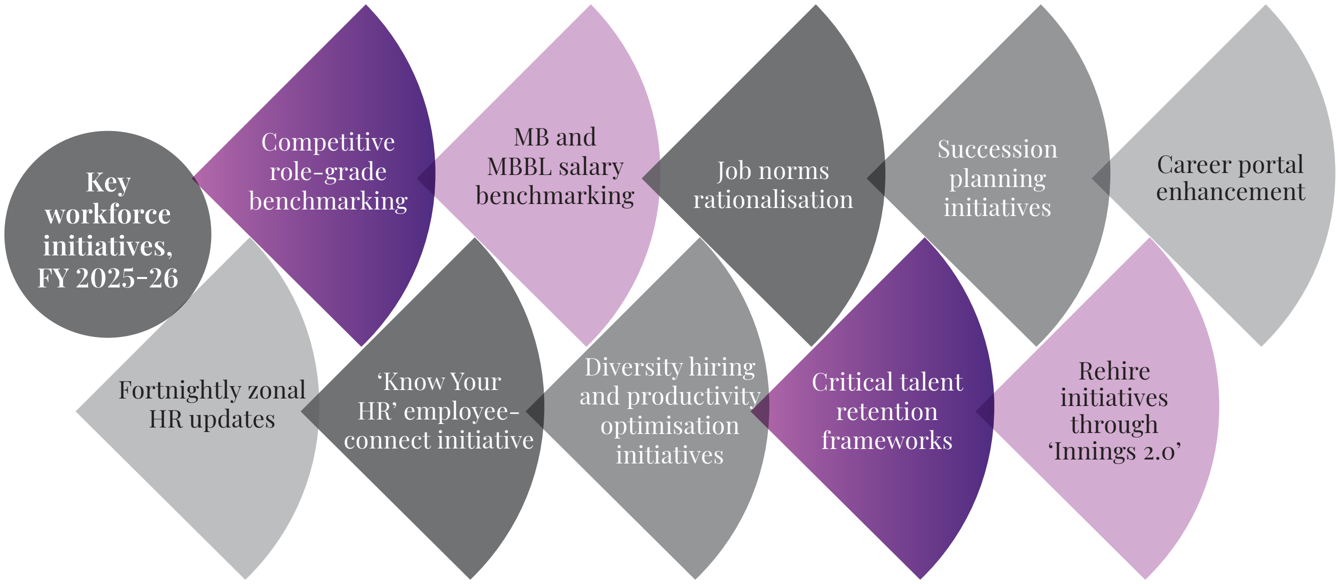
Celebrations such as the Bank's ninth anniversary, recognition of long-serving employees, employee wellness initiatives, and regional engagement programmes helped reinforce a culture of appreciation, belonging, and shared institutional pride.

The Bank strengthened leadership accessibility and internal communication through platforms such as Utkarsh Samvaad and Sampark, enabling direct interaction between employees, the Managing Director & CEO, and the Senior Leadership Team. These platforms encouraged transparency, open dialogue, stronger collaboration, and organisational alignment across levels.

During FY 2025-26, Utkarsh Sampark connected more than 4,150 employees directly with the Managing Director & CEO and senior leadership team, strengthening communication and organisational alignment. In addition, 86 Utkarsh Samvaad sessions were conducted, creating opportunities to recognise high-performing teams, share best practices and celebrate success stories across the organisation.

The Bank's objective is to build an institution where employees feel valued, connected, motivated, and aligned with the organisation's long-term vision and growth aspirations.

Utkarsh Abhyudaya programme



Technology-enabled HR ecosystem

Technology continues to play an important role in strengthening employee experience, workforce connectivity, and HR responsiveness across the organisation.

The Bank's technology-enabled HR ecosystem, supported through mobile-based platforms and digital service frameworks, provides employees with seamless access to HR services, employee records, workflows, communication channels, and engagement platforms - enabling faster support, improved accessibility, and smoother employee interaction across geographies.

The introduction of Digi Desk enabled a paperless onboarding process, significantly improving employee experience through faster documentation, real-time approvals, reduced turnaround times and lower administrative effort. The initiative has enhanced onboarding efficiency while allowing HR teams to focus more effectively on strategic workforce priorities.

These digital systems helped improve operational efficiency, simplify employee processes, strengthen workforce connectivity, and create a more responsive workplace environment.

U-Learn: In order to maintain the learning continuity at the Bank level, the Bank has a learning platform wherein employees get an easy access to a plethora of learning modules ranging from functional,behavioural, systems and self development

As the organisation scales, technology will remain central to enhancing employee engagement, improving HR agility, and enabling a more connected and future-ready workforce ecosystem.

Building a safe, inclusive, and purpose-driven workplace

A strong institution is built not only through performance, but through the quality of the environment it creates for its people.

Utkarsh SFBL continues to foster a workplace culture anchored in dignity, inclusivity, safety, accountability, and mutual respect. The Bank remains committed to creating an environment where employees feel valued, heard, respected, and empowered to grow with confidence and purpose.

The Bank maintains structured employee support mechanisms through an online grievance redressal platform and HR helpdesk, enabling employees to raise concerns, seek support and access HR services through transparent and time-bound processes.

The Bank also conducted a range of employee engagement activities throughout the year, including blood donation camps, tree plantation drives, Independence Day and Republic Day celebrations, Foundation Day observances, Diwali celebrations, Bank anniversary programmes and other cultural and festival-based initiatives that reinforced collaboration, belonging and employee participation.

The Bank's POSH Policy, applicable across employees and stakeholders, reinforces a zero-tolerance approach towards harassment, discrimination, and misconduct. Alongside policy implementation, the institution continues to strengthen awareness, governance mechanisms, and accountability frameworks to ensure a safe, respectful, and professionally supportive workplace environment.

The objective extends beyond building a productive organisation. It equally focuses on nurturing a workplace where employees feel connected to the institution's values, culture, and long-term vision.

Recognition and employee benefits

The Bank continues to support employees through a range of welfare and benefit programmes, including interest-free salary advances, housing loans, vehicle loans, mobile loans, personal loans and insurance coverage. Employee contributions are recognised through performance-linked rewards as well as awards for innovation, customer service, vigilance, risk management and organisational citizenship behaviours.

As part of its employee recognition framework, the Bank honoured 552 employees through its Long Service Award programme for completing five years of service, recognising their contribution and commitment to the organisation's growth journey.

Outlook

In FY 2026-27, Utkarsh Small Finance Bank will continue strengthening its people and capability agenda to build a more agile, learning-driven, and performance-oriented organisation.

Key priorities will include expanding leadership development, enhancing employee engagement, expanding digital HR capabilities, improving workforce productivity, and building stronger talent retention and succession frameworks.

As the banking environment continues to evolve, the Bank believes long-term institutional success will increasingly depend on the adaptability, capability, and commitment of its people.

Utkarsh SFBL remains focused on building a people-centric organisation where sustainable growth is driven by learning, leadership, collaboration, and a strong inclusive culture.

Employees

Year	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employees	15,424	16,081	19,779	18,400

Training hours

Year	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Aggregate person training hours	29.1	29.2	49.3	33.6

Average age

Year	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Average age	27.9	28.3	28.6	29.4

More than 10,000 Utkarsh SFBL employees participated in developmental and capability-building programmes during FY 2025-26, covering onboarding, leadership development, compliance awareness, virtual learning, functional capability enhancement, and field-level engagement initiatives.

The scale of participation reflects the Bank's larger commitment to creating a culture where learning remains continuous, growth opportunities remain accessible, and capability development remains embedded across organisational levels.

Our environment, social and governance commitment

Integrating financial inclusion, environmental awareness and governance discipline into a unified responsible and sustainable banking model

Environmental
- ESG risk assessment
- Solar initiatives
- Digitisation
- Energy efficiency
- Water conservation

Social
- Financial inclusion
- Women borrowers
- Financial literacy camps
- Rural outreach
- Livelihood generation

Governance
- ESG Steering Committee
- Board oversight
- Risk integration
- Disclosure frameworks

Overview

In banking, sustainability is shaped not only by financial performance, but also by how responsibly institutions allocate capital, manage risk, govern operations, and support economic participation.

As regulatory expectations evolve, climate-linked risks intensify, stakeholder scrutiny deepens, and financial inclusion assumes greater importance within economic development, Environmental, Social and Governance (ESG) considerations now directly influence institutional credibility, operating strength, and competitive positioning.

For financial institutions, ESG extends beyond sustainability disclosures or corporate responsibility initiatives. It influences lending standards, portfolio quality, governance practices, customer confidence, operational discipline, and risk management.

This is particularly relevant for a Small Finance Bank operating across underserved and emerging markets, where the role of banking extends beyond financial intermediation towards enabling inclusion, supporting livelihoods, strengthening local economies, and encouraging responsible financial behaviour.

At Utkarsh Small Finance Bank, ESG is embedded within the Bank's operating approach and governance systems. ESG considerations are incorporated across lending, borrower evaluation, portfolio monitoring, and risk oversight through a structured ESG Policy and ESG Management System (ESG-MS).

The Bank integrates ESG assessment mechanisms, exclusion lists, and mitigation covenants into relevant lending processes. Oversight is guided through a Board-level ESG Steering Committee supported by defined accountability structures, monitoring systems, and periodic reporting.

For Utkarsh SFBL, responsible banking is closely linked with financial inclusion, governance quality,

customer trust, and disciplined growth.

The Bank's ESG philosophy is anchored around three priorities:

- Expanding access to formal finance responsibly and inclusively
- Strengthening governance, transparency, and accountability
- Building operational and environmental preparedness

ESG at Utkarsh SFBL is embedded within the Bank manages its risk, governs operations, and supports sustainable growth

Financial inclusion as structured impact

The foundation of Utkarsh SFBL ESG journey lies in expanding access to formal finance across underserved and unserved segments through its micro-banking franchise and rural distribution network.

The Bank serves millions of customers across rural and semi-urban India, with a significant proportion comprising women borrowers and first-time participants in the formal banking system. This reflects the institution's role in widening financial participation and supporting grassroots economic inclusion.

Beyond access to credit, the Bank focuses on enabling financial progression and economic mobility through:

- Supporting first-time borrowers in building formal credit histories
- Enabling micro-entrepreneurs to expand businesses and income generation activities
- Facilitating migration from informal to formal financial systems
- Supporting household asset creation through housing and enterprise finance

The Bank believes inclusion must extend beyond one-time access and contribute towards stronger financial capability and economic advancement.

To strengthen accountability around impact creation, the Bank is developing structured impact measurement indicators, including:

- Share of women borrowers
- Share of first-time borrowers entering formal finance
- Customer graduation across product categories
- Repeat borrowing and enterprise expansion indicators

This shift towards measurable social outcomes strengthens transparency, visibility, and stakeholder confidence.

Responsible lending: Inclusion with discipline

Utkarsh SFBL recognises that financial inclusion must remain balanced with prudent underwriting and responsible lending practices.

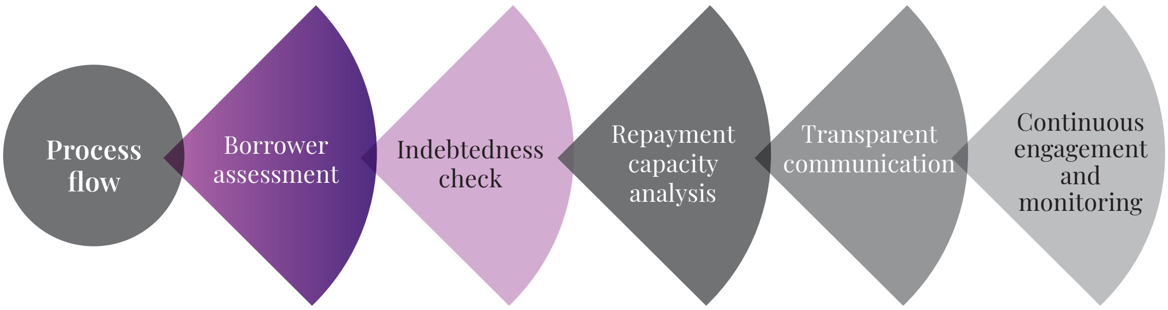
The Bank maintains responsible lending standards across micro-banking and retail operations through disciplined credit assessment, borrower engagement, and portfolio monitoring systems.

Key principles embedded across lending practices include:

- Assessment of borrower indebtedness across lenders
- Alignment of loan size with repayment capacity
- Transparent communication of product terms and obligations
- Continuous customer engagement to reinforce repayment discipline

During FY 2025-26, the Bank strengthened underwriting standards, monitoring systems, and portfolio oversight mechanisms in line with evolving regulatory expectations.

This reflects a broader operating principle: inclusion must remain responsible, disciplined, and aligned with borrower repayment capacity.



E Environmental integration: Strengthening climate and risk awareness

Although the Bank's direct environmental footprint remains relatively moderate, climate-linked risks are becoming more material across lending portfolios and borrower ecosystems.

Recognising this shift, environmental and social risk assessment mechanisms have been incorporated into the ESG-MS and broader credit evaluation processes, particularly across sectors such as agriculture, MSMEs with environmental exposure, housing, and construction.

Borrowers operating in environmentally sensitive sectors are evaluated across relevant environmental risk indicators, with mitigation measures and covenants incorporated where required.

As climate-related vulnerabilities influence borrower stability and sectoral risk, the Bank continues strengthening environmental awareness within lending, monitoring, and portfolio governance processes.

The institution also encourages financing towards energy-efficient and sustainable assets wherever feasible within its operating ecosystem.

Operationally, the Bank continues reducing its environmental footprint through:

- Digitisation and paperless banking processes
- Solar power adoption across select infrastructure
- Energy-efficient branch operations and infrastructure design
- Water conservation and resource optimisation initiatives
- Tree plantation and green campus initiatives

Together, these measures reflect the Bank's approach towards environmental stewardship, operational efficiency, and responsible resource management.

S Social: Ethics, culture and conduct

ESG is ultimately reflected through organisational behaviour, customer engagement, and everyday decision-making.

At Utkarsh SFBL, organisational culture is anchored in integrity, accountability, transparency, and customer-first thinking. These principles are reinforced through training programmes, governance mechanisms, internal controls, and leadership-led communication.

This translates into:

- Fair and respectful customer engagement
- Transparent communication of financial products and obligations
- Sensitivity towards borrower financial realities
- Ethical and accountable decision-making across operational levels

As a financial institution focused on underserved and unserved markets, the Bank views financial inclusion as an important social responsibility. Through accessible banking services, credit solutions, savings products and insurance offerings, Utkarsh SFBL seeks to expand participation in the formal financial ecosystem and support economic empowerment across communities.

The Bank also invests in building a capable and inclusive workforce. Employee learning and development initiatives, leadership programmes and capability-building interventions are designed to strengthen professional growth, encourage accountability and create a culture of continuous improvement. Efforts to foster diversity, inclusion and equal opportunity further support a workplace built on respect and collaboration.

Recognising that informed customers make better financial decisions, the Bank continues to promote financial awareness and responsible borrowing practices across its operating markets. These efforts help strengthen customer confidence, improve financial literacy and encourage long-term financial wellbeing.

The Bank also contributes to community development through initiatives focused on education, healthcare, livelihood enhancement and social welfare, creating positive impact beyond its core banking operations.

The Bank continues strengthening a culture where responsible conduct remains aligned with customer trust, stakeholder wellbeing and disciplined banking practices.

G Governance: Strengthening oversight, accountability and trust

Governance remains central to Utkarsh Small Finance Bank's operating philosophy and credibility.

The Bank's governance structure comprises:

- An experienced and independent Board
- Clearly defined committees across risk, audit, and compliance
- A dedicated ESG Steering Committee at the Management Level
- Strong internal control and audit systems
- Transparent financial disclosures and regulatory reporting practices

During FY 2025-26, the Bank strengthened governance practices through sharper integration of ESG and climate-linked risks into credit evaluation systems, standardisation of ESG covenants, and structured ESG reporting processes.

The institution's broader operating approach during FY 2025-26, marked by proactive provisioning, disciplined balance sheet actions, transparent communication, and implementation-focused execution, further reflected governance as an operating principle rather than a compliance requirement.

This governance-led structure continues to support accountability, stakeholder confidence, and operational stability.

Financial literacy and stakeholder trust

Financial inclusion becomes sustainable only when customers possess the awareness, confidence, and capability to participate responsibly within the formal financial system.

Recognising this, Utkarsh SFBL continues strengthening financial literacy and customer awareness across underserved communities through Financial Literacy Camps conducted at Unbanked Rural Centres (URCs).

These initiatives are designed not only to improve awareness, but also to strengthen trust, responsible financial behaviour, and engagement with formal banking systems.

The programmes focus on:

- Savings behaviour and household budgeting
- Digital banking awareness and adoption
- Responsible borrowing and debt repayment discipline
- Awareness around formal financial products and services

These interventions have contributed towards:

- Higher financial awareness at the grassroots level
- Increased adoption of formal banking channels
- Improved credit discipline among customers
- Stronger trust and engagement with rural communities

As banking ecosystems become more digital and formalised, financial literacy remains central to strengthening customer confidence and financial capability across emerging markets.

Community development and financial inclusion ecosystem

For Utkarsh Small Finance Bank, inclusion extends beyond lending into supporting broader community development, economic participation, and household stability.

Accordingly, the Bank continues contributing towards financial inclusion ecosystems through targeted social initiatives, partnerships, and participation in public financial infrastructure.

Key focus areas include:

- Women-focused relevant lending programmes
- Livelihood generation support initiatives
- CSR programmes across education and healthcare
- Collaboration with insurance providers and government-led schemes
- Participation in Direct Benefit Transfer (DBT) ecosystems and digital payments infrastructure

Together, these initiatives strengthen financial accessibility, improve economic participation, and reinforce the Bank's role in supporting inclusive development across underserved communities.

The broader objective remains clear - to build a more inclusive financial ecosystem where banking contributes not only towards access to credit, but also towards economic empowerment and community stability.

ESG measurement and disclosures

As stakeholder expectations around sustainability, governance, and responsible banking evolve, ESG measurement and disclosure practices are becoming more important for institutional transparency and accountability.

Recognising this shift, the Bank continues strengthening ESG reporting and monitoring systems to enable more structured evaluation of sustainability-linked performance and operating impact.

Key developments include:

- Enhanced ESG reporting and disclosure practices
- Alignment with evolving regulatory frameworks
- Preparation for emerging global ESG reporting standards
- Periodic tracking of key ESG indicators

Structured ESG reporting improves transparency, strengthens accountability, and enables stakeholders to evaluate performance beyond financial outcomes.

Over time, these systems are expected to support stronger oversight, improved decision-making visibility, and deeper stakeholder confidence.

ESG strategy and way forward

The Bank's ESG strategy is integrated with business priorities, governance systems, lending processes, and institutional planning.

As the operating environment evolves, Utkarsh SFBL recognises that durable growth and competitiveness will depend on balancing expansion with governance discipline, prudent risk management, operational efficiency, and sustainable inclusion.

Accordingly, key focus areas include:

- Embedding ESG considerations into lending and risk management systems
- Expanding green and sustainable financing initiatives where feasible
- Strengthening climate and environmental risk assessment
- Enhancing governance oversight and ESG reporting structures
- Leveraging digital transformation to improve efficiency, accessibility, and operational resilience

This approach supports stronger alignment between growth, governance quality, responsible banking, and evolving stakeholder expectations.

Utkarsh SFBL's ESG journey is progressing from a foundational alignment towards deeper operating integration. The next phase will focus on embedding ESG considerations more deeply into strategy, decision-making, governance systems, and operational processes, while strengthening impact measurement, transparency, accountability, and stakeholder engagement.

As the Bank continues expanding inclusion across underserved markets, it remains focused on balancing growth with prudent risk discipline, operational preparedness, and governance quality.

The institution believes ESG will play a larger role in shaping how financial institutions manage risk, strengthen stakeholder trust, create measurable impact, and sustain relevance within a changing banking environment.

The ESG imperative

For Utkarsh SFBL, ESG is not a standalone initiative but an extension of responsible banking. Financial inclusion, customer protection, prudent risk management, governance discipline and community development have long been embedded within the Bank's operating philosophy. As stakeholder expectations evolve, the Bank continues strengthening ESG integration across lending, operations, governance and decision-making processes.

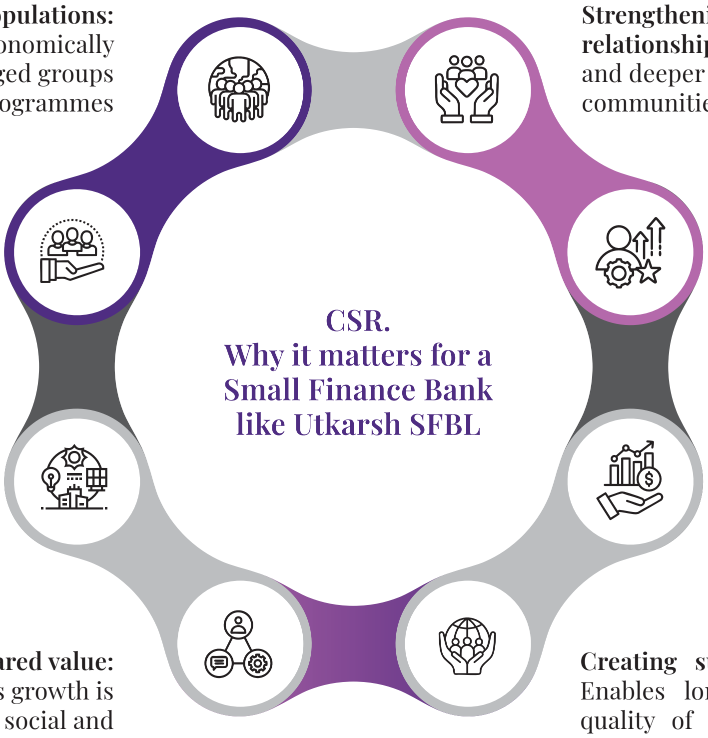
Looking ahead, Utkarsh SFBL remains focused on embedding ESG considerations more deeply into its business model, enhancing measurement and disclosure practices, and strengthening its contribution towards sustainable and inclusive development. The objective is to build a resilient institution that creates long-term value while maintaining the trust of customers, communities, regulators and investors.

The Bank's objective is not merely access to finance, but progression from first-time borrowing to long-term financial resilience.

VALUE SYSTEM

Our responsibility in action

Empowering communities through sustainable and inclusive development



Supporting vulnerable populations: Addresses the needs of economically and socially disadvantaged groups through targeted programmes

Strengthening community relationships: Builds long-term trust and deeper engagement across the communities the Bank serves

Reinforcing institutional responsibility: Reflects the Bank's commitment to responsible growth aligned with broader societal priorities

Driving inclusive development: Supports access to education, healthcare, livelihoods, and essential social infrastructure in underserved regions

Building stronger local ecosystems: Strengthens grassroots communities by supporting local institutions, skills, and self-reliance

Enhancing financial inclusion: Promotes awareness, capability building, and participation in the formal financial ecosystem

Creating long-term shared value: Ensures that business growth is accompanied by positive social and community outcomes

Creating sustainable social impact: Enables long-term improvement in quality of life through focused and measurable interventions

8.16
₹ Crore CSR contribution, FY 2025-26

8.50
₹ Crore CSR contribution, FY 2024-25

Overview

Economic progress becomes meaningful only when it is shared. In a country where access to healthcare, education, financial awareness, and livelihood opportunities remains uneven, institutions have a larger role to play in enabling social mobility and strengthening community resilience.

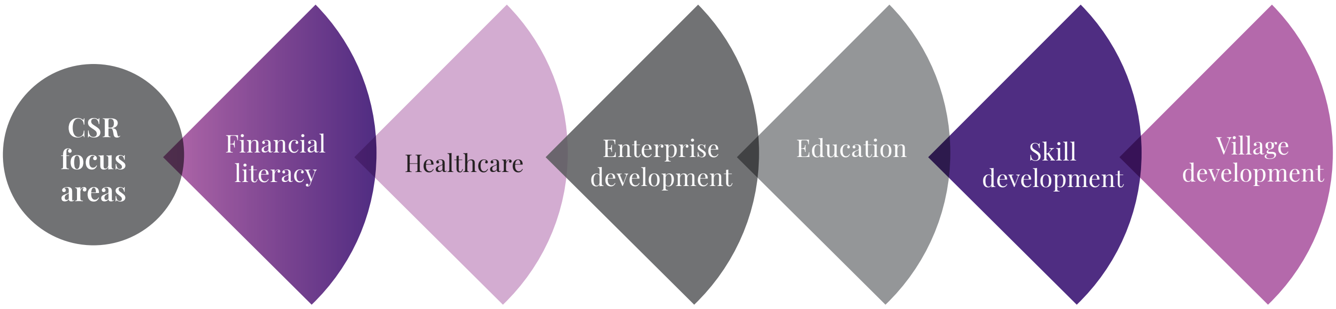
For a Small Finance Bank, this responsibility carries even greater significance. The communities it serves are often those navigating economic vulnerability, limited infrastructure, and restricted access to formal systems. In such an environment, Corporate Social Responsibility is not an adjunct to business. It becomes an extension of institutional purpose.

At Utkarsh Small Finance Bank Ltd. (USFBL), this philosophy is embedded in the way the institution approaches growth and inclusion. Through its dedicated implementation arm, Utkarsh Welfare Foundation (UWF), the Bank undertakes focused interventions aimed at improving quality of life, strengthening self-reliance, and enabling long-term community development.

The approach is rooted in a simple but important belief - sustainable impact is created when access is combined with awareness, capability, and continuity. Accordingly, the Bank's CSR initiatives are designed not as isolated activities, but as structured, outcome-oriented programmes aligned with the needs of underserved and unserved communities.

During FY 2025-26, the Bank continued to deepen its presence across key social focus areas including financial literacy, healthcare, education, skill development, enterprise development, and village development. The emphasis remained on scalable interventions, measurable outcomes, grassroots engagement, and long-term sustainability.

The direction is clear. Utkarsh SFBL is not pursuing CSR as a compliance obligation. It is building a community-centred development platform where institutional growth is aligned with social progress, dignity, and inclusive value creation.



#1 Financial *awareness*

Financial literacy is not merely an awareness intervention. It is a foundational enabler of inclusion, confidence, and economic participation. Without adequate understanding of formal financial systems, access alone cannot translate into meaningful empowerment.

Recognising this, Utkarsh Small Finance Bank has positioned financial literacy as a central pillar of its CSR strategy, with a strong focus on underserved communities and first-time users of formal banking systems.

Through Utkarsh Welfare Foundation, the Bank conducts structured programmes that simplify essential financial concepts including savings, responsible borrowing, digital transactions, insurance, and fraud awareness. The objective is not only to improve awareness, but to enable informed financial decision-making at the grassroots level.

These interventions are implemented across Bihar, Jharkhand, Madhya Pradesh, Uttar Pradesh, and Uttarakhand through community workshops, field-level engagement, digital learning modules, and flipchart-based sessions delivered by trained resource persons and community resource personnel.

The emphasis is on ensuring that financial understanding is both accessible and actionable. Accordingly, beneficiaries are actively linked to government social protection schemes and relevant financial products, helping convert awareness into adoption and participation.

1,07,978
Individuals benefitted from the financial literacy program.

19,499
Beneficiaries linked to social protection schemes.

#2 Healthcare *initiatives*

Access to quality healthcare remains one of the most significant challenges across underserved and remote regions, particularly where infrastructure gaps and awareness limitations continue to restrict timely intervention.

Utkarsh Small Finance Bank approaches healthcare through a balanced model that combines accessibility, preventive care, community awareness, and continuity of support. Implemented through E-Clinics, Swasthya Mitras, health awareness sessions, and specialised health camps, these initiatives seek to strengthen last-mile healthcare delivery while promoting long-term behavioural change.

Supported by healthcare professionals, paramedics, implementation partners, and field teams, the Bank's healthcare interventions are designed to improve access, enable early diagnosis, and strengthen community-level health resilience.

E-Clinics

E-clinic footprint, 2025-26

6	12	7
Centre in Bihar	Centre in Uttar Pradesh	Centre in Uttarakhand

Expanding healthcare access in rural India requires solutions that combine reach, continuity, and affordability. Utkarsh Small Finance Bank has strengthened this effort through a growing network of E-Clinics across Bihar, Uttar Pradesh, and Uttarakhand.

These centres provide free and accessible primary healthcare services to underserved rural communities while ensuring continuity of care through Electronic Health Record (EHR) systems that capture patient history, monitor vitals, and support treatment management.

The model extends beyond basic consultation. Sanitary pad vending machines installed across E-Clinics provide women and adolescent girls with affordable access to menstrual hygiene products at a nominal cost, reinforcing dignity, awareness, and accessibility.

IMPACT

2,99,403

Consultations were conducted through the E-Clinics in FY 2025-26

IMPACT

54,502

Beneficiaries reached through health awareness sessions

34,131

Patients were served across 205 health camps

Health awareness programmes and health camps: Building resilient communities requires healthcare models that combine awareness, prevention, and timely medical intervention. Recognising this, Utkarsh Small Finance Bank Ltd. undertakes structured health awareness programmes and community health camps designed to improve healthcare accessibility and promote informed health practices across underserved regions.

The Bank conducts awareness sessions focused on hygiene, nutrition, maternal and child health, and disease prevention, encouraging proactive healthcare management and long-term behavioural change at the grassroots level.

Complementing these initiatives, Utkarsh SFBL also organises polyclinic, multi-speciality, and special health camps across Madhya Pradesh, Uttar Pradesh, Uttarakhand, Odisha, and Jharkhand, extending essential healthcare services to remote and underserved communities.

Conducted in collaboration with partner hospitals and supported by teams of doctors, paramedics, and field staff, these camps provide free medical consultations, diagnostics, and prescribed medicines directly at the community level, improving accessibility and enabling timely medical intervention.

Swasthya Mitras

Swasthya Mitras footprint, 2025-26

10

Swasthya Mitras deployed in Almora district, Uttarakhand

60

Villages covered in Sult and Bhikiyasain blocks

In geographically challenging regions, healthcare accessibility often depends on doorstep delivery and local responsiveness. The Swasthya Mitra initiative addresses this need by delivering primary healthcare support directly within remote village communities in Uttarakhand.

Equipped with essential healthcare tools including BP machines, glucometers, thermometers, and generic medicines, Swasthya Mitras provide first-aid health check-ups and basic treatment services at the village level.

The initiative strengthens continuity of care while reducing accessibility barriers across hilly and underserved regions.

IMPACT

73,904

Individuals from hilly regions benefited from the initiative

#3 Enterprise *development programme*

Sustainable livelihood creation is central to long-term community empowerment. Enterprise development enables individuals and traditional artisan communities to improve income stability, strengthen market participation, and build economic resilience.

Through focused interventions and strategic partnerships, Utkarsh SFBL supports livelihood enhancement initiatives that improve visibility, market access, and sustainability for artisan communities.

Weavers support programme: Sustainable livelihoods for traditional artisan communities require more than skill - they require access to markets and consistent demand. Utkarsh Small Finance Bank Ltd., through its Enterprise Development Program, engages with weaver communities to strengthen their economic prospects through structured support and market integration.

The initiative is driven by regular on-ground interactions, strategic collaborations, and partnerships with key stakeholders and exhibitors, enabling artisans to expand their reach beyond local markets. By facilitating participation in exhibitions and building strong market linkages, the programme enhances visibility and unlocks new business opportunities. This approach has translated into tangible outcomes, with the Artisan Producer Company (APC) beginning to receive direct work orders - strengthening its market presence and improving livelihood sustainability for the weaver community.

#4 Education *initiatives*

Education remains one of the most powerful drivers of social mobility and long-term empowerment. Yet, access to quality learning infrastructure and effective pedagogy continues to remain uneven across rural regions.

Utkarsh SFBL addresses this challenge through targeted interventions focused on strengthening foundational learning, improving classroom engagement, and enhancing access to technology-enabled education.

Digital smart class initiative: Improving the quality of education in rural areas requires a shift from traditional teaching to experiential learning. Utkarsh Welfare Foundation, addresses this need by introducing smart classrooms that integrate audio-visual tools and interactive digital methods, making learning more engaging, effective, and enjoyable.

By strengthening classroom delivery through improved pedagogy and innovative learning techniques, the initiative creates a more interactive and technology-enabled learning environment, enhancing student engagement and overall learning outcomes.

IMPACT

15,000+
Rural children benefited

31
Smart Classes established across Uttar Pradesh and Uttarakhand

11
Primary schools covered

15
Government inter colleges covered

5
Junior high schools covered

Learning Enhancement Programme (LEP)

LEP footprint

20
Dedicated LEP centers

5
Centers in Ara, Bihar

15
Centers in Varanasi, Uttar Pradesh

Foundational learning is critical in shaping a child's academic trajectory, particularly in the early years of education. Utkarsh SFBL, through its Learning Enhancement Program, focuses on strengthening foundational literacy and numeracy skills among students in Grades 3 to 5, enabling improved learning outcomes and long-term academic success.

The programme is implemented through LEP centres, in Ara (Bihar) and in Varanasi (Uttar Pradesh), ensuring targeted support in key regions. In addition, extended academic assistance is provided to 25 children through the Building Dreams Foundation, covering both remedial education for school dropouts up to Class 8 and foundational learning up to Class 11. Delivered through digital tools such as tablets, computers, and online platforms, this integrated approach enhances accessibility, reinforces learning continuity, and supports holistic educational development.

#5 Skill development *programme*

Enhancing employability among youth requires targeted skill development aligned with market demand. Utkarsh Small Finance Bank Ltd. addresses this through structured training programmes across multiple domains, equipping candidates with practical, job-oriented skills that improve livelihood opportunities.

During the year, 646 candidates were enrolled across key skill areas, including 132 in BFSI, 63 in Mobile and Computer Repairing, 342 in Basic Computer Concepts, 6 in Beauty and Wellness, and 103 in Stitching. The programme maintains a strong focus on employability, translating training into tangible outcomes through industry linkage and placement support, with 22 candidates placed in BFSI and 6 in Mobile and Computer Repairing.

IMPACT

646
Candidates enrolled in FY 2025-26

28
Candidates secured placements

#6 Village development *programme*

Holistic rural development requires integrated interventions across livelihoods, agriculture, and sustainability. The village development programme focuses on strengthening grassroots economies, with a strong emphasis on women's empowerment and sustainable practices.

Women entrepreneurship initiatives: Empowering rural women through enterprise development is key to building sustainable and self-reliant communities. Utkarsh SFBL, supports this transition by nurturing entrepreneurial potential across activities such as backyard poultry, mushroom cultivation, and sustainable agriculture, backed by continuous technical guidance to help women establish and manage their enterprises effectively.

These interventions strengthen income-generation opportunities at the grassroots level, enabling women to move towards greater financial independence and livelihood security across multiple states.

IMPACT

570

Beneficiaries supported with mushroom cultivation startup kits in FY 2025-26

486

Women supported with backyard poultry startup kits across Bihar, Jharkhand, Odisha, Uttar Pradesh, and Uttarakhand

Supporting vegetable cultivation among farmers: Enhancing farm productivity is central to strengthening rural livelihoods. Utkarsh SFBL, supports small and marginal farmers by promoting the use of high-yield and hybrid vegetable seeds, enabling improved agricultural output and income generation. Implemented across Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh, and Uttarakhand, the initiative focuses particularly on supporting women farmers, driving more inclusive and sustainable agricultural practices.

IMPACT

4,963

Farmers supported during FY 2025-26

Sustainable agricultural practices

Environmentally responsible farming is promoted through the reduction of chemical pesticide usage and adoption of best agricultural practices. Monthly village-level Samiti meetings are conducted to review progress, introduce innovative techniques, and encourage resource-efficient farming methods.

Other CSR initiatives

Regular visits to orphanages and old-age homes: Embedding empathy into action, Utkarsh Welfare Foundation sustains regular engagement with orphanages and old-age homes through structured monthly visits. Encouraging voluntary employee participation, these interactions go beyond outreach, fostering meaningful human connection and a sense of shared responsibility. As part of these visits, essential items, snacks, and food are distributed, reinforcing the Foundation's commitment to care, dignity, and community support.

Supporting rural talent: Master Badal: Nurturing individual potential is integral to inclusive development. Utkarsh Welfare Foundation continues to support Master Badal (11) for his athletic development and overall well-being, enabling his participation in competitive platforms and strengthening his growth journey. With consistent support, he has participated in several prominent marathons and achieved commendable rankings, reflecting his growing discipline, determination, and promise in athletics.

Women driving squad – Enterprise development programme: Empowerment is most meaningful when it translates into confidence and capability. Under the Enterprise Development Program, Utkarsh Welfare Foundation enabled four women from the VDP Model Village in Kazi Sarai, Varanasi (Uttar Pradesh), to undergo structured training in four-wheeler driving. The training, conducted through a professional institute in Harhua, Varanasi, spanned one month and included practical sessions on village roads and highways, along with classroom instruction on traffic rules and key aspects of the driving profession. Their consistent participation and commitment throughout the programme reflected strong enthusiasm and dedication to learning. This initiative, supported by Utkarsh Welfare Foundation, has enhanced their confidence and strengthened their journey towards self-reliance.

Outlook

In FY 2026-27, Utkarsh Small Finance Bank Ltd. will continue to strengthen its CSR approach by deepening impact across its core focus areas while expanding outreach into underserved and high-need geographies. The emphasis will remain on scalable, outcome-oriented interventions that translate access into meaningful and measurable social progress through stronger community engagement, institutional partnerships, and sustained grassroots implementation.

The Bank will continue to focus on building long-term resilience across communities by advancing financial awareness, healthcare accessibility, education, livelihood generation, and women-led empowerment initiatives. As the social landscape continues to evolve, Utkarsh SFBL CSR philosophy will remain anchored in inclusive development, ensuring that growth is accompanied by dignity, opportunity, and stronger community self-reliance.

Board of Directors

Dr Kshatrapati Shivaji

Independent Director and Part Time Chairman

Kshatrapati Shivaji is a retired IAS officer with over 35 years of experience across the finance, trade, and industrial sectors. His last assignment was as Member of the Maharashtra Real Estate Appellate Tribunal, holding the rank and status equivalent to the Chief Secretary to the Government of Maharashtra.

Over the course of his career, he has built extensive expertise across financial institutions, industrial development, and public administration. His leadership experience includes serving as Dean and Executive Director on the Board of the Asian Development Bank, representing seven countries including India. He has also held senior positions such as Chairman and Managing Director of SIDBI and Maharashtra Financial Corporation, Managing Director of Kerala Financial Corporation and Kerala State Cooperative Banks, and Director in the Department of Economic Affairs, Ministry of Finance, Government of India.

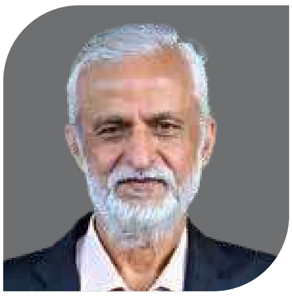
In addition, he has served as Principal Secretary, Finance Department and Industry Department, Government of Maharashtra, Development Commissioner of Industries, CEO of MIDC, Secretary (IT), Maharashtra, and Head of MPEDA's New York Office.

Mr. Parveen Kumar Gupta

Independent Director

Parveen Kumar Gupta holds a Bachelor's degree in Commerce from Guru Nanak Dev University and is an Associate Member of The Institute of Company Secretaries of India. He is also a Certified Associate of the Indian Institute of Bankers.

He retired as Managing Director of State Bank of India after a distinguished career spanning 38 years across India and overseas markets. He has also served as Senior Advisor to Bank of Baroda.



Mr. Ajay Kumar Kapur

Independent Director

Ajay Kumar Kapur holds a Bachelor's degree in Industrial Engineering from the University of Roorkee, now known as Indian Institute of Technology Roorkee.

He has been associated with organisations such as Punjab Tractors Limited, Industrial Development Bank of India, India SME Technology Services Limited, and SIDBI. He is presently engaged as an advisor to the United Nations.

Ms. Gauri Rushabh Shah

Independent Director

Gauri Rushabh Shah has over 20 years of experience across accountancy, corporate finance, mergers and acquisitions, valuations, succession planning, corporate laws, and strategic advisory.

She began her professional journey with Deloitte and later played a key role at C.C. Chokshi Advisors Private Limited, where she contributed to the establishment of the family office and succession planning vertical, along with broader corporate advisory solutions.

She previously served on the Board of Fedfina Financial Services Limited, a subsidiary of Federal Bank Limited, from 2015 to early 2025, where she chaired the Audit Committee, Nomination and Remuneration Committee, and CSR Committee.

She is currently a Partner at Grant Thornton Bharat LLP.

Ms. Kalpana Prakash Pandey

Independent Director

Kalpana Prakash Pandey holds a Bachelor's degree in Science and a Master's degree in Physics from Garhwal University. She also earned a Master's degree in Technology in Computer Science and Technology, along with a Postgraduate Diploma in Electronics and Communication Engineering, from the University of Roorkee, now known as Indian Institute of Technology Roorkee.

She previously served as Managing Director and Chief Executive Officer of CRIF High Mark Credit Information Services Private Limited, an RBI-licensed credit bureau. Her professional experience also includes associations with IDBI Principal Asset Management Company, State Bank of India, and HDFC Bank Limited.

Dr Ram Jass Yadav

Non-Executive and Non-Independent Director

Ram Jass Yadav brings over four decades of experience across retail banking, corporate banking, treasury, credit, risk management, compliance, and governance. He is recognised for his leadership in digital transformation, strategic planning, institution building, and operational excellence.

He began his banking career with Bank of Baroda in 1984 and rose to the position of Chief General Manager, the highest cadre within the Bank. During his career, he served on the Boards of nine financial institutions and was appointed Executive Director of Punjab & Sind Bank by the Government of India.

Dr Yadav is a CAIIB All India Topper, MBA, qualified Company Secretary, Cost and Management Accountant, and holds a Ph.D. in Banking and Finance from M. L. Sukhadia University, Udaipur.

Mr. Anjani Kumar Srivastava

Additional Director (Non-Executive and Non-Independent)

Anjani Kumar Srivastava serves as Chief General Manager at SIDBI. A Civil Engineer from the University of Delhi, he brings more than 32 years of experience in development banking.

During his tenure at SIDBI, he has worked extensively across MSME credit and receivable financing, infrastructure financing, stressed asset management, NPA resolution, and human resources. His assignments have spanned branches, regional offices, and head office functions across New Delhi, Ahmedabad, Lucknow, Mumbai, and Pune.

He previously headed SIDBI's Pune Regional Office, overseeing operations across Maharashtra, Madhya Pradesh, and Daman. He was also a key member of the team involved in establishing India SME Asset Reconstruction Company Limited, an RBI-registered ARC, and served as Chief Financial Officer of MUDRA, a subsidiary of SIDBI.

He currently oversees the Premises Vertical at SIDBI.

Mr. Govind Singh

Managing Director and CEO

Govind Singh serves as the Managing Director and Chief Executive Officer of the Bank. He holds a Bachelor's degree in Commerce from Delhi University and is a Certified Associate of the Indian Institute of Bankers.

Prior to joining the Bank, he was associated with ICICI Bank Limited as Assistant General Manager. He has also worked with Surya Fincap Limited, UTI Bank Limited, Allahabad Bank, State Bank of Patiala, and Bank Internasional Indonesia. Earlier, he served as Managing Director and CEO of the Bank's promoter entity, Utkarsh Core Invest.

In FY 2022, he received the Award of Excellence for APY Big Believers (ABB) 4.0 from the Pension Fund Regulatory and Development Authority.

Key Management Personnel

Mr. Govind Singh

Managing Director and CEO

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Mr. Sarjukumar Pravin Simaria

Chief Financial Officer

Mr. Sarju Simaria is the Chief Financial Officer of our Bank with eff ect from October 31, 2022. He is responsible for the financial affairs of our Bank. He holds a bachelor's degree in commerce from the University of Bombay and is an associate of the ICAI. He received the 'CA CFO- for Large Corporates BFSI Award' from the Committee for Members in Industry of Business (CMI&B), ICAI in the year 2022 and 'CFO Lifetime Achievement Award' at the CFO Vision & Innovation Summit & Awards in the year 2022.

He has experience in the field of financial management and has previously worked at SUN F&C Asset Management (I) Pvt. Ltd., Edelweiss Tokio Life Insurance Company Limited, Fino Payments Bank Limited, ECL Finance Limited and Edelweiss Financial Services Limited as their chief financial officer and at Canbank Investment Management Services Ltd., HDFC Asset Management Company Limited, AIG Global Asset Management Company (India) Private Limited and American International Group, Inc.

Mr. Muthiah Ganapathy

Company Secretary & Compliance Officer

Muthiah Ganapathy serves as the Company Secretary and Compliance Officer of the Bank. He has been an Associate Member of The Institute of Company Secretaries of India since 2001 and became a Fellow Member in 2008.

He holds a Bachelor's degree in Law from the University of Bombay and brings extensive experience in corporate secretarial and compliance functions. He has previously worked with Aditya Birla Housing Finance Limited, Fortune Financial Services (India) Limited, S. Anantha & Co., Suresh Surana & Associates, and Sky Industries Limited.

Leadership team

Mr. Abhijeet Bhattacharjee

Chief Information Officer

Abhijeet Bhattacharjee serves as the Chief Information Officer of the Bank. He holds a Bachelor's degree in Science from the University of Calcutta and a Master's degree in Information Management from the University of Mumbai.

With extensive experience in information technology and digital banking, he has previously worked with RBL Bank Limited as Head of Digital Channels, UTI Bank Limited as Deputy Manager, and Royal Bank of Scotland N.V. as Vice President.

Mr. Amit Acharya

Chief Risk Officer

Amit Acharya holds a Master's degree in Physics from Barkatullah University, Bhopal, along with an Honours Diploma in Systems Management from NIIT, Bhopal.

He brings over 25 years of experience, including more than two decades across banking and consumer lending, covering secured and unsecured lending, MSME, and corporate finance. His expertise spans credit and risk management, underwriting, portfolio monitoring, business transformation, process quality, and re-engineering.

Before joining the Bank in March 2020, he spent 16 years with Axis Bank in multiple leadership roles, including National Credit Manager for Retail Lending and Head - Credit Quality & Internal Controls. He has also worked with ICICI Bank and Kotak Mahindra Bank.

At the Bank, he has led credit underwriting and policy functions across retail, MSME, and corporate lending, while overseeing credit monitoring and management as well as board-level credit committees.

Mr. Abhay Kataria

Head - Assets

Abhay Kataria holds a Bachelor's degree in Science from St. Xavier's College, Calcutta University, and an MBA from Symbiosis Institute of Management Studies.

He brings around 25 years of experience in the BFSI sector with deep expertise in retail assets, network expansion, channel partnerships, business planning, and product positioning across banks and NBFCs.

His career includes leadership roles at Godrej Capital, Ujjivan Small Finance Bank, Capital First Limited (now IDFC FIRST Bank), Muthoot Housing Finance Company, HDFC Bank, ICICI Bank, and Modi Xerox Limited. He has extensive experience in building high-performing teams and scaling retail lending businesses across urban and rural markets.

Mr. Anindya Mitra

Chief Credit Officer

Anindya Mitra has over 33 years of experience in the banking and financial services industry.

Before joining the Bank, he worked with HDFC Bank, Axis Bank, ICICI Bank, and Bandhan Bank across various leadership roles and geographies. At Bandhan Bank, he was part of the founding team between 2014 and 2018 and played a key role in establishing the Retail Asset vertical from the conceptual stage.

Ms. Dhara Vyas

Chief Human Resources Officer

Dhara Vyas holds a Master's degree in Human Resources with over 25 years of experience in people strategy, organisational transformation, and culture-building across financial services and development-focused organisations.

Her expertise includes workforce expansion, HR digitisation, AI-enabled recruitment, advanced HRMS implementation, employer branding, leadership development, and inclusive workplace practices. She has worked extensively on aligning human capital strategies with long-term business growth and operational scalability.

Prior to joining the Bank, she was associated with Suryoday Small Finance Bank, Grameen Foundation India, Accion International USA, Swadhaar Finserve, Kotak Mahindra Bank, HDFC Bank, and ANZ Grindlays Bank India. Her last assignment was with Pahal Financial Services Private Limited.

Mr. G. H. Vijay Raghava

Head- Treasury

G. H. Vijay Raghava is a seasoned banking professional with over 38 years of experience across treasury, trading, risk management, project analysis, and business growth. Prior to joining the Bank, he was associated with Suryoday Small Finance Bank. He has held key positions at ICICI Bank and Bank of India, and has also contributed to the financial information services domain with Cogencis Information Services Ltd. He holds a Bachelor's degree in Electronics from Delhi University and is a Certified Associate of the Indian Institute of Bankers (CAIIB).

Mr. Rahul Dey

Head Operations & Administration

Rahul Dey holds a Bachelor's degree in Forestry from the North Eastern Regional Institute of Science and Technology, Nirjuli, Itanagar, and a Post Graduate Diploma in Rural Management from Xavier Institute of Management, Bhubaneswar. He is also a Certified Associate of the Indian Institute of Bankers.

He has extensive experience across banking and microfinance operations. Prior to joining the Bank, he worked with Ujjivan Financial Services Private Limited, Spandana Spoorthy Financial Limited, Anjali Microfinance Private Limited, ICICI Bank Limited, and BILT Tree Tech Limited. He was also associated with the Bank's promoter entity as Vice President.

Mr. Ritesh Kumar

Chief Compliance Officer

Ritesh Kumar holds a Bachelor's degree in Science from Bangalore University and an MBA from Patna University. He is a CAIIB-certified banking professional and also holds a Post Graduate Diploma in Banking and Finance from NIBM, Pune.

He has completed multiple certifications in risk management, market risk capital frameworks, trade finance, and SME financing from institutions including IIBF, CISI London, and NIBM Pune.

With over 25 years of banking experience, he began his career with Canara Bank and later worked with IDBI Bank Limited and Doha Bank QPSC across risk management and vigilance functions. Before joining the Bank, he served as Deputy Chief Compliance Officer at DCB Bank Limited, overseeing assurance, compliance advisory, monitoring, and testing functions.

Dr Sourabh Ghosh

Head-Consumer Banking

Sourabh Ghosh brings over 25 years of experience across banking, sales, strategy, financial services, product management, and P&L leadership.

Before joining the Bank, he served as President and National Business Manager - Branch Banking at AU Small Finance Bank. He has also worked with Kotak Mahindra Bank, ICICI Bank, and IDBI Bank.

He holds a Ph.D. in Management from Chitkara University, Chandigarh, an MBA from the University of Lucknow, and a Bachelor's degree in Arts from the University of Lucknow.

Ms. Suchita Chatterjee

Head Internal Audit

Suchita Chatterjee holds a Master's degree in Business Administration from Calcutta University and an LLB from Utkal University.

She brings over 20 years of experience in audit and control functions across banking and microfinance institutions, including Ujjivan, IndusInd Bank, and Bharat Financials.

Mr. Virender Sharma

Head - Micro Banking

Virender Sharma has over 25 years of experience across rural banking, institutional finance, and retail financial services.

Prior to joining the Bank, he worked with AU Small Finance Bank Limited, RBL Finserve Private Limited, and ICICI Bank Limited, among others, with a strong focus on the microfinance business.

He holds a PGDBM and a Bachelor's degree in Electronics Engineering from Bangalore University. He is also an alumnus of the Harvard Business School Leadership Program and the Senior Management Program at Indian Institute of Management Calcutta.

Management Discussion and Analysis

Management discussion and analysis

Indian Economy Review

Overview

India remained the world's fastest-growing major economy in FY26, with estimated GDP growth of 7.6% compared to 7.1% in FY25. Real GDP at constant prices rose to ₹322.58 lakh Crore, supported by strong consumption, rising investments and broad-based sectoral momentum. Services continued to drive growth, expanding 9.0%, while manufacturing GVA grew 11.5%, reflecting strengthening industrial activity. Consumption and investment remained healthy, with both private consumption and capital investment recording growth above 7%.

Inflation remained benign, with CPI estimated at 2.1% for FY26, enabling cumulative policy rate cuts of 125 basis points to support economic activity. However, global uncertainty and capital flow volatility weighed on financial markets. The Indian rupee depreciated 9.88% against the US dollar, while foreign portfolio investors withdrew a record ₹1.8 trillion. Strong domestic institutional inflows of ₹8.55 trillion partially offset these outflows. India's market capitalisation declined to $4.5 trillion amid geopolitical tensions and global trade concerns, while gold prices surged 61.47% due to safe-haven demand.

India's fiscal and banking fundamentals remained resilient. Net direct tax collections increased 7.19% to ₹22.8 trillion, supported by formalisation and improved compliance. The banking sector demonstrated stronger asset quality, with gross NPAs declining to 2.1%, while scheduled commercial banks reported RoA of 1.3% and RoE of 12.5%.

Looking ahead, India's growth outlook remains favourable, supported by policy reforms, tax relief measures, infrastructure spending, improving credit growth, and resilient domestic demand. Despite risks from global uncertainty and energy prices, India is expected to remain a key engine of global economic growth.

(Source: MoSPI, Press Information Bureau)

Industry overview

Indian Banking Industry

India's banking sector continues to play a critical role in supporting economic growth, financial inclusion and digital transformation under the regulatory guidance of the Reserve Bank of India. Stronger underwriting standards, healthier borrower profiles and disciplined risk management have strengthened sector stability.

Gross non-performing assets (NPAs) declined to an estimated historic low of nearly 2.0% in March 2026 and are expected to remain contained at around 2.2% in FY27 despite geopolitical uncertainty, commodity volatility and currency pressures. Retail lending, which accounts for nearly one-third of total credit, also remains resilient, with gross NPAs estimated at approximately 1.3%. Housing loans continue to demonstrate strong asset quality, while corrective measures in unsecured lending have improved the performance of newer loan vintages.

The sector has also recorded strong balance sheet growth. Between 2015 and 2025, bank deposits increased from ₹95.99 lakh Crore to ₹253.32 lakh Crore, while credit expanded from ₹66.91 lakh Crore to ₹181.34 lakh Crore, reflecting deeper financial penetration and sustained demand.

Looking ahead, the sector remains well-positioned, supported by robust capitalisation, improving asset quality and advanced digital capabilities, enabling banks to support inclusive and long-term economic growth.

RBI. (Source: PIB, Crisil intelligence)

Small Finance Banking industry

India's Small Finance Banks (SFBs) continued to demonstrate strong growth momentum in FY26, with loan portfolio growth exceeding 20%, significantly higher than overall banking sector credit growth of 13.8%. Their share in total banking credit increased from 0.4% in FY18 to nearly 1.5% in FY25, reflecting expanding relevance in underserved markets.

The sector is gradually shifting toward secured lending to improve risk-adjusted returns and strengthen portfolio quality amid stress in parts of the microfinance segment. Asset quality has shown signs of improvement, while capital levels remain comfortably above regulatory norms.

Deposit growth remained healthy with marginal improvements in CASA Ratio. Regulatory easing in Priority Sector Lending norms has improved flexibility and diversification opportunities, supporting long-term sustainable growth for the sector.

(Source: Cera rating, MoSPI, Press Information Bureau)

Microfinance industry

The microfinance sector continued to navigate the after-effects of the recent asset quality cycle in FY26, although signs of recovery began to emerge. As of April 30, 2026, the industry's total microfinance portfolio stood at ₹3.34 trillion, reflecting a 9% year-on-year decline, while disbursement volumes during May 2025-April 2026 declined by 18%. Encouragingly, portfolio quality improved significantly, with the 30+ DPD delinquency rate declining to 2.5% from 6.4% a year earlier, supported by tighter underwriting standards and enhanced credit discipline across the industry.

Credit costs, which had risen sharply in FY25, are expected to moderate steadily over the next two years, while gross NPAs are projected to decline as portfolio performance normalises. Although growth is likely to remain measured in the near term, improving asset quality, stable liquidity conditions and stronger lending practices are expected to support a gradual recovery in AUM growth and profitability, with a broader earnings revival anticipated from FY27 onwards.

(Source: ICRA, CareEdge Ratings)

Micro, Small and Medium Enterprises (MSME)

India's MSME sector remains a key pillar of economic growth, contributing 31.1% to GDP, 35.4% to manufacturing output, and 48.58% to exports in FY26. With over 7.47 Crore enterprises employing more than 32.82 Crore people, the sector is the country's second-largest employment generator after agriculture.

MSMEs have demonstrated strong post-pandemic recovery, supported by rising formalisation, improved access to institutional credit, and deeper integration into supply chains. Export performance has strengthened significantly, with MSME exports tripling to nearly ₹12 lakh Crore over the past five years, while NPAs declined to around ₹80,749 Crore in FY25, reflecting improving financial health.

Policy initiatives, including the SRI Fund and MSME-Innovative scheme, alongside Union Budget 2026-27 measures focused on liquidity, equity access and exports, are expected to further strengthen long-term sector growth.

(Source: PIB)

Housing finance

India's housing finance sector witnessed steady growth, with the aggregate loan portfolio increasing from ₹7.9 lakh Crore in FY21 to ₹9.6 lakh Crore in FY25. Affordable Housing Finance Companies (AHFCs) emerged as a key growth driver, increasing their share in total HFC portfolios from 10% to nearly 18% during the period.

The AHFC segment recorded strong AUM growth of around 18% CAGR, reaching ₹1.55 lakh Crore by FY25, supported by urbanisation, rising homeownership aspirations and government initiatives such as PMAY. The segment primarily serves self-employed and informal-income borrowers in semi-urban and smaller towns.

Asset quality has remained broadly stable, while strong policy support, favourable demographics and continued housing demand are expected to sustain long-term growth in affordable housing finance.

(Source: Cera rating)

Commercial vehicle & Construction equipment finance

The construction equipment finance market has recorded strong growth, driven by infrastructure expansion, rising mechanisation and increasing demand for heavy equipment financing. The global market grew from USD 63.63 billion in 2025 to USD 69.26 billion in 2026 and is expected to reach USD 98.19 billion by 2030, supported by digital finance platforms, equipment leasing and flexible financing models.

In India, the commercial vehicle financing market stood at USD 28.5 billion in 2025 and is projected to grow at a CAGR of 12.5% through 2033. Growth is being supported by infrastructure investments under PM Gati Shakti, rising fleet demand, expanding NBFC penetration in Tier II and III markets, and increasing financing demand for electric commercial vehicles.

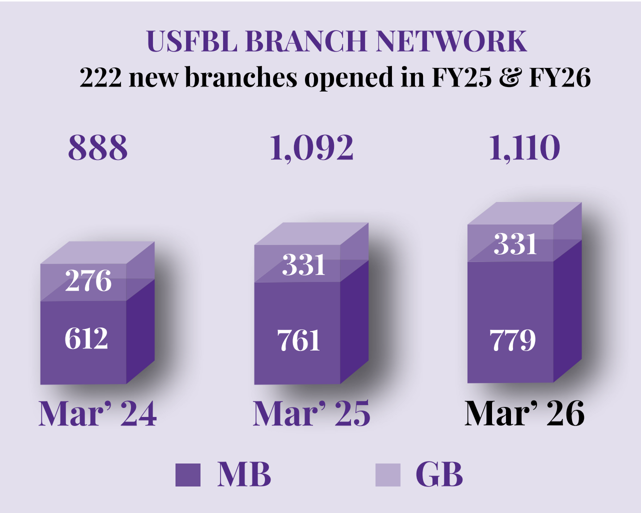
(Source: MoSPI, Press Information Bureau)

Utkarsh Small Finance Bank Overview

Headquartered in Varanasi, Uttar Pradesh, Utkarsh Small Finance Bank Limited (USFBL) was incorporated on April 30, 2016, as a public limited company under the Companies Act, 2013. As of March 31, 2026, the bank has established a strong presence nationwide through its 1,110 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, 2026, 27% of USFBL's outlets were situated in URCs. Over the past two financial years, the Bank has added more than 220 branches, a steady expansion that supports its ongoing business growth and strengthens its diversified operational profile.

As of March 31, 2026, Utkarsh Small Finance Bank's branch network comprised 779 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, having products such as MSME (retail assets) loans, housing loans, and loans for commercial vehicles and construction equipment.



USFBL 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, 2026, these states accounted for 48% of the bank's gross loan portfolio, highlighting both its impact and the significant growth potential in these areas. USFBL actively expands its footprint across other geographies like Orissa, Madhya Pradesh and Rajasthan etc.

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 and construction equipment (CV & CE) financing.

As of March 31, 2026, USFBL had a strong workforce of 18,400 employees, serving a customer base exceeding 5.1 million. The bank's gross loan portfolio reached ₹19,332.44 Crores, reflecting continued growth and outreach.

USFBL offers a wide range of banking services in line with the mandate 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, and UPI-based transactions.

The bank's deposit base also maintained its consistent growth, rising from ₹21,565.70 Crores as of March 31, 2025, to ₹21,653.98 Crores as of March 31, 2026, underscoring continued customer trust and engagement.

Focus on Financial inclusion, offer a range of financial products and services that address the specific requirements of customer segments

ASSET PRODUCTS

Micro-banking (38%)

- Joint liability group loans (28%)
- Business loans (11%)

Wholesale lending (FI, BBG & TReDS) (15%)

Other retail loans (46%)

- MSME loans (retail assets)
- Housing loans
- CV/CE loans
- ODFD
- Gold loan
- Other retail loans and BC channels

LIABILITY PRODUCTS

- Current account
- Savings account
- Term and recurring deposit accounts

OTHER PRODUCTS AND SERVICES

- Insurance products
- Mutual funds
- Locker facilities
- Integrated bill payment system
- Distribution and facilitation of accounts under certain Government Schemes
- Internet banking
- Mobile banking
- ATM-cum-Debit Cards
- UPI payment solutions

Portfolio split % (Mar'26)

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 FY2025-26

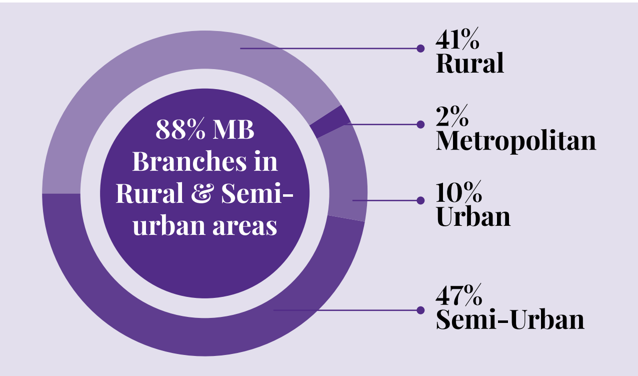
Network	Assets	Liabilities	Financial performance	Capital structure	Asset quality
1,110 vs. **[1,092]** Banking outlets	**₹19,332** cr. vs. **[₹19,666** cr.**]** Gross loan portfolio	**24.0%** vs **[21.8%]** CASA Ratio	Loss **₹1,151** cr. vs. Profit **[₹24** cr.**]** Profit After Tax	**₹2,776** cr. vs. **[₹2,975** cr.**]** Capital + Reserves	**7.7%** vs. **[9.4%]** Gross NPAs
27 States and UTs	**-1.7 %** Gross loan portfolio growth YoY	**₹21,654** cr. vs. **[₹21,566** cr.**]** Deposits	**₹56** cr. vs. **[₹1,007** cr.**]** Pre-provisioning Operating Profit	**17.7%** vs. **[20.9%]** CRAR	**3.3%** vs. **[4.8%]** Net NPA
18,400 vs. **[19,779]** Employees	**51%** vs. **[43%]** Share of secured loans in gross loan portfolio	**0.4% / 19.6%** Deposits / RTD growth YoY	**97.0%** vs. **[61.6%]** Cost to Income	**83.4%*** vs. **[86.8%]** CD Ratio	**59.3%** vs. **[51.2%]** Provision Coverage Ratio
		82.7% vs. **[71.1%]** CASA+Retail Term Deposit Ratio	**-4.1% / -42.1%** vs. [0.1% / 0.8%] RoAA / RoAE		

Figures in [] represent FY25
*CD Ratio at 76% excluding advances against which refinance is raised

Business performance

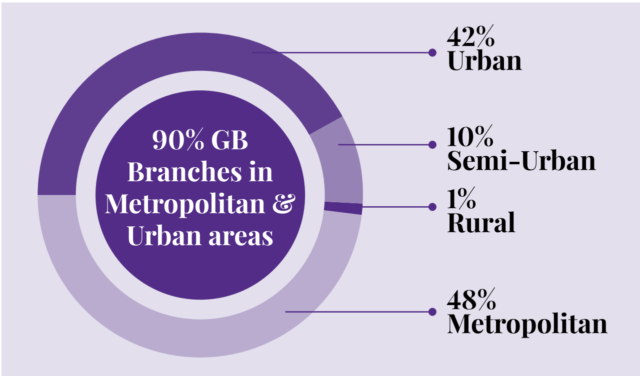
The bank has built a robust presence in rural and semi-urban areas, with approximately 65% of its branches located in these regions. Its distinctive branch network is designed to deliver customized and relevant financial solutions while maintaining operational cost efficiency. The bank's micro banking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

Demographic break up of MB outlets



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.

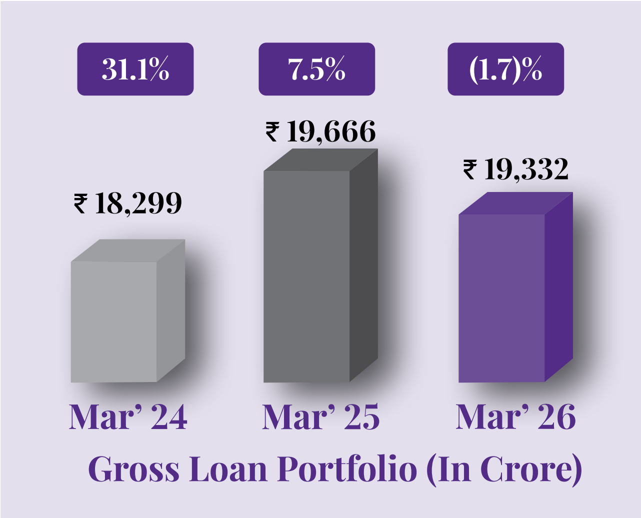
Demographic break up of GB outlets



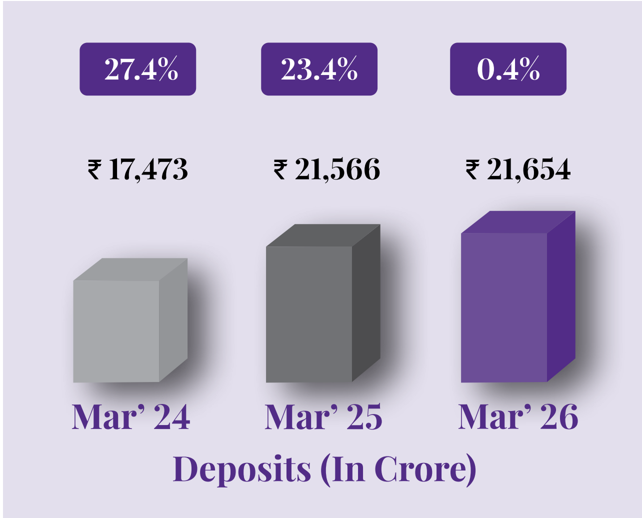
As of March 31, 2026, the bank operated its MSME (Retail assets), housing loan, and CV and CE loan verticals through 87, 62, and 46 branches, respectively. This extensive branch network not only supports a diversified customer base but also offers strong cross-selling opportunities.

During FY 2025–26, the bank delivered stable performance, with total assets growing by 3% to ₹28,869.07 Crore. This positive growth reflects the bank's strategic expansion and broad portfolio of services. Utkarsh SFBL's deposits grew by 0.41% to ₹21,653.98 Crore, whereas gross loan portfolio declined by 1.69% reaching ₹19,332.44 Crore as of March 31, 2026.

Loan book growth



Deposits growth



Liabilities – Deposits

Network

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.

The Bank has a presence across 27 States and Union Territories, operating through a network of 1,110 banking outlets. This includes 331 General Banking (GB) branches and 779 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 373 ATMs and 787 micro-ATMs, offering cost-effective access to essential services such as cash deposits, withdrawals, and green PIN generation.

Offerings

The Bank continues to enhance its digital and fintech capabilities through both direct initiatives and strategic partnerships. The Bank has enabled instant onboarding for term deposit accounts through video KYC on its website and via FinTech BC Partners. In addition, strategic fintech collaborations have strengthened the Bank's digital distribution capabilities, allowing term deposit products to be offered seamlessly across partner platforms.

Innovative offerings have been introduced which includes Green PIN Generation through Website, Utkarsh Smart Business Account, Will Making Services, ITR Filing Services, 3-in-1 Account, NRI Savings and Fixed Deposits and Bharat Bill Payment System – Biller Operating Unit. 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.

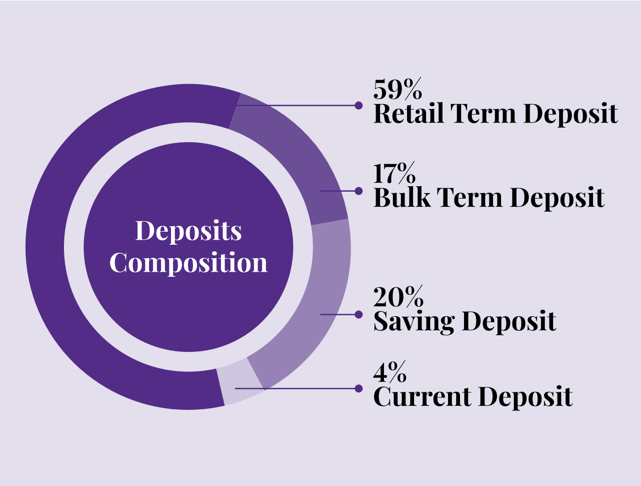
Deposit Growth

FY25-26 has been the year of business consolidation with focus on overall business scalability, margin improvement and operational efficiency. As a result, the total deposit grew to ₹21,654 Crore as of March 31, 2026 marking a year-on-year (YoY) increase of 0.4%. CASA+ Retail Term deposits reached ₹17,916 Crore, led by 16.8% YoY growth. The Bank's CASA Deposits grew by 10.6% YoY to ₹5,196 Crore, reaching a CASA ratio of 24.0% from 21.8% as on March 31, 2025.

(₹ in Crore)

Particulars	Mar'24	Mar'25	Mar'26
CASA Deposits	3,582	4,699	5,196
Retail Term Deposits	7,968	10,635	12,720
Bulk Term Deposits	5,922	6,232	3,738
Total Deposits	17,473	21,566	21,654
CASA + Retail Term Deposits	11,551	15,334	17,916

Deposits Composition as on March 31, 2026

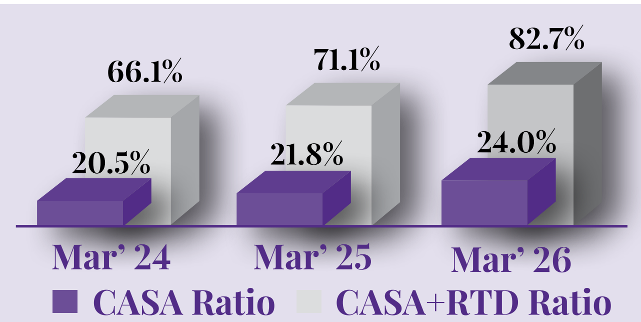


Retail term deposits (RTD) emerged as a key driver, growing by 19.6% YoY to ₹12,720 Crore as of March 31, 2026. Under CASA, Current account registered YoY growth of 23.6% and Savings account registered YoY growth of 8.5%.

Key performance metrics saw notable improvements:

1. CASA Ratio: 24.0%
2. CASA + RTD Ratio: Improved to 82.7%
3. Credit to Deposit (CD) Ratio: stood at 83.4%
4. Liquidity coverage ratio (LCR) stood at 175.1%.
5. Net stable funding ratio (NSFR): Stood at 117.48%

Improvement in CASA Ratio and CASA + Retail Term Deposit Ratio



Institutional Business expansion

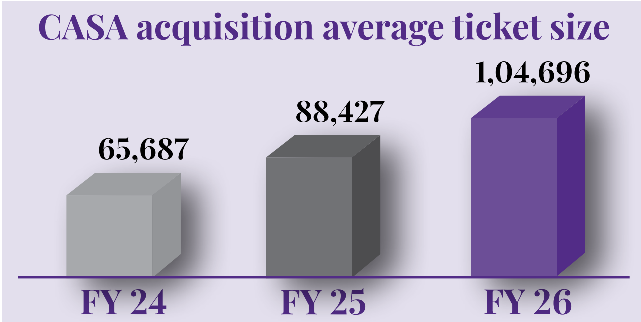
The Bank has strengthened its institutional deposit base by intensifying efforts towards solution led acquisition and deepen relationships across the Government, TASC (Trusts, Associations, Societies, and Clubs) and Financial Institutions.

Healthy Average Balances growth

CASA average balances have grown at 16% YoY in FY26. As on March 31, 2026 CASA average balances reach 86.0% of CASA month end balances over 82.2% as on March 31, 2025.

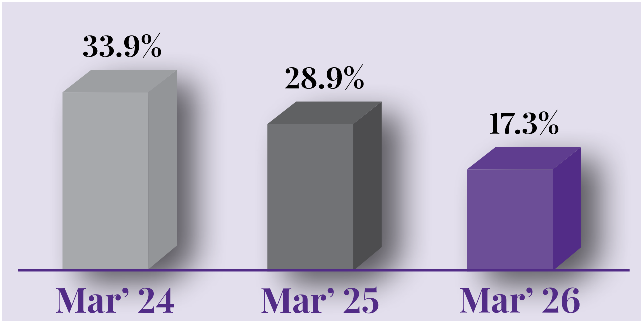
Growth in average ticket size of acquisition

Focus has been on improving sourcing quality with 360-degree banking, improving product per customer and comprehensive customer engagement. CASA Acquisition average ticket size has improved to ₹1Lac+.



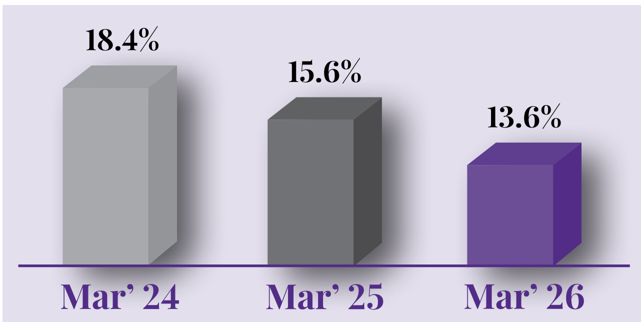
Reduced Dependency on Bulk Term Deposits

The bank has been able to reduce reliance on bulk term deposits year-on-year. Bulk term deposits stand at 17.3% total deposits over 28.9% as on March 31, 2025.



Decline in Top-20 Depositors’ Concentration

Bank focused on building well-diversified deposit base. Concentration risk reduced as share of deposits from Top-20 customers brought down to 13.6%.



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, 2026, the Bank established its presence across 27 States and Union Territories. The largest shares of deposits come from Uttar Pradesh (17.5%), Maharashtra (13.2%), NCT of Delhi (11.8%), Haryana (7.4%), West Bengal (5.8%), Punjab (5.7%) and Bihar (5.5%). This distribution reflects the Bank’s strategic focus on geographic diversification, supporting a balanced and de-risked deposit profile.

Geographical Diversification

(₹ in Crore)

States	Deposits as on Mar'26	% share in Total Deposits	Total Banking Outlets
Andhra Pradesh	₹99	0.5%	4
Assam	₹92	0.4%	2
Bihar	₹1,161	5.5%	284
Chandigarh	₹307	1.5%	3
Chhattisgarh	₹189	0.9%	24
Goa	₹60	0.3%	2
Gujarat	₹976	4.7%	20
Haryana	₹1,549	7.4%	35
Himachal Pradesh	₹280	1.3%	4
Jammu & Kashmir	₹47	0.2%	1
Jharkhand	₹850	4.1%	101
Karnataka	₹480	2.3%	10
Kerala	₹422	2.0%	11
Madhya Pradesh	₹493	2.3%	53
Maharashtra	₹2,762	13.2%	85
Meghalaya	₹13	0.1%	1
NCT of Delhi	₹2,478	11.8%	35
Odisha	₹243	1.2%	102
Puducherry	₹83	0.4%	1
Punjab	₹1,194	5.7%	10
Rajasthan	₹747	3.6%	29
Sikkim	₹16	0.1%	1
Tamil Nadu	₹537	2.6%	15
Telangana	₹174	0.8%	5
Uttar Pradesh	₹3,673	17.5%	228
Uttarakhand	₹849	4.0%	27
West Bengal	₹1,210	5.8%	17
Total (excl. Digital FD sourced through Fintech & Bank Website)	**₹20,984**	**100%**	**1,110**
Digital FD sourced through Fintech and Bank Website	₹ 670		
Total Deposits	**₹ 21,654**		**1,110**

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, non-residents, Micro Small and Medium Enterprises, corporates, and businesses across the retail spectrum.

Seamless digital banking solutions including internet and mobile banking, WhatsApp Banking, Unified Payment Interface (UPI), Digital Fixed Deposits, Application Supported by Blocked Amount (ASBA) and 3-in-1 Accounts 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, Utkarsh Vyapar merchant payment soundbox, Mutual Funds, Lockers and Remittances offered alongside insurance and asset products. The Bank has built a strong asset-liability franchise and distributes third-party products through multiple channels.

Utkarsh Vyapar is the bank's UPI acquiring solution designed to serve MSMEs, kirana stores, and small merchants, enabling seamless digital payment acceptance through interoperable UPI QR codes across all major UPI apps. During FY 2025-26, the bank processed ₹942 Crore of P2M transaction value through Utkarsh Vyapar, reflecting strong merchant adoption and growing reliance on UPI-led digital payments within the merchant ecosystem.

For institutional clients, the bank provides specialized solutions such as cash management services, Smart Pay, Corporate Internet Banking, System for Pension Administration RAKSHA (SPARSH), Public Financial Management System integration and Bharat Bill Payment System - Biller Operating Unit (BBPS-BOU)—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:

1. **Non-Resident Banking Services:** The Bank launched NRI Savings and Fixed Deposit Accounts. Non-Resident External (NRE) & Non-Resident Ordinary (NRO) Product to be offered by the bank is mentioned below:
   a. Utkarsh Standard NRE Savings Account
   b. Utkarsh Platinum NRE Savings Account
   c. Utkarsh Standard NRO Savings Account
   d. Utkarsh Platinum NRO Savings Account
   e. Utkarsh NRE Fixed Deposit
   f. Utkarsh NRO Fixed Deposit
   g. Utkarsh NRE Term Deposit
   h. Utkarsh NRO Term Deposit
2. **3-in-1 Account:** The bank under referral arrangement with Axis Securities Ltd, offers a perfect fusion of banking and investment. This 3-in-1 Account gives the convenience to Buy, Sell and Hold investments through an integrated account, where the Savings Account is with the bank and the Demat + Online Trading facilities are offered by Axis Securities Ltd.
3. **Bharat Bill Payment System - Biller Operating Unit (BBPS-BOU)**: During the year, the Bank operationalized its capability as a Biller Operating Unit (BOU) under the Bharat Bill Payment System (BBPS). This enables the Bank to offer standardized, secure, and interoperable bill collection services to institutional clients across key segments, including Corporates, Government entities, Financial Institutions, and TASC. The initiative strengthens the Bank's digital collection offerings and supports broader adoption of electronic payments.
4. **Utkarsh Smart Business Account:** A premium current account solution designed for retailers, wholesalers, and businesses with high daily cash inflow.
5. **WhatsApp Banking:** The Bank has added following utilities to WhatsApp Banking services:
   a. **Digital Channel Activation:** Customers can now activate or access the following digital channels links for internet banking, mobile banking, UPI Application and Debit Card Activation via Whatsapp Banking Services.
   b. **Explore other products:** Customers can express interest in a variety of banking and financial products, including Accounts, Term Deposits, Loans, Insurance, Mutual Funds, and Merchant Products.
   c. **ATM Locator** – Customers can locate the nearest ATM instantly by simply sharing their current location on WhatsApp Banking.
   d. **View FD/RD** – Customers can check their booked FD/RD details instantly on WhatsApp Banking.
6. **Will Making Services:** The bank has gone live with Will-Making services in partnership with QuickDox, exclusively for our premium segment customer.
7. **ITR Filing services:** The bank has gone live with ITR Filing services in partnership with Cleartax, exclusively for our premium segment customers.
8. **Digital Expansion:**

   As part of its fintech ecosystem expansion, the Bank onboarded Blostem FinTech as a FinTech BC Partner to enable sourcing of digital fixed deposits through fintech-led channels.

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

USFBL 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 and construction equipment.

As of March 31, 2026, the bank's gross loan portfolio declined by 1.69% and stood at ₹19,332.44 Crore. This decline was primarily driven by subdued performance in JLG segments including BC JLG, which registered a marked decline of 37% during FY26. However, this decline was majorly offset by a 29% growth in the Non JLG segments, including other retail loans and wholesale lending, over the same period.

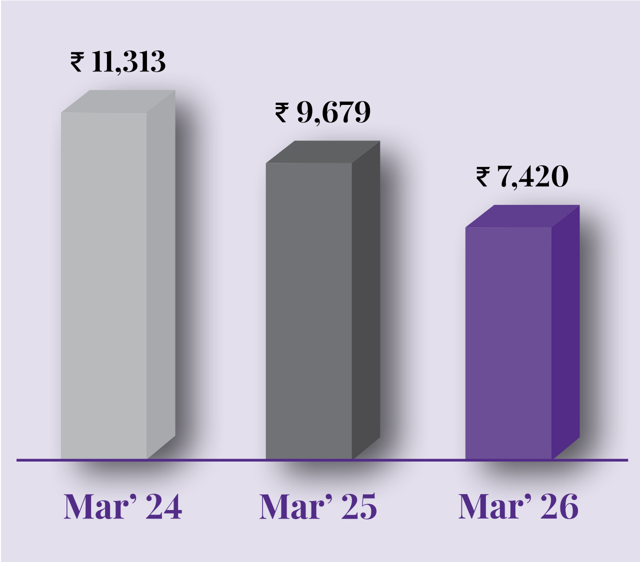
Micro-banking lending

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 a group based micro credit facilities, Micro Banking Individual Loan (MBIL) designed as an intermediate product that bridges the gap between JLG and Micro-Banking Business Loans (MBBL) offerings, Micro-Banking Business Loans (MBBL) for matured JLG clients, PM SVANidhi loans tailored for street vendors, PM Vishwakarma to traditional artisans and craftspeople and CM Yuva loans for the young and budding entrepreneurs. These financial products are designed to empower low-income and underprivileged individuals who traditionally have limited access to formal banking. By supporting income-generating activities and entrepreneurial ventures, these loans have enabled many customers to improve their livelihoods and pursue their aspirations

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

Micro-banking loan book (in Crore)



As of March 31, 2026, the Bank's micro-banking loan portfolio stood at ₹7,420 Crore. Within this portfolio, the Joint Liability Group (JLG) segment moderated to ₹5,386 Crore at the close of FY26, compared to ₹8,761 Crore in FY25.

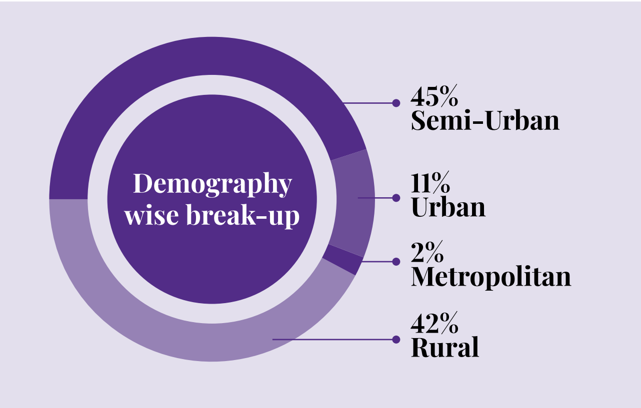
During the year, the Bank introduced a new product, MBIL (Micro Banking Individual Loan), positioned as an intermediate stage between JLG and MBBL (Micro Banking Business Loan) to bridge the gap between both product while addressing client's evolving individual financial needs.

On the other hand, the micro-banking business loan segment along with micro banking individual loan reached to ₹2,022 Crores in FY26 from ₹910 Crores in FY25, reflecting a year-on-year increase of 122%. This uptick was largely driven by onboarding seasoned JLG borrowers.

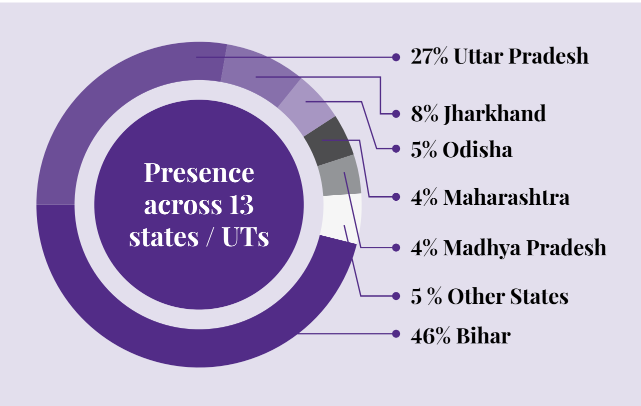
Looking ahead, the Bank anticipates a positive momentum in JLG lending volumes alongside robust growth in individual loan and business loan advances, underpinned by its established reach in regions that remain underserved. The Bank's tech-led initiatives—ranging from fully digital loan and savings account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

As of the fiscal year-end, the micro-banking portfolio extended across 13 states and union territories with Bihar and Uttar Pradesh continuing the core geographies, catering to over 19 lakh clients. The Bank's presence spans 184 districts and is supported by a network of 788 dedicated Micro Banking branches (including combo branches).

Demography wise break-up of bank's micro-banking portfolio



State wise break-up of bank's micro- banking portfolio



The Bank offers cashless disbursement for all micro-banking loans, ensuring that funds are directly credited to the customer's bank account. In line with its digital-first strategy, the Bank is actively expanding cashless collections. To support this initiative, the newly introduced product MBIL is designed as a fully cashless collection system, enabling digital collections primarily through Standard Instruction (SI), customer-specific QR codes and the Bill Desk payment gateway.

This transition is expected to significantly increase the adoption of cashless transactions, reduce operational risks associated with handling physical cash, and enhance the productivity and efficiency of field staff. Additionally, the cashless payment model offers customers greater convenience, improved security, and a seamless repayment experience.

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.

Amount in ₹ Cr

Break up of micro-banking portfolio	Mar-25	Mar-26
Joint liability group loans	₹8,761	₹5,386
Micro-banking business loan	₹910	₹2,022
PM SVANidhi,PM Vishwakarma & CM Yuva	₹9	₹12
Total micro-banking portfolio	**₹9,679**	**₹7,420**

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 on March 31, 2026, all the bank's JLG loan customers were women, with loans ranging from ₹ 6,000 to ₹ 75,000 to support various income-generating ventures.

Micro Banking Business Loans (MBBL)

To meet the evolving and higher funding requirements of customers who have successfully completed multiple loan cycles, the Bank offers Micro Banking Business Loans (MBBL) to its matured Joint Liability Group (JLG) borrowers. As of March 31, 2026, the Bank had a strong base of over 16 lakh JLG borrowers, while the MBBL customer base of over 2.6 lakh.

The Bank's MBBL loan portfolio grew to ₹2,022 Crore as of March 31, 2026. Supported by its long-standing experience in JLG lending and a large pool of seasoned borrowers, the Bank continues to witness robust growth in this segment, contributing meaningfully to the overall credit growth during FY26. Further, as MBBL loans are predominantly extended to existing customers with a demonstrated track record of timely repayments, asset quality in this portfolio has remained healthy and stable.

To further expand its reach and diversify its customer base, the Bank launched a new MBBL product in January 2026, aimed at catering to non existing customers and facilitating acquisition of new clients.

Particulars	Mar'24	Mar'25	Mar'26
MBBL Portfolio (in ₹Cr)	671	910	2,022
Growth %	102%	36%	122%

PM SVANidhi loan scheme

With the objective of supporting the livelihood restoration of street vendors, the Ministry of Housing and Urban Affairs launched the Prime Minister's Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) loan scheme.

PM Vishwakarma Loan Scheme

The PM Vishwakarma Loan Scheme is for traditional artisans and craftspeople with the aim of providing them holistic support, including access to credit, skill training, modern tools, digital transaction incentives and market linkages.

CM Yuva Loan Scheme

"CM Yuva Loan Scheme" is a state-government entrepreneurship scheme (not one single central scheme). Different states like Uttar Pradesh, Bihar, Madhya Pradesh, etc. run their own version to help youth start businesses. The purpose of the scheme is to promote entrepreneurship and self-employment.

Saving and pension, health insurance products for micro-banking clients

As of March 31, 2026, the Bank had opened more than 26 lakh basic savings bank deposit accounts (BSBDA), aimed at offering appropriate savings and financial products to microfinance borrowers while encouraging a habit of saving.

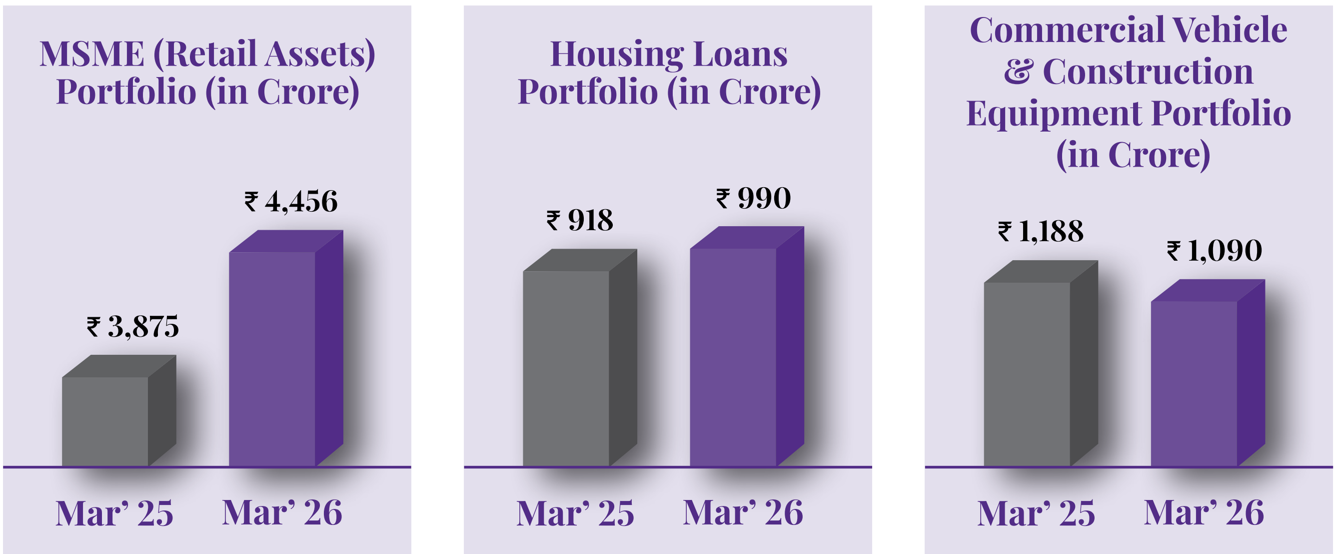
To further promote financial security among its customers, the Bank offers the Atal Pension Yojana (APY) to savings account holders aged 18 to 40 years. Acting as both a point of presence and aggregator, the Bank enrols subscribers under the National Pension System framework, supporting long-term savings.

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) and construction equipment (CE) loans, among others. The bank's core geographies—Bihar, Uttar Pradesh, and other states—continue to offer substantial growth opportunities for these products as well.

Other retail assets lending vertical



MSME (retail assets) loans

The bank offers a range of lending products to MSMEs, including secured and unsecured business loans, Micro LAP, and overdraft facilities. During FY 2025-26, the bank expanded its MSME loan footprint to 87 branches, driving a modest 15% year-on-year growth in its MSME loan book—from ₹3,874.53 Crore in FY 2024-25 to ₹4,455.93 Crore in FY 2025-26. The modest increase in the MSME portfolio was due to Bank's focus on consolidation of the business in the geography of its presence. The MSME portfolio remains predominantly secured, with over 95% of loans backed by collateral, and the average ticket size ranging between ₹25 lakh and ₹35 lakh.

Housing loans

The housing finance segment remains a key driver of economic growth in India. USFBL 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, 2026, the bank provides housing loans through 62 branches.

During FY 2025–26, the housing loan portfolio grew by 8%, increasing from ₹918.29 Crore to ₹989.55 Crore. This growth can be attributed to the Bank's consistent focus on building the housing loan book, large network of branches offering housing loans. 58% of our housing loan portfolio comprise loans having ticket size upto ₹35 lacs.

Commercial vehicle (CV) and construction equipment (CE) loans

Commercial vehicle (CV) and construction equipment (CE) loans continue to be among the key retail lending products for banks and NBFCs across India. USFBL provides financing for both new and used commercial vehicles & construction equipment as well as construction equipment, with used vehicle & construction equipment loans accounting for 11.9 % of the total CV & CE loan book as of March 31, 2026.

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 Haryana, Delhi NCR and Rajasthan are emerging as attractive opportunities for expansion.

With CV & CE loans currently being disbursed through 46 branches, the Bank's loan portfolio in this segment declined from ₹1,188.13 Crore in FY 2024–25 to ₹1,090.42 Crore in FY 2025–26. Book has de-grown by ₹ 97.71 Crores in March 31, 2026 as compared to March 31, 2025 mainly due to heightened focus on portfolio management to control the delinquency in the portfolio. The Bank exited few locations where Portfolio was not performing as per expectation in order to improve the overall Wheels Portfolio Quality.

Business correspondent (BC)

USFBL 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, and supply chain finance. As of March 31, 2026, BC partners collectively manage a loan book of ₹1,218.24 Crore attributing to 6.30% of Gross Loan Portfolio.

Wholesale lending (WSL)

USFBL's wholesale loan (WSL) portfolio grew by 33.08% in FY 2025–26, rising from ₹2,239.73 Crore as of March 31, 2025, to ₹2,980.66 Crore by March 31, 2026. The WSL portfolio's share in the bank's total loan book grew from 11.4% to 15.4%, 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), business banking loans extended to small corporates and receivable financing through TReDS platform managed by RBI.

Amount in ₹ Cr

Break up of wholesale loan portfolio	Mar-25	Mar-26
WSL FI lending	1,337	1,602
Business banking group (BBG)	903	1,074
TReDS	-	304
Total WSL portfolio	**2,240**	**2,981**

WSL FI lending

USFBL 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, 2026, 76% of the WSL FI loan book comprises loans extended to entities rated 'A-' category or higher by external credit rating agencies, while the remaining 24% is allocated to entities rated in the 'BBB' category or lower.

Rating wise WSL FI portfolio break up

Business banking group (BBG) lending

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

The loans typically range from ₹1 Crore to ₹10 Crore and are primarily secured by immovable property as collateral.

TReDS(Trade Receivable Discounting System)

USFBL has expanded its presence in receivables financing through the Trade Receivables Discounting System (TReDS), a platform regulated by the Reserve Bank of India (RBI) that facilitates the discounting of MSME receivables. Under this framework, the Bank finances approved invoices, with the underlying credit exposure primarily on the buyers (corporates/anchors), which may include both MSMEs and large corporates.

For the Bank, TReDS represents a relatively secure short-term lending avenue, driven by the credit profile of the buyers and the structured nature of the platform. For MSMEs, it enables timely realisation of receivables, thereby improving liquidity and working capital cycles.

Business strengths and strategies

Strong microfinance expertise and rural reach: USFBL 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, USFBL is well-positioned to tap into growth opportunities in regions that remain relatively underpenetrated.

Expanding and diversifying the retail asset portfolio: USFBL 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 49% in March 2025 to 38% in March 2026. 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: USFBL 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, 2026, the bank's CASA plus retail term deposit portfolio stood at ₹17,916.28 Crore, accounting for 82.74% of total deposits—an increase from ₹15,334.16 Crore or 71.10% as of March 31, 2025. This consistent growth reflects USFBL'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, 2026, the bank operates an extensive physical network of 1,110 banking outlets, 723 are located in rural and semi-urban areas, aligning with USFBL's core vision of financial inclusion. The Bank has opened more than 220 branches during last two financial years FY25 & FY26, providing services to a diversified clientele. Furthermore, our franchise as well as large customer base, in addition to the implementation of LeMS offers significant cross-sell opportunities.

Prioritizing risk management and operational efficiency: Risk management is a central focus of the bank's operations. USFBL 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 59.31% as on March 31,2026.

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. USFBL 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, USFBL aims to enhance the customer experience and provide a range of tailored financial products that meet diverse customer needs.

Strategic business technology transformation project

In line with the Bank's strategic priorities of customer centricity, operational efficiency, and digital maturity, a comprehensive Business and Technology Transformation Program was undertaken in the previous year. A Transformation Management Office (TMO) was established to ensure disciplined execution and strong governance.

Phase I of the program was successfully delivered, resulting in the rollout of critical technology platforms, enhanced digital onboarding and automation, and the creation of a scalable, future ready technology foundation aligned with industry best practices.

With the completion of Phase I, the Bank is now progressing to Phase II including focus on Business Process Re engineering (BPR). This phase aims to systematically review and redesign business and operational processes to fully leverage technology investments, improve system effectiveness, and optimize resource utilization. The BPR initiative will emphasize process simplification, deeper automation, turnaround time improvement, and elimination of redundancies—reinforcing the Bank's commitment to building a resilient, cost efficient, and future ready organization.

Commitment to financial inclusion and focus on priority sector lending

The Reserve Bank of India (RBI) mandates that small finance banks (SFBs) allocate 60% of their loan portfolio to priority sector lending (PSL), compared to 40% for universal banks. Given the bank's legacy of serving under-banked populations and promoting financial inclusion, USFBL comfortably meets these PSL requirements. The Bank monetizes its surplus PSL portfolio through the sale of priority sector lending certificates (PSLCs), inter-bank participatory certificates (IBPC), or portfolio sell-downs.

As of FY 2025-26, after accounting for the sale of PSLCs and IBPC, the bank's PSL achievement (based on quarterly averages) stood at 71.02%, significantly exceeding the RBI's minimum requirement of 60%. This surplus PSL portfolio allowed the bank to earn non-interest income from PSLCs, with PSLC income totalling ₹87.11 Crore in FY 2025-26.

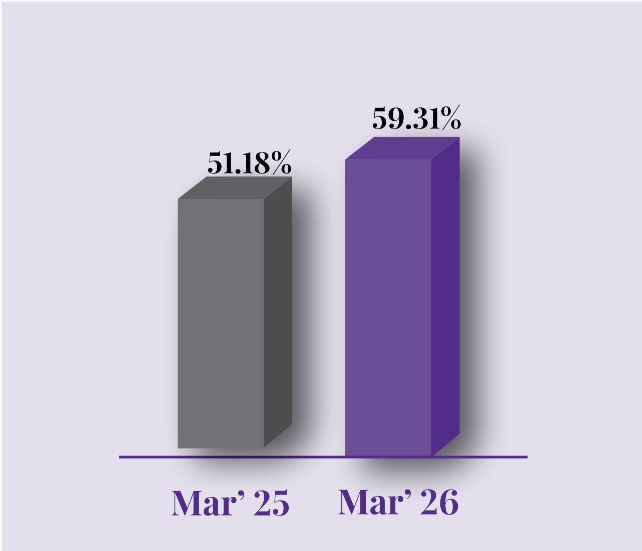
Moreover, USFBL continues to comply with RBI norms for SFBs, ensuring that loans with a ticket size of up to ₹25 lakh constitute no less than 50% of its total loan portfolio. The Bank's lending to the ticket size of less than ₹25 lakh was at 58.62% of the gross loan portfolio, as on March 31, 2026.

Asset quality

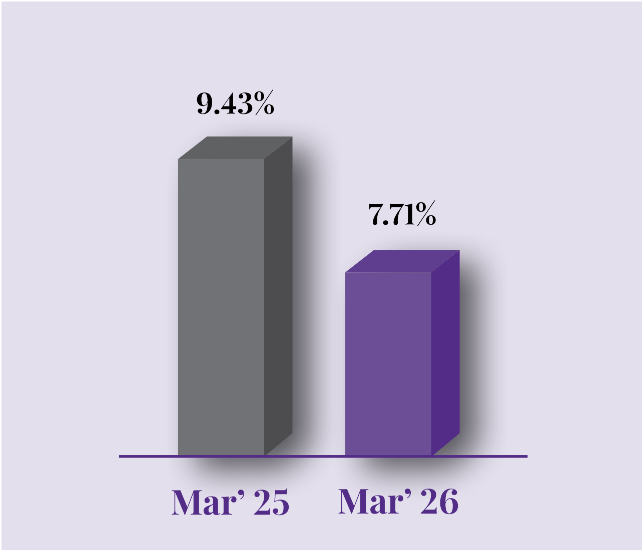
Bank's Gross NPA decreased from 9.43% as on March 31, 2025 to 7.71% as on March 31, 2026. Bank's Net NPA decreased from 4.84% as on March 31, 2025 to 3.29% as on March 31, 2026. The Bank has strengthened collections team by adding more manpower as well as separate team for bucket wise and vertical wise 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.

Last year, the Bank was carrying floating asset provision of ₹189.96 Crore and during the year pursuant to the approval from Reserve Bank of India (RBI), the Bank had fully utilized the floating asset provision as per relevant RBI regulations. Consequently, the provision for NPA ("Provisions and Contingencies") had been adjusted by ₹189.96 Crore for the year ended March 31, 2025 whereas we do not have any floating asset provision for the year ending March 31, 2026. On an overall basis, the Bank had provision coverage ratio of 59.31% as of March 31, 2026, against 51.18% for FY 2024-25.

Provision coverage ratio



Gross NPA



Financial performance

The bank recorded a muted financial performance in FY 2025-26. It reported an annual operating profit (pre-provision) of ₹56 Crore and annual profit / (loss) after tax (PAT) of (₹1,151) Crore for the year.

Key Performance Indicators (KPIs)	FY 2025-26	FY2024-25
OPERATIONS		
Banking Outlets	1,110	1,092
Gross Loan Portfolio (₹ in Crore)	19,332	19,666
Secured Advances as % of Gross Loan Portfolio	51.00%	43.42%
Total Deposits (₹ in Crore)	21,654	21,566
CASA Ratio (%)	24.00%	21.79%
CASA + Retail Term Deposits (as % of Total Deposits) (%)	82.74%	71.10%
CAPITAL		
Capital + Reserves (i.e. Net Worth) (₹ in Crore)	2,776	2,975
Total Capital Ratio (CRAR) (%)	17.71%	20.93%
Tier 1 Capital Ratio (%)	14.98%	17.88%
Cost of Deposits (%)	8.02%	8.16%
Cost of Funds (%)	8.08%	8.21%
ASSET QUALITY		
Gross NPA (%)	7.71%	9.43%
SMA 1 %	2.21%	2.26%
SMA 2 %	1.29%	1.77%
Provision Coverage Ratio (excl. Technical Write-offs) (%)	59.31%	51.18%
Standard Restructured Advances (%)	0.06%	0.03%
Net NPA (%)	3.29%	4.84%
PROFITABILITY		
Net Profit (₹ in Crore)	(1,151)	24
Yield on Advances (%) (basis Gross Loan Portfolio)	15.05%	17.85%
Net Interest Margin (%)	5.42%	7.98%
Credit Cost Ratio (%)	8.24%	5.16%
Operating Expenses to Total Average Assets (%)	6.67%	6.26%
Cost to Income Ratio (%)	97.05%	61.61%
Return on Total Average Assets (%)	(4.14)%	0.09%
Return on Average Equity (%)	(42.11)%	0.79%
OTHERS		
Basic EPS	(8.37)	0.22
Net Asset Value per Equity Share	15.60	27.00

Income and expenses

The Net interest income (NII) of the bank declined by 27% from ₹2,022.86 Crore in FY 2024-25 to ₹1,476.74 Crore in FY 2025-26. The decline in NII in FY 2025-26 was majorly due to substantial decline in high yield MB JLG portfolio during the year. Bank's NIMs declined by 257 bps from 7.98% in FY 2024-25 to 5.42% in FY 2025-26.

- The other income of the bank witnessed a decline of 28.15% from ₹599.83 Crore in FY 2024-25 to ₹430.97 Crore in FY 2025-26 mainly due to loan processing fee which has declined by ₹162.50 Crore, PSLC income by ₹28.05 Crore, Recovery from written off accounts declined by ₹22.38 Crore and income from cross-selling of third-party products also declining by ₹9.53 Crore partly offset by increased income from Gain on sale of securities ₹29.16 Crore and fee-based & transaction income by ₹24.58 Crore. Further, higher processing fee in 2024-25 was augmented by change in a/c policy wherein upfront loan processing fee was booked instead of being amortised over loan tenure resulting in booking of additional loan processing fee income of ₹ 165 Crore.
- The operating expenses of the bank increased by 14.58% during FY 2025-26 primarily on account of full year impact of significant expansion in franchise (>220 new branches during FY 2024-25 and FY 2025-26). Cost-to-income ratio of the bank remains significantly higher at 97.05% in FY 2025-26.

- Pre-provisioning operating profit (PPoP) of the bank declined by 94.40% year-on-year to ₹56.35 Crore in FY 2025-26 as compared to ₹1,006.93 Crore in FY 2024-25.
- Overall credit cost was 8.24% for FY 2025-26.

Profit after tax and dividend

- Bank incurred a loss of ₹1,151 Crore in FY 2025-26 compared to a profit of ₹24 Crore in FY 2024-25 . The return on average assets (ROAA) was at (4.14)% during FY 2025-26 and return on equity was (42.11)% in FY 2025-26.

Credit-deposits ratio

- Bank's credit-deposits (CD) ratio declined from 86.8 % as on Mar-25 to 83.4 % as on Mar-26 and the bank targets to reduce CD ratio further.

NPA

- The bank's gross NPAs declined from 9.43% as on March 31, 2025 to 7.71% as of March 31, 2026. The net NPAs declined from 4.84% as of March 31, 2025 to 3.29% as of March 31, 2026. The bank is holding provision coverage of 59.31% as of March 31, 2026.

CRAR

- The Bank's capital plus reserves declined by 6.69% from ₹2,974.50 Crore as on March 31, 2025 to ₹ 2,775.60 Crore as on March 31, 2026.
- The bank's capital to risk weighted asset ratio (CRAR) stood at 17.71% as on March 31, 2026 compared to 20.93% as on March 31, 2025. Further, the Tier-I CRAR of the Bank stood at 14.98% as of March 31, 2026, compared to 17.88% as of March 31, 2025.

Particulars	2025-26	2024-25
CRAR	17.71%	20.93%
Tier-I	14.98%	17.88%
Tier-II	2.73%	3.05%

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, 2026, the Bank's long-term subordinated bonds were rated at A (Negative) rating by ICRA and CARE Ratings. Negative Revision in the outlook reflects continued stress in the microfinance segment, affecting USFBL's asset quality and profitability.

Rating agency	Facilities	Credit rating
ICRA limited	Certificate of deposit	[ICRA] A1+
	Subordinated debt programme	[ICRA] A (Negative)
CARE ratings	Long term tier II bonds	CARE A (Negative)

Outlook

The reported year has been an year of mixed performance for the Bank. In case of MB portfolio, Micro Banking Business Loan(MBBL) & Micro Banking Individual Loans have shown good traction over the year increasing by 122% whereas lingering effect of legacy stress continues to mar performance of Joint Liability Group segment which has declined by 38.5% in FY26. Non MB portfolio has also increased by 19.3%, particularly Gold Loan and secured Credit Cards etc have shown better than anticipated performance. We are witnessing a consistent increase of secured loans in our portfolio mix, now constituting 51% of gross loan advances. The Bank intends to leverage wide base of existing customers in the unserved and underserved areas by extending product offerings from JLG loans to individual loans, affordable housing and other newer products. Liabilities have also undergone a positive change in terms of composition with CASA+RTD constituting 83% of our total deposits. The Bank also witnessed improvement in asset quality. 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. USBFL aims to strengthen its franchise with its 17% GB branches within vintage of <2 years (55/331). While FY27 is expected to pose challenge due to circumstances emerging from geopolitics resulting in supply chain disruptions and energy price volatility, the Bank expects to maintain business growth and profitability at healthy levels in FY27 owing to its retail focus and other operational efficiencies.

USFBL 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. USFBL is planning to augment the liabilities franchise further by 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 25-26, 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 endeavour 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.

No. of grievance received by the Bank during 2025-26	No. of cases rejected by Bank partly/fully during 2025-26	No. of cases reviewed by IO during 2025-26	No. of grievances closed by IO during 2025-26	No. of grievances outstanding as on March 31, 2026
8337	801	799	799	2

Disposal of grievances by bank during FY 2025-26:

No. of grievances at the beginning of 2025-26	No. of grievances received by the Bank during 2025-26	No. of grievances disposed of by the Bank in 2025-26	No. of grievances outstanding as on March 31, 2026
110	8337	8388	59

Credit function

Utkarsh Small Finance Bank aims to be the preferred banker to cater to the diverse financial needs of the various customers in its operational geography

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

The credit department's major objectives are as follows:

- Build a good quality diversified asset portfolio through risk-based lending
- 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.
- Adhere to the guidelines / policies enunciated by the Reserve Bank of India and other regulatory authorities.
- 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 has established a robust and well-structured collections framework to effectively manage and control delinquencies across its lending portfolio. As part of its continuous improvement efforts, a pilot hybrid collections model (Agency + In-house) was introduced from December 2025 onwards, aimed at enhancing recovery efficiency, expanding reach, and strengthening monitoring mechanisms.

Organizational Structure & Governance

The collections' function is led by the Head of Collections, supported by the National Collection Manager, Zonal Collection Managers, and Regional Collection Managers. This leadership team provides strong governance and oversight across all collection activities.

They collectively supervise and manage a network of 250+ Field Officers (Fleet on Street – FOS) deployed across multiple geographies to ensure effective on-ground execution and timely resolution of delinquencies.

Field Operations & Customer Engagement

The FOS teams are the backbone of the collection process, responsible for:

- Conducting field visits and follow-ups
- Driving customer engagement and resolution
- Ensuring timely collections and delinquency control

All field staff are thoroughly trained in the Bank's policies, operational guidelines, and Code of Conduct, ensuring that customer interactions are handled in a professional, ethical, and compliant manner.

Multi-Channel Collection Approach

To enhance efficiency and coverage, the Bank follows a multi-channel collections strategy, which includes:

- In-house collections team for direct monitoring and control
- Hybrid model (Agency + In-house) to improve scalability and productivity
- Outsourced call center support for:
  - Pre-EMI reminder calls
  - Follow-ups on overdue accounts

  This outsourced support is utilized across all business segments except the JLG (Joint Liability Group) lending business, which follows a specialized and separate collection mechanism.

Legal & Recovery Mechanism

The Bank has a dedicated in-house legal team to support advanced stage recoveries. The team is responsible for:

- Initiating and managing legal proceedings for overdue accounts
- Issuing legal notices
- Coordinating repossession of secured assets
- Managing the auction and disposal process

This ensures that all recovery actions are legally compliant, structured, and effectively executed.

Collection Strategy & Analytics Team

To strengthen decision-making and improve performance, the Bank has a dedicated in-house Collection Strategy team that works closely with both field and legal teams.

This team plays a critical role in:

- Monitoring and governing end-to-end collection processes
- Analyzing portfolio performance and delinquency trends
- Designing data-driven strategies and policies to reduce slippages and improve recovery rates
- Providing actionable insights and MIS support to regional and field teams
- Driving performance tracking, productivity improvement, and process optimization

This ensures a proactive, analytical, and strategy-led approach to collections management.

End-to-End Collections Lifecycle

The Bank follows a well-defined and comprehensive collections policy, covering the entire lifecycle:

- Tele-calling and customer engagement (Pre-EMI and overdue reminders)
- Field visits and follow-ups
- Customer servicing and issue resolution
- Issuance of legal notices
- Repossession of secured assets (where applicable)
- Auction and disposal of repossessed assets

This structured, multi-layered approach enables the Bank to maintain strong control over asset quality, minimize delinquency levels, and ensure consistent, compliant, and customer-centric collection practices.

The integration of field strength, centralized strategy, legal support, and technology-driven insights ensures a holistic and efficient collections ecosystem, aligned with the Bank's overall risk management objectives.

Treasury

The Bank's treasury operations are carried out from its dedicated treasury office in Mumbai, in compliance with the RBI Master Directions on Liquidity Risk Management, Asset Liability Management (ALM), and Risk Governance. The organisational structure provides for clear functional segregation between the front office (dealing desk), mid office (risk management / ALM monitoring), and back office (settlement and operations), thereby strengthening internal controls, ensuring independent risk oversight, and mitigating operational and conduct risks.

The Treasury function is responsible for overall liquidity risk management of the Bank, including Asset Liability Management (ALM) and maintenance of the Liquidity Coverage Ratio (LCR) in line with regulatory prescriptions. Liquidity risk is monitored on an ongoing basis through analysis of maturity mismatches across prescribed time buckets, cash flow projections, and periodic stress testing, to ensure that the Bank remains capable of meeting its obligations as and when they fall due under both normal and stressed conditions. The treasury supports balance sheet growth through calibrated participation in the money market and securities market, while maintaining adequate buffers of High Quality Liquid Assets (HQLA) as per the extant regulatory framework.

Treasury and investment activities are governed by a Board approved Investment Policy, ALM Policy, and Market Risk Management Policy, which define the Bank's risk appetite, prudential limits, delegation of powers, valuation norms, and operating procedures. Within this framework, investment decisions are overseen by the Investment Committee, which functions under the authority of the Board and/or ALCO, as per approved governance arrangements. The Investment Committee reviews and approves investment strategies, portfolio positioning, and exposure limits, and ensures that investment activities remain aligned with the Bank's risk appetite, liquidity requirements, and regulatory guidelines. The Committee also monitors portfolio performance, market risks, and compliance with approved limits on an ongoing basis.

The Asset Liability Management Committee (ALCO) exercises oversight over liquidity and balance sheet risks and reviews key liquidity metrics, structural mismatches, funding concentration, stress test results, and market developments at regular intervals. Based on these reviews, the ALCO and Investment Committee take corrective or pre emptive measures, where necessary, to ensure continued adherence to regulatory norms and internal risk tolerance levels.

The Treasury endeavours to optimise investment returns within approved risk limits, while managing the overall cost of funds through an appropriate mix of liabilities. It ensures continuous compliance with statutory and regulatory requirements, including maintenance of the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR), in accordance with the directives issued by the Reserve Bank of India from time to time.

In line with RBI guidelines on operational resilience and business continuity, the Treasury function operates under a robust Business Continuity Plan (BCP). Critical treasury operations are periodically tested and, where required, conducted from alternate locations, to ensure uninterrupted functioning and timely settlement of obligations during exigencies. The BCP framework is reviewed and tested at regular intervals, and observations are placed before the appropriate governance committees.

Risk management

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

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

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

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

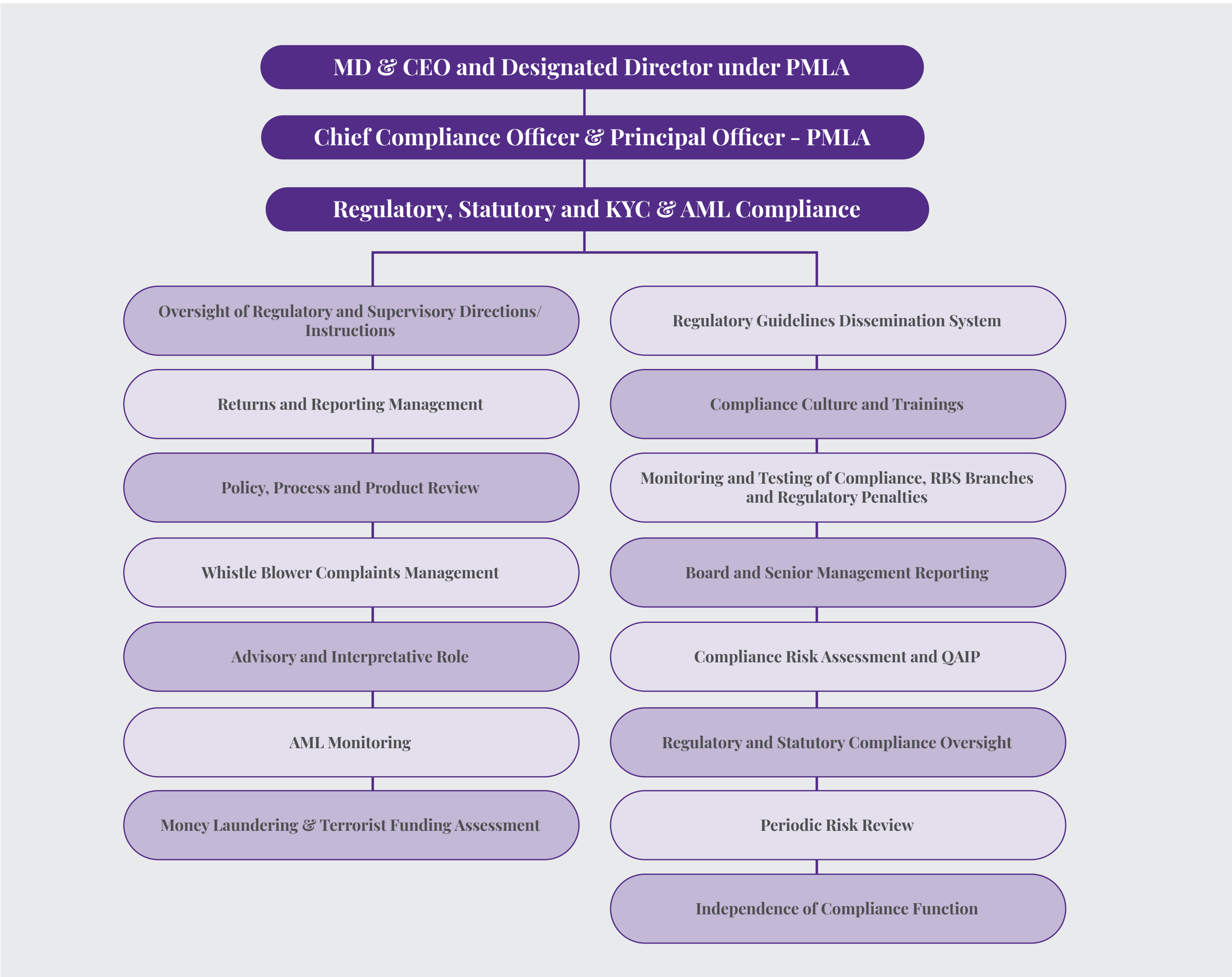
The bank has appointed a senior official as the chief risk officer (CRO), entrusted with the overall responsibility of managing key risk verticals, including credit risk, market and liquidity risk, operational risk, information security risk, and other emerging risk areas. Operating under the framework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

Risk	Impact	Mitigants
Credit risk	The bank defines credit risk as the potential for loss arising from a borrower or counterparty's failure to meet their obligations as per the agreed terms. This type of risk can negatively impact the bank's revenue and margins, posing a significant challenge to financial stability.	The credit risk management committee (CRMC) is responsible for overseeing and reviewing credit risk within the bank. The committee ensures the monitoring of prudential limits on large credit exposures, portfolio concentration, loan review mechanisms, and overall risk concentration. Furthermore, it addresses provisioning, regulatory compliance, and other credit-related matters. The bank has implemented various credit risk policies to limit the exposure to credit risk. Portfolio review and monitoring are carried out through an early warning framework and close monitoring of high-value customers. **The CRMC follows the following approach:** ▪ Adhering to RBI's guidelines and policies regarding credit risk and NPA management ▪ Establishing a governance framework to ensure effective oversight, proper segregation of duties, and management of credit risk ▪ Setting and monitoring credit risk appetite and limits, and taking appropriate action in case of breaches ▪ Creating a system for identifying and monitoring early warning signals and red flag accounts ▪ Enhancing the use of structured internal and external data to make informed decisions and utilizing scorecards for decision-making ▪ Conducting stress testing and taking necessary actions based on results ▪ Monitoring global and domestic developments, analysing industry trends, and issuing necessary guidelines and directions
Market risk	Risks stemming from fluctuations in market prices could affect the bank's ability to generate revenue.	The investment committee and the asset-liability management committee of the bank oversee investment and market risk, approving the framework and its associated thresholds. The mid-office prepares and analyses daily reports on the bank's treasury activities, closely monitoring various limits, including stop losses. A comprehensive market and liquidity risk dashboard is shared with senior management monthly, providing detailed insights into the investment portfolio, liquidity position, deposits, and borrowings, supporting well-informed decision-making.
Operational risk	Inefficiencies or failures in internal processes, systems, or human resources can negatively affect the profitability of the business.	Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank. All the new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team, through the PPMC process. Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after a thorough review by the Third-Party Risk Management team. The Bank has set up a comprehensive structure for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all businesses. The Bank has a comprehensive operational risk management policy, with a framework to identify, assess and monitor risks and strengthen controls to improve customer service and minimise operational losses. The Bank has well established Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical units to ensure readiness to meet various contingency scenarios and take corrective actions wherever any issues are observed. The Bank has been effectively managing its operations by adapting to the checks and controls of various continuity plans.

Risk	Impact	Mitigants
Fraud risk	Fraud risks include cyber threats, scams, processing errors, and document mishandling, all of which can impact the bank's reputation and revenue generation capabilities.	To mitigate this risk, the Bank has put together a Fraud Risk Management (FRM) department as an independent group in the Bank to enable fraud prevention, monitoring, investigation, reporting and awareness creation. **Fraud Risk Management Unit (FRM):** The Fraud Risk Management (FRM) unit works within the overall risk management framework of the Bank. The responsibilities of the FRM Unit include effective application of fraud control measures, strategies and procedures. It is responsible for handling fraud complaints, desktop investigation, Fraud case mgmt., internal and regulatory reporting. **Risk Containment Unit (RCU):** RCU conducts risk-based evaluation of applications i.e. Screening & Sampling for any new account relationship in both Asset (Pre-sanction) as well as Liability (Post A/c Opening) Businesses at the time of on-boarding, on a sample basis. RCU Screening & Sampling (S&S) involves review / scrutiny of applications/documents based on dynamic trigger observed as well as inputs received from online checks such as CUG check i.e. Hunter/Sherlock checks. The objective behind RCU S&S Is to ensure that the submitted KYC documents are reviewed to ascertain any inconsistency or discrepancy in the documents or information submitted to the bank, for taking timely preventive and corrective actions to detect and prevent fraudulent applications at on-boarding stage. **Transaction Monitoring (TM):** TM team monitors digital debit transactions carried out through various channels and payment modes, to safeguard our customers from any abnormal/suspicious/fraudulent transactions. Transactions are monitored via near real time & real time account alerts generated by volumes and/or velocity based preventive rules built in IFRM and EFRM Transaction Monitoring Tool/Solutions
IT risk	The risks tied to the growing adoption of technology encompass system and process unavailability, which can lead to business losses due to both unintentional issues (such as faulty usage) and intentional events (such as cyber fraud).	To effectively manage IT risk and safeguard the confidentiality and integrity of business and customer information, the bank has implemented security controls in line with the RBI cybersecurity framework. Regular security monitoring is conducted, and the bank adheres to regulatory guidelines as they are updated. To ensure business continuity while maintaining security, the bank has established controls such as VPN with multi-factor authentication, business continuity plans (BCP), and incident response protocols to address both operational and security risks.
Liquidity risk	An asset-liability mismatch can lead to liquidity risk for the bank, potentially forcing it to raise new liabilities at a higher cost or sell assets at a higher discount rate, which could negatively impact the bank's margins.	The bank's asset liability management (ALM) policy establishes a framework for managing liquidity risk, ensuring that the bank can meet its liquidity obligations and endure periods of liquidity stress, whether caused by internal or market-wide factors. The bank's liquidity profile is closely monitored both statically and dynamically, using key liquidity ratios and periodic liquidity stress tests. Liquidity positions and stress test outcomes are regularly reviewed by the bank's ALCO and the risk management committee of the board. In addition to regulatory limits, the bank has set prudential internal limits on liquidity gaps, borrowings, deposits, and placements. The bank also adheres to the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) in line with RBI guidelines, ensuring alignment with the defined risk appetite.

Risk	Impact	Mitigants
Cyber risk	The bank's interconnected structure, both internally and externally via the internet, along with the complexity of its people, processes, and technology—such as delivery channels, cloud services, partners, and remote workers—the bank is susceptible to cyber threats. These include risks like man-in-the-middle (MiTM) attacks, distributed denial of service (DDoS) attacks, and ransomware, which could lead to financial losses, data breaches, and reputational damage.	The bank has established a robust and efficient cybersecurity framework, in line with RBI guidelines, to enhance its cybersecurity posture. The bank has a cybersecurity policy, cyber crisis management plan (CCMP), and information security policies, all approved by the board. A dedicated governance and management process has been put in place, defining roles and responsibilities to ensure these policies are implemented, maintained, assessed, and periodically updated. In line with regulatory requirements, the bank has set up a cybersecurity incident response team (CSIRT) and a cyber crisis management team (CCMT), as outlined in the CCMP. The security operations centre (SOC) operates 24/7 to monitor and protect the bank's assets in real-time. The bank has fully complied with the baseline cybersecurity resilience requirements of the RBI and has implemented a layered defence strategy, covering perimeter, network, application, data, and physical security. The bank runs a comprehensive cybersecurity awareness program for customers, employees, and partners. Cyber risk insurance coverage has been secured as a fallback for cyber incidents. The bank is ISO 27001:2013 certified and has been recognized with consecutive awards from the Indian banks' association (IBA) for its excellence in cyber risk management over the past two years.

Process framework within the compliance department



The Compliance Department of Utkarsh Small Finance Bank Limited ("the Bank") is responsible for ensuring adherence to applicable laws, rules, regulations, regulatory guidelines, internal policies, and the Bank's Code of Conduct. The Compliance Function is aligned with the Reserve Bank of India's guidelines on the Compliance Function in Banks, with the objective of fostering a strong compliance culture and ensuring effective regulatory governance across the Bank.

The Compliance Department plays a critical role in ensuring compliance with regulatory instructions, including the provisions of the Prevention of Money Laundering Act, 2002 and rules framed thereunder. The Compliance Department functions as an independent unit and reports directly to the Managing Director & CEO and the Audit Committee of the Board.

Roles & Responsibilities

Business and functional heads retain primary responsibility for compliance and risk management within their respective areas. The Compliance Function facilitates, oversees, and monitors compliance but does not substitute the ownership of risks by business units.

Key Responsibilities

A. Regulatory and Statutory Compliance Oversight

- Ensuring strict compliance with all applicable provisions of RBI Acts, Banking Regulation Act, Rules, Regulations, Master Directions, Circulars, and Supervisory Instructions.
- Monitoring compliance with other applicable laws (FEMA, PMLA, etc.)
- Ensuring compliance with codes of conduct, including Fair Practices Code.

B. AML/ Transaction Monitoring (PMLA, 2002)

KYC/EDD, transaction monitoring, AML alert resolution, STR, CTR, NTR and CCR filing to FIU-IND.

C. Returns Management

Tracking, vetting, and timely submission of regulatory and statutory returns.

D. Oversight of Regulatory and Supervisory Directions

- Ensuring compliance with:
- RBI inspection reports (RBI Annual Financial Inspection, RMP observations, and Scrutiny Reports etc.)
- Supervisory letters, risk mitigation plans, and enforcement actions
- Monitoring adherence "in letter and spirit," not merely procedural closure

E. Regulatory Guidelines and Advisories Dissemination System

- Implementing enterprise-wide compliance monitoring tools as per RBI guideline
- Ensuring:
- Tracking of all regulatory requirements and sharing with Functional Head for implementation within timelines.
- Track the status as per timeline.
- Escalation of non-compliance.
- Recording approvals for deviations.
- Dashboard-level MIS to senior management/ Board.

F. Policy, Process and Product Review

- Ensure Timely Annual Review of all policies by the Board.
- Ensure Timely review of all process and Product note.

G. Compliance Risk Assessment and QAIP

- Identifying, assessing, monitoring, and managing compliance risk across the bank.
- Evaluating the impact of new or amended laws/ regulations on bank operations.
- Maintaining a compliance risk assessment framework proportionate to the bank's size and risk profile
- Establishing a Quality Assurance and Improvement Program (QAIP) for the compliance function.
- Compliance function is independent external review at least once in three years.
- Periodic self-assessment of effectiveness of the compliance framework.

H. Compliance Monitoring and Testing including RBS Tranches and Penalties Testing

- Conducting or overseeing compliance testing and monitoring (thematic, issue-based, or periodic)
- Tracking regulatory observations, supervisory findings, and internal compliance breaches.
- Ensuring time-bound corrective actions and sustainable closure of non-compliance.

I. Advisory and Interpretative Role

- Acting as a central reference point for business/ operational units on:
- Interpretation of RBI instructions
- Applicability of statutory and regulatory provisions
- Providing compliance advice during product design, process changes, and new initiatives.

J. Compliance Culture and Training

- Promoting a strong compliance culture.
- Designing and overseeing compliance training programs for staff and senior management.
- Ensuring accountability and appropriate disincentive structures for compliance breaches.

K. Whistle-blower
Ensure timely closure of all complaints with proper investigation.

L. Board and Senior Management Reporting
- Periodic reporting to the Board / Audit Committee of the Board (ACB) on:
- Compliance status.
- Major regulatory developments.
- Significant breaches and root causes.
- Vetting the quality and accuracy of regulatory compliance reports submitted to RBI by senior management.

M. Independence of Compliance Function
- Ensuring strict compliance with all applicable RBI Acts, Banking Regulation Act, Rules, Regulations, Master Directions, Circulars, and Supervisory Instructions.
- Monitoring compliance with other applicable laws (FEMA, PMLA, etc.) as far as they relate to banking operations.
- Ensuring compliance with codes of conduct, including Fair Practices Code.

Legal Department

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/subcontractor 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 FI₹ 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 security perfection in mortgage loans.
- Handling Banking Ombudsman (BO) complaints and customer grievances arising out of service deficiencies

7. Litigation against Bank and advocate management
- Empanelment/De-panelment of legal counsel
- Drafting, reviewing, and filing replies to legal notices, RTIs, and court proceedings
- Tracking and maintaining MIS of all legal cases filed against the Bank including:
  - » Writ Petitions (High Court)
  - » Civil and Criminal Cases
  - » Consumer and Labour Disputes
  - » Pre-litigation and Recovery Matters
- Coordination with external counsel for drafting:

- » Written Statements, Applications, and Submissions before DRT, CMM, DM, and other authorities

8. **Legal audit of high value loan accounts**
Conducting legal audits in alignment with:
    - Master Direction on Frauds – Classification and Reporting by commercial banks and select FIs (July 01,2016)
    - Master Direction on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions (July 15, 2024)

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

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

    In addition to the above Legal Department is also involved in 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.

Audit and Internal control are the backbone of corporate governance. Internal controls are the policies and procedures Bank implemented to safeguard assets, ensure accurate financial reporting, and promote compliance. Audits are the independent evaluations of those controls to verify; the controls are operating effectively.

The Bank follows widely recognized COSO framework , which structures internal control system in five interrelated elements.

a. **Control Environment :** The foundation of the organization, encompassing the integrity, ethical values and 'tone at the top' set by the Board and Management

b. **Risk Assessment :** The proactive identification and analysis of risk that could prevent the Bank from achieving objectives.

c. **Control Activities :** The policies , procedures and mechanism put in place to mitigate risk

d. **Information and Communication :** Systems that capture and process necessary data across the organization.

e. **Monitoring Activities :** Ongoing evaluations to ensure the controls are performing as intended.

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 analyze large datasets and identify potential risks. Computer-Assisted Audit Techniques (CAATs) tools are being extensively used to scrutinize financial transactions, detect anomalies, and provide valuable insights in audit recommendations. Additionally, it performs end-to-end reviews of new product, processes & systems, ensuring the alignment with Bank's strategic objective & regulatory requirement.

The Internal audit practices are guided by the globally recognized standards and best practices outlined by The Institute of Internal Auditors (IIA). The department adopts the IIA's Quality Assurance and Improvement Program

(QAIP) framework to ensure the quality and effectiveness of its internal audit activities. This commitment to quality and best practices enables the department to maintain its high standards and deliver effective support to the organization.

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

Vigilance mechanism

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

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

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

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

Information Technology (IT)

In an increasingly digital and customer-centric banking landscape, Information Technology continues to be a key strategic enabler for Utkarsh Small Finance Bank. During FY 2025-26, the Bank focused on strengthening & execution of core technology foundations, modernizing critical enterprise platforms, enhancing digital customer journeys, and embedding advanced technologies to support scalability, resilience, and regulatory compliance.

Key Technology Initiatives and Platform Transformation

During the year, the Bank undertook multiple large-scale technology initiatives aimed at improving operational efficiency, customer experience, and risk management:

- **Payment Switch & ATM Modernization:** The Bank successfully migrated its Debit Card and IMPS switching to a new, robust switch platform, resulting in significantly improved transaction throughput, stability, and scalability, and an enhanced overall customer experience. In parallel, the Bank's ATM network was modernized through migration to new ATM machines, further strengthening service reliability and availability.
- **Treasury & Financial Risk Systems:** The Treasury Management System (TMS) was upgraded to support enhanced deal processing, regulatory reporting, and integrated risk monitoring. In parallel, the Bank migrated to a new Asset Liability Management (ALM) application, strengthening liquidity risk assessment and balance sheet management.
- **Strengthening AML & Compliance Capabilities:** A new, advanced Anti-Money Laundering (AML) system was implemented, replacing the legacy application. The new platform enables stronger transaction monitoring, improved alert quality, enhanced regulatory reporting, and better scalability to support business growth.
- **Credit & Recovery Digitization:** The Bank implemented a Centralized NPA Management System, enabling end-to-end monitoring, recovery tracking, legal actions, and analytics for delinquent accounts, thereby improving recovery governance and effectiveness.
- **Digital Lending & New Product Enablement:** A Digital Gold Loan Platform was launched to provide a fully digitized, faster time-to-disbursement experience. Additionally, the Loan Origination System was enhanced to better support Micro Banking Individual Loan (MBIL) and Micro Banking Business Loan (MBBL) asset products, improving configurability, reporting, and operational controls.

Digital Channels & Customer Experience Enhancements

Significant investments were made to enhance digital touchpoints and improve customer convenience:

- WhatsApp Banking Services were upgraded with extended service coverage and improved response capabilities.
- Continuous improvements were made across Internet Banking and Mobile Banking platforms to enhance security, performance, and usability.

API, Middleware, and Low-Code Enablement

To support faster innovation and system integration, the Bank:

- Continued strengthening its **API and Middleware platforms**, enabling secure, scalable integration with fintech partners and internal systems.

- Introduced a **Low Code / No Code development platform** to accelerate internal application development, automate workflows, and reduce dependency on traditional development cycles.

Strategic Adoption of Artificial Intelligence

FY 2025–26 marked a significant milestone in the Bank's journey toward **AI-led transformation**. Artificial Intelligence was adopted as a strategic initiative across multiple functions leveraging both generative AI and Agentic AI capabilities. AI adoption has been structured along with appropriate governance, security controls, and regulatory alignment, ensuring responsible and scalable implementation across the Bank.

Data Centre Modernization & Managed Infrastructure Services:

The Bank established a new on premises Data Centre and Disaster Recovery (DR) setup to support ongoing system modernization initiatives and strengthen infrastructure resilience. A leading industry partner was engaged for managed Data Centre services to ensure skilled operations, best in class practices, and service continuity.

Additionally, enterprise grade Backup solutions were implemented to ensure data availability, integrity, and rapid recovery, while advanced Endpoint Detection & Response (EDR) solutions were onboarded to strengthen cyber security, enable proactive threat detection, and protect critical systems from evolving cyber risks.

New Core Banking System (CBS)

The Bank continued to make measured progress on its enterprise-wide transformation initiatives relating to the Core Banking System (CBS) during FY 2025–26 and planned to go-live during the year. These programs are aimed at modernizing the Bank's core technology landscape, improving system scalability and resilience, and enabling a consistent omni-channel customer experience. The initiatives are being executed under strong governance with a phased approach to ensure business continuity and regulatory compliance throughout the transformation journey.

Outlook

The Bank remains committed to leveraging technology as a strategic differentiator. Investments made during FY 2025–26 have laid a strong foundation for future growth, operational excellence, and superior customer experience. The IT roadmap continues to prioritize modernization, resilience, digital innovation, and responsible adoption of emerging technologies

Workforce

At Utkarsh, our people remain central to our growth journey. We foster an inclusive, transparent, and performance-driven workplace through a robust HR framework spanning recruitment, operations, learning, and employee engagement. Supported by a strong zonal structure and technology-enabled HR services, including a mobile-based platform, employees have seamless access to key HR functions and support. As of March 31, 2026, our workforce stood at 18,400 employees.

Cautionary statement

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

Basel Disclosures

Basel III – Pillar 3 Disclosures as on March 31, 2026

Utkarsh Small Finance Bank Limited (hereafter referred as the "Bank" or "USFBL"), is a wholly owned subsidiary promoted by Utkarsh Core Invest Limited (formerly known as Utkarsh Micro Finance Limited) incorporated on April 30, 2016 under the provision of the Companies Act, 2013. The Bank is licensed by the Reserve Bank of India to operate as a Small Finance Bank under the Banking Regulation Act, 1949 on November 25, 2016. As per the Business Transfer Agreement, the entire balance sheet of Utkarsh Micro Finance Ltd. (now known as Utkarsh Core Invest Limited) was transferred to Utkarsh Small Finance Bank Limited as at the close of business on January 21, 2017. Subsequently, banking operations commenced on January 23, 2017, with the opening of five branches in Delhi, Patna, Nagpur, and Varanasi. The Bank has entered its 9th year of business operations. It was included in the second schedule of the RBI Act, 1934 vide notification dated November 16, 2017 and was accorded the status of a Scheduled Commercial Bank.

The Bank aims to provide affordable & accessible banking services which are process centric, technology enabled, and people oriented resulting in reliable, scalable and sustainable institution facilitating socioeconomic change. The purpose is to provide banking products to the unserved and underserved sections of the country, which includes small and marginal farmers, micro and small industries, and other organized sector entities, at an affordable cost.

USFBL has prepared this disclosure document in compliance with the directions of Reserve Bank of India (RBI) vide its circular RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015. The document provides a review of key observations pertaining to the Bank's capital adequacy, credit quality, key business highlights and a review of its key risks as of March 31, 2026.

I. Disclosure Framework (DF) – 1: Scope of Application

The framework of disclosures applies to USFBL. The Bank does not have any subsidiary, nor does it have any interest in any insurance entity. All the information in this document is made as a standalone entity.

II. DF – 2: Capital Adequacy

1) Qualitative Disclosure:

a) The Bank is subject to the capital adequacy framework as per the "Operating Guidelines for Small Finance Bank" from Reserve Bank of India (RBI). As per capital adequacy framework, the Bank is required to maintain a minimum Capital to Risk Weighted Assets (CRAR) of 15% with minimum Tier I capital as 7.5%. As of now, capital conservation buffer and counter cyclical buffer are not applicable for Small Finance Banks (SFBs).

For the purpose of capital adequacy, only credit risk is covered since there is no separate capital charge prescribed for market risk and operational risk as per the direction of RBI. For computation of capital for credit risk of SFBs, RBI has prescribed Basel II Standardized Approach and has permitted the use of external rating-based risk weights for rated exposure and regulatory retail approach for small retail loans.

- Credit Risk (Standardized Approach)
- Market Risk (Standardized Approach)
- Operational Risk (Basic Indicator Approach)

For better assessment of the capital, the Bank is having Internal Capital Adequacy Assessment Process (ICAAP) with Simplified Approach, considering its nature, scope, geographic spread, complexity, and quantum of operations. Our risk management practices are in line with the required degree of supervision for a Small Finance Bank.

The Bank's ICAAP focuses on ensuring that the Bank has sufficient capital to support all the risks inherent to its business and an adequate capital buffer based on the business profile to cover future unforeseen risks upto a certain degree. The change in the level of credit risk, market risk and interest rate risk along with the changes in on- balance sheet and off- balance sheet exposures are assessed under different stress scenarios by the Bank to have better assessment of the capital requirement.

2) Quantitative Disclosure

Capital required for Credit Risk given below is arrived at after multiplying the risk-weighted assets by 15%.

(in Crores)

Sl. No.	Particulars	Amount as on 31st March 2026
(b)	**Capital Requirement for Credit Risk:**	
	Portfolios subject to Standardized Approach	2,250.69
	Securitization exposures	-
(c)	Capital Requirement for Market Risk:	
	Standardised duration approach	
	i) Interest Rate Risk	-
	ii) Foreign exchange Risk (including Gold)	-
	iii) Equity Risk	-
(d)	Capital Requirement for Operational Risk:	
	Basic Indicator Approach	-
(e)	Total Capital Requirement (b+c+d)	2,250.69
(f)	Total Risk Weighted Assets	15,007.00
(g)	Total Capital Fund	2,656.87
(h)	Capital Adequacy Ratio	
	Common Equity Tier-1	14.98%
	Tier-1	14.98%
	Tier-2	2.73%
(i)	Total CRAR	17.71%

3) Risk Exposure and Assessment

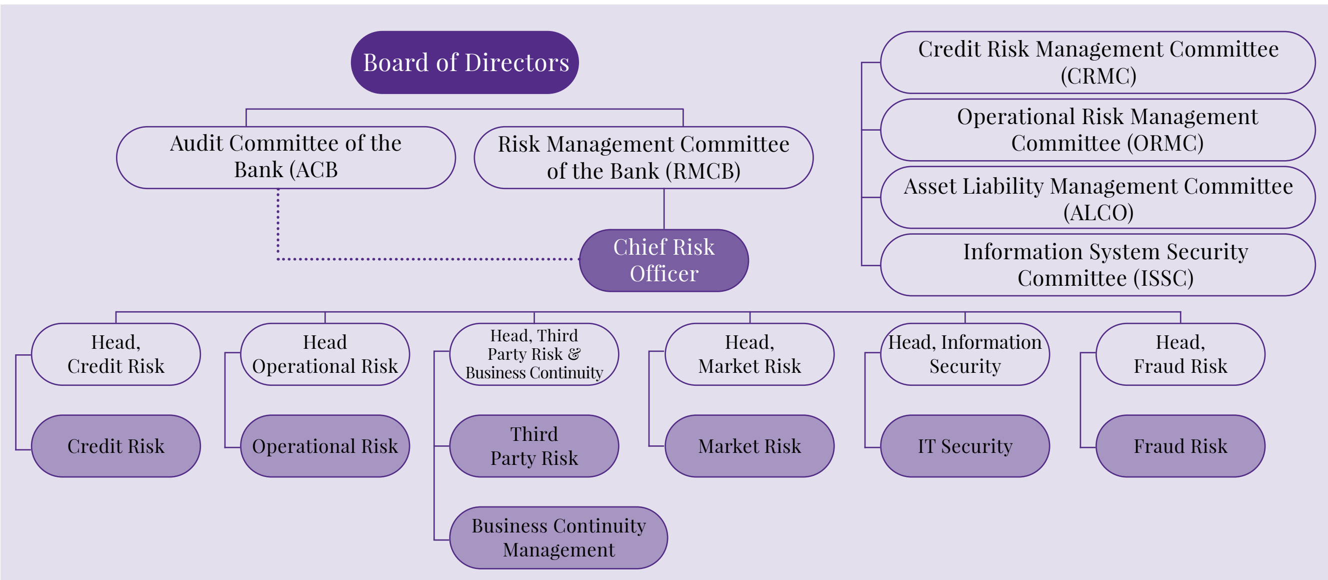
The Bank is exposed to certain broad risks, which are being monitored and mitigated on an ongoing basis. Credit Risk, Operational Risk, Information Security and Market & Liquidity Risk are the Risks that are being monitored based on Board Approved policies of the Bank. These are reviewed at annual intervals or based on certain key ad hoc changes in between the annual frequency.

4) Risk Governance Model

The Bank has developed a system to manage & control various risks across the Business Verticals. Under this model, Business Verticals are made aware of the level of Risk to be taken, management of these Risks and taking Bankable risks. Risk Department of the Bank has a well-defined policy framework, which makes the analysis impactful for monitoring, and the reporting standardized. Internal Audit team also provides an impartial assessment of the process followed by all departments including Risk department under the Risk Control Self-Assessment exercise.

5) Risk Governance Framework

The Bank has a well-defined and approved reporting structure of Risk related agenda items to the Bank' Board. The structure is as under: -



6) Governance Committees

The Role and Responsibilities w.r.t Risk Management Framework of the Bank of various committees & board are as under: -

i. **Board of Directors-** the Board of Directors ("the Board") is the ultimate authority in the Bank to lay down the policies. The Board can, however, form committees to oversee the risk management processes, procedures and systems in the Bank.

ii. **Risk Management Committee of Board (RMC)-** The Risk Management Committee of the Board will be a Board level sub-committee including MD & CEO. The primary role of the Committee is to report to the Board and provide appropriate advice and recommendations on matters relevant to Risk Management. The Role of RMC is enlisted as under:

- Overseeing Credit Risk Management and obtaining assurance that the principal credit risks facing the Bank have been identified and are being appropriately managed.
- Approving and periodic review of the Bank's overall risk appetite and setting limits for individual risks such as credit, market, operational and liquidity, before submission to the Board.
- Approving credit risk management and measurement policies and guidelines before submission to the Board
- Determining prudential limits for individual, group, portfolio, or other exposures of the Bank, within the ceilings fixed by RBI and the Board
- Monitoring the Bank's risk profile, including risk trends and concentrations, loan impairment experience and key performance indicators for risk
- Approval of new Credit Risk Assessment (CRA) system and classification as acceptable and unacceptable category and periodic changes needed to such classification.
- Assessing effectiveness and performance of rating system validation and approving the results before model is used or a part of model validation exercise.
- Reviewing industry/sector/portfolio view of the Bank
- Approving product-pricing strategy for advances
- Ensuring balance sheet and capital adequacy management with due regard to various risks impacting the balance sheet
- Reviewing and approving the Internal Capital Adequacy Assessment Process (ICAAP) document at least on a yearly basis
- Deciding appropriate MIS system and framework for risk management.
- Approve credit risk limits at the Bank level for various portfolios such as industry, product, geography, risk types etc., which include approval of material changes to credit risk limits.
- Discuss the findings of the Audit Committee of the Board (ACB) and issue directions for corrective actions.
- Approve results of credit risk stress tests
- Identification, evaluation, and mitigation of all risks applicable to the Bank, including operational risk.
- Approving the Operational Risk policies and proposed framework modifications and recommending it to the Board
- Overseeing the activities, annual review, and independent reviews of the ORMC
- Ensuring coverage of Internal Audit oversight over implementation
- Ensure that adequate policies are in place to manage and mitigate Market Risk
- Evaluate the adequacy of the Bank's Market Risk management systems with management, internal and external auditors, and ensure adherence to Regulatory guidelines.

iii. **Audit Committee of the Board-** Audit shall provide an independent assurance to the Board through Audit Committee on the effectiveness of implementation of risk management framework, including the overall adequacy of the internal control system and the risk control function and compliance with internal policies and procedures. Responsibilities of the Internal Audit Department include:

- Annual review of the processes and controls related to rating system design and operations.
- Review on an annual basis that validation processes are implemented as designed, validations are conducted in a timely and effective manner, model inventory and documentation standards are accurate and complete.
- Review the Bank's compliance with RBI guidelines and established risk related policies and procedures.

- Review of individual loan accounts on a sample basis based on the defined sampling process.
- Review the adequacy of the IT infrastructure and data maintenance. For portfolios where statistical models are being used, conduct tests to check data input processes.
- Provide notice to RMC through the Audit Committee of the Board of any material deviations from established policies which may impact Bank's rating system or processes; and verify that details with respect to collateral and credit risk mitigants have been captured in the Bank's systems.

iv. Credit Risk Management Committee (CRMC)

Specific responsibilities of the Credit Risk Management Committee are to:

- Ensure implementation of credit risk management policy and strategy approved by the Board.
- Monitor quality of loan portfolio at periodical intervals, identifying problem areas and issuing directions for rectifying deficiencies.
- Monitor credit risk on a bank wide region wise basis and ensure compliance with the approved risk parameters/ prudential limits and monitor risk concentrations.
- Report any credit risk issues brought to its notice to the Risk Management Committee / Board
- Incorporate regulatory compliance in Bank's policies and guidelines regarding credit risk.
- Review and approve the use of internal risk rating for eligible accounts for business and risk management purposes and placing before RMC.
- Review all rating validation results to assess efficacy and effectiveness of model performance and placing recommendations before RMC.
- Review and approve the credit risk stress testing scenarios, results, and analysis.

v. Operation Risk Management Committee (ORMC)

Specific responsibilities of the Operation Risk Management Committee are to:

- The ORMC should meet at least quarterly to discuss the performance of the ORMF, areas needing improvement and the status of efforts to improve previously identified deficiencies.
- ORMC should inform the RMC of issues and changes or deviations from established policies, which will significantly impact the operations of the ORMF, including the operational risk profile and capital allocated to operational risk on a regular and timely basis.
- Evaluating the Operational Loss and Near Miss reports submitted by the business units of the Bank and deliberating on the same.
- Performs periodic review of the ORMF.
- Ensures appropriate action is taken for operational risk exposures exceeding appetite.
- ORMC should ensure the ongoing relevance and effectiveness of the ORM framework, the ORMS.

vi. Asset Liability Management Committee (ALCO)

Specific responsibilities of the Asset Liability Management Committee are to:

- Evaluate internal processes for identifying, assessing, monitoring, and managing Market Risk
- Design and implement the bank's market risk management system.
- Review Market risk policy and procedures on a periodic basis and report to the Risk Management Committee for approval
- Monitor adherence to limits prescribed in the market risk policy and report any modifications required in the existing limits to the Risk Management Committee for approval.
- Ratification of exceptions to Market Risk Limits.
- Approve the Hedging Strategy, whenever the bank takes an open position.
- Regularly the investment portfolio

III. DF – 3: Credit Risk: General Disclosures

1) Qualitative Disclosure:

Credit Risk is defined as the possibility of losses due to outright default due to the inability or unwillingness of a customer or counterparties to meet commitments in relation to lending, trading, settlement, and other financial transactions. In addition, reduction in portfolio value arising from actual or perceived deterioration in credit quality of borrowers or counterparties. Credit risk emanates from a bank's dealings with an Individual, Non-Corporate, Corporate, Bank, Financial Institutions, or a Sovereign. Past Due contracts are those which have failed to make the scheduled payment on the given due date. Impaired accounts are those which have not paid three consecutive EMIs or are irregular for a period of more than 90 days or in a running account facility, three months interest is not serviced consecutively.

A non-performing asset (NPA) is a loan or an advance which falls under any of the following category:

- Interest and/ or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan.
- The account remains 'out of order', in respect of an Overdraft/Cash Credit (OD/CC)
- The bill / cheques purchased remains overdue for a period of more than 90 days in the case of bills/ cheques purchased and discounted.
- The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
- The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.
- The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of the directions issued by RBI.
- In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- In case of interest payments, banks shall, classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

The Credit Risk Management Department (CRMD) shall present progress reports to the CRMC/ Board on implementation of Credit Risk Management guidelines of the Bank and reports those that are required to be submitted to the regulator at the stipulated intervals. The CRMD shall be responsible for identification, assessment, quantification, and aggregation of credit risks embedded in business operations of the Bank and shall be responsible for formulation, evaluation, and improvement of risk management/control/ mitigation tools in the Bank.

The broad functions of the Credit Risk Management Department would be as follows:

- Measure, control and manage credit risk on a Bank-wide/ Zone-wise/ Product wise basis within the limits set by the Board / CRMC.
- Monitor quality of loan portfolio, identify problems and correct deficiencies.
- Undertake portfolio evaluations and comprehensive studies on the environment to test the resilience of the loan portfolio to protect the quality of loan portfolio.
- Compute and analyze the RWA and credit risk capital computation results and apprise the same to CRMC.
- Enforce compliance with the risk parameters and prudential limits set by the Board / RMC / CRMC.
- Review and document changes to the credit scoring process and criteria, including rationale for their changes. Reviewing the scoring criteria to ensure that they remain predictive of risk.
- CRMD shall be responsible for collection of data required for model development and credit risk capital calculation.
- Lay down risk assessment processes; develop MIS for reporting to senior management.
- Documenting changes to the rating process, criteria or individual rating parameters and retained for RBI to review.
- Undertake Stress testing of portfolios and provide inputs for ICAAP.

2) Quantitative Disclosure:

a) Total Gross Credit Risk Exposure by Facility:

(in Crores)

Facility Type	Credit Exposure
Fund Based	15,007.00
Non-Fund Based	0.00
Total	**15,007.00**

b) Total Gross Credit Risk Exposure by Geography:

(in Crores)

Category	Fund Based	Non-Fund Based	Total Credit Exposure
Domestic	15,007.00	0.00	15,007.00
Overseas	0.00	0.00	0.00
Total	**15,007.00**	**0.00**	**15,007.00**

c) Industry wise Distribution of Gross Advances:

(in Crores)

Category	Fund Based	Non-Fund Based	Total Credit Exposure
Agriculture and Allied Activities	4,847.08	-	4,847.08
Micro and Small	1,525.10	-	1,525.10
Professional Services	2.03	-	2.03
Wholesale Trade (other than Food Procurement)	193.27	-	193.27
Retail Trade	1,925.43	0.14	1,925.57
NBFCs	1,604.81	10.30	1,615.11
Banking & Finance other than NBFCs and DFIs	17.09	-	17.09
Other Services	2,199.05	21.62	2,220.67
Housing Loans (incl. priority sector Housing)	1,005.10	-	1,005.10
Consumer Durables	0.05	-	0.05
Credit Card Receivable	66.59	-	66.59
Vehicle/Auto Loans	132.16	-	132.16
Education Loans	2.95	-	2.95
Advances against Fixed Deposits (incl. FCNR(B), etc.)	463.50	-	463.50
Other Retail Loans	4,951.22	-	4,951.22
Other Non- Food Credit	-	-	-
Total	**18,935.43**	**32.06**	**18,967.49**

d) Residual Contractual Maturity Breakdown of Assets:

Time Buckets	Amount as on 31st March 2026 (Audited)						
	Cash and Balances with RBI	Balance with Banks and Money at Call and Short Notice	Investments	Advances	Fixed Assets	Other Assets	Total
1 day	1,429.59	34.83	3,388.15	212.80	-	408.05	5,473.42
2 to 7 days	21.86	100.00	288.33	162.72	-	17.63	590.53
8 to 14 days	1.43	-	18.90	89.59	-	40.01	149.93
15 to 30 Days	8.12	-	157.16	291.84	-	292.06	749.17
31 Days to 2 months	8.47	150.05	111.76	538.59	-	20.12	828.99
Over 2 months to 3 months	6.64	210.00	137.34	530.05	-	9.67	893.71
Over 3 months to 6 months	20.84	130.00	274.95	1,527.79	-	35.03	1,988.60
Over 6 months to 1 year	54.50	0.05	718.88	3,170.60	-	55.11	3,999.14
Over 1 year to 3 years	128.41	4.14	1,693.88	5,739.07	-	158.63	7,724.13
Over 3 years to 5 years	8.43	-	77.15	1,754.52	-	10.65	1,850.75
Over 5 years	3.84	-	47.57	4,052.04	457.83	59.41	4,620.69
Total	**1,692.14**	**629.08**	**6,914.05**	**18,069.59**	**457.83**	**1,106.37**	**28,869.07**

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

(in Crores)

Particulars	Amount as on 31st March 2026
Gross Advances	**18,935.44**
Net Advances	**18,069.59**
Gross NPA	**1,459.91**
Sub-standard	1,347.12
Doubtful 1	78.91
Doubtful 2	18.83
Doubtful 3	2.68
Loss	12.36
NPA Provision	**865.85**
Floating Provision	**0.00**
Net NPA	**594.05**
NPA Ratios:	
Gross NPA to Gross Advances (%)	7.71%
Net NPA to Net Advances (%)	3.29%

f) Movement of Non-Performing Assets (NPA Gross):

(in Crores)

Particulars	Amount as on 31st March 2026
Opening Balances (As on 1st April, 2025)	1,854.38
Additions	1,724.31
Write Offs / ARC Portfolio	1,743.30
Reductions	375.49
Closing Balances	**1,459.90**

g) Movement of Specific & General NPA Provisions:

(in Crores)

Particulars	Amount as on 31st March 2026		
	Specific Provisions (NPA)	General Provisions (Standard)	General Provisions (Restructuring)
Opening Balances (As on 1st April, 2025)	949.11	65.07	1.15
Add: Provisions made during the period	1,751.59	-	0.02
Less: Write offs	1,743.30	-	-
Less: Write Back of excess provision	91.55	1.45	-
Closing Balances	**865.85**	**63.62**	**1.17**

Specific Provisions represents provisions for NPAs.

General Provisions represents provisions excluding NPAs.

h) Position of Non-Performing Investments (NPI) as on 31st March 2026:

(in Crores)

Particulars	Amount as on 31st March 2026
Amount of Non-Performing Investments (NPI)	0.00
Amount of Provisions held for NPI	0.00

i) Movement of provisions for depreciation on investments:

(in Crores)

Particulars	Amount as on 31st March 2026
Opening Balance (As on 1st April, 2025)	36.11
Add: Provisions made during the period	105.28
Less: Write offs	0.00
Less: Write Back of excess provision	0.39
Closing Balance	**141.00**

IV. DF – 4: Credit Risk: Disclosures for Portfolios Subject to the Standardized Approach

1) Qualitative Disclosure:

In line with RBI guidelines, Bank has employed standardized approach under Basel III capital regulations for computing risk-weighted assets of its credit portfolio.

As per regulations, the Bank is using long-term instrument ratings and / or bank facility ratings issued by the specified accredited External Credit Rating Agencies (ECRA) and published in public domain to assign credit risk weights to its counterparties.

2) Quantitative Disclosures:

The Bank has used the Standardized Approach under the RBI's Basel capital regulations for its credit portfolio.

Movement of Non-Performing Assets (NPA Gross): (in Crores)

Particulars	Amount as on 31st March 2026
Below 100% Risk Weight	9,797.78
100% Risk Weight	2,411.22
More than 100% Risk Weight	2,798.00
Deducted	0.00
Closing Balance	**15,007.00**

Both Fund & Non-Fund Based Exposure

V. DF – 5: Credit Risk Mitigation: Disclosures for Standardized Approach

1) Qualitative Disclosure:

Borrower's financial strength and debt-servicing capacity shall be the primary consideration while granting credits and bank shall not rely, solely on collateral or guarantees as the primary source of repayment or as a substitute for evaluating the borrower's creditworthiness. Nevertheless, collateral and guarantees, if properly taken and managed, serve a few important functions in credit risk management. These include:

- to mitigate credit risk by providing the bank with a secondary source of repayment if the borrower defaults on a credit facility.
- to gain control of the collateral which is the primary source of repayment of a facility in default.
- to provide early warning of a borrower's deteriorating repayment ability (particularly for credit facilities such as margin financing where top-up of collateral may be required from time to time); and
- to enable bank to provide lower capital to credits which are secured by eligible collateral or guarantees.

Assets or rights provided to the Bank by the counterparty or a third party to secure a credit facility. The Bank must have a priority claim on the sale proceeds of collateralized assets or rights in the case of default of the counterparty or in case of occurrence of other credit events specified in the related facility documents collateral includes both primary and secondary securities provided to the Bank.

Primary security: Primary security is the asset created out of the credit facility extended to the borrower and / or which are directly associated with the business / project of the borrower for which the credit facility has been extended.

Secondary security: Secondary security is any other security offered for the said credit facility. For example, mortgage of House, land, Fixed deposits, Gold etc.

Depending on the deal structure and overall assessment of borrower, the personal guarantee of promoter directors / partners / proprietor / property owners, etc. is taken in Wholesale Banking vertical on a case - to - case basis.

The credit documentation empowers the bank to apply the collateral freely to discharge the borrower's obligations in so far as they are not discharged by the borrower in accordance with the loan agreement (e.g., due to breach of repayment terms, liquidation, or bankruptcy of the borrower). The bank verifies the existence and ownership of the assets being pledged before acceptance and ensures that there is no prior claim, or claim of equal ranking, by another party on the collateral. The bank secures its control of the collateral prior to the drawdown of credit facilities e.g., it obtains customers' authorization to transfer the legal title to the pledged shares to the bank etc. Where there is a need for the collateral to be held by a third party, the bank obtains that party's written confirmation that it has no claim over the collateral. Charges on collateral are registered promptly with the relevant authorities under applicable law (e.g., registrar of companies – ROC, CERSAI), where appropriate.

Valuations are based on the current market value of the collateral and are not biased to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision, or continue interest accrual for a problem credit. The bank ensures that the valuation method used, whether internal or external, is based on assumptions that are both reasonable and prudent and all assumptions should be clearly documented.

Collateral are being revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g., frequency for shares and properties as collateral would be different. Staff conducting internal valuations, carrying out site visits to collateralized properties or deciding on the use of external valuers etc. shall be independent of the marketing or credit granting & approval function. The bank monitors general trends in markets (e.g., property price and stock indices) for the major types of collateral taken. It conducts stress tests & scenario analysis on their portfolio of collateral to assess the impact under unusual market conditions (e.g., a significant decline in property or stock prices).

Authority and responsibility are clearly delegated to relevant individuals and departments for approving the acceptance, monitoring or safe custody of collaterals and guarantees. The bank ensures safe custody, easy retrieval, control over movement, control over access, of collateral & guarantees depending upon their nature & types e.g., use of fireproof vault etc. Collaterals & guarantees are being handled as per the bank's internal procedures.

Bank periodically verify the availability of collateral though inspection and audit. Prior to the release of collateral or guarantees, bank shall ensure that:

- all conditions for release stipulated in the relevant loan agreements have been fully complied with; and
- the release has been duly authorized.

All the collateral acquired by the bank during the satisfaction of debts due to it will be disposed of at the earliest suitable opportunity. Disposal of collateral will be at arm's length and through a transparent process (such as a public auction or independent estate agents for foreclosed properties etc.) to avoid complaints / disputes by the original owner. The bank will ensure that the disposal of collateral complies with relevant laws and regulations and where appropriate, legal advice should be sought.

Management information on collateral has been produced periodically to facilitate review by the senior management. The information required will depend on the nature and value of collateral taken by the bank. Following information can be included (inclusive):

- Breakdown of credit exposure by type of collateral
- Borrowings exceeding maximum loan to- value ratio.
- Total current market value of assets foreclosed during satisfaction of debts.
- Comparison of latest assessed market value with actual proceeds of collateral sold.
- Current market value of collateral related to each classified credit.

Risk concentrations are the single most important cause of major problems in banks and may take many forms including exposures to types of assets, individual counterparties, groups of related counterparties and counterparties in specific geographical locations, economic or industry sectors,

The following exposures shall be included while monitoring geographical concentration of exposures:

- Sanction limit or outstanding limit
- Sanction limit but not disbursed; and
- Agreement in principle

Geographical concentration risk has been monitored by the RMD based on region / zone in which the loan is booked. Bank endeavors to gradually reduce the geographical concentration to ensure that any unfavorable event in any region is not significantly affecting the bank's portfolio. The concentration of the top two states shall not exceed 50% of the total portfolio. Concentration of any other state shall not exceed 15% of the portfolio. Similarly, portfolio concentration for JLG in single district shall not exceed 4% of the portfolio. If certain level of concentration is unavoidable due to the Bank's trade area, geographic location, lack of access to diverse borrowers, Bank's own expertise in a particular industry or economic sector, in such cases, the Bank shall monitor the performance of such portfolio very closely to take appropriate steps in case of any red flags.

The Bank complies with the statutory exposure limits set by RBI for individual counterparties, group of counterparties, geography / region, industry / sector etc. The Bank has established internal exposure limits that may be more conservative than the statutory limits stipulated by RBI, commensurate with capital base and balance sheet size. Appropriate justification shall be recorded for enhancement of such limits. The Bank shall carry out analysis of the credit portfolio, including estimates of its trends and use results in setting internal limits. Aggregate exposure in NBFC should not be more than 10% of the credit exposure of the Bank as per the last quarter balance sheet. Factors like the perceived risk of a certain sector or region, the nature of the product, maturity/tenor, and purpose of credit and sources of payment may also be considered while fixing internal exposure limits.

2) Quantitative Disclosures:

Exposure covered by Credit Mitigants

(in Crores)

Particulars	Amount as on 31st March 2026
Total exposure covered by eligible financial collateral	9,706.46
Total exposure covered by guarantees	2,485.96

VI. DF – 6: Securitisation Exposures: Disclosure for Standardized Approach

As on 31st March 2026, the Bank does not have any Securitization Exposures.

VII. DF – 7: Market Risk in Trading Book:

1) Qualitative disclosures:

Market Risk may be defined as the possibility of loss to a bank caused by changes in the market variables such as interest rates, credit spreads, equity prices, etc. The market risk for the Bank is governed by 'Market Risk Management Policy' and 'Treasury & Investment Policy', which are approved by the Board. These policies ensure that transactions in debt and capital markets are conducted in accordance with acceptable business practices and are as per the extant regulatory guidelines.

a) Structure and Organization

The organizational structure for Market Risk Management is as follows:

- Board of Directors
- Risk Management Committee of Board (RMCB)
- Asset Liability Management Committee (ALCO)
- Chief Risk Officer (CRO)
- Head - Market Risk Department
- Market Risk Management Unit

The Market Risk Management unit is independent of the dealing and settlement functions and reports directly to the Chief Risk Officer.

b) Strategies and Processes

Risk identification entails ensuring all instruments that result in Market Risk both on-balance sheet and off- balance sheet of the Bank is identified and monitored centrally. To achieve this objective, all new instruments/ products in which the Bank engages should be assessed. The Asset Liability Management Committee (ALCO) reviews all new instruments to evaluate whether they result in market risk. Modifications to existing instruments are reported to the ALCO to enable such evaluation.

The Market Risk Division of the Risk Management Department is responsible for the design and implementation of the Bank's market risk management/ALM system. The Division is independent from business and trading units, and provides an independent risk assessment, which is critical to the ALCO's key function of controlling and managing market risks in accordance with the mandate established by the Board and Risk Management Committee. Mid Office of the Bank's Treasury function is attached to the Market Risk Division of Risk Management Department. Mid Office prepares and analyses daily reports on various activities of the Bank's Treasury. The Mid Office, which is responsible for the critical functions of independent market risk monitoring, measurement and analysis, reports to the Bank's Chief Risk Officer through the Head of Market Risk Division.

c) Market Risk Measurement

Adverse movements in interest rates can affect both interest earnings and the fair or economic value of the financial instruments. The very nature of the financial intermediation business makes the Bank susceptible to interest rate risk and unmanaged risk could potentially pose a significant threat to the Bank's earnings and capital. Interest rate risk results from both the trading book and banking book. The impact of interest rate risk on trading book is actively measured using trading book risk metrics like PV01, duration, etc. For the banking book, interest rate risk arises through mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL) and rate sensitive off-balance sheet items.

For SFBs, Reserve Bank of India has not prescribed capital charge for market risk. Since the market risk framework also covers specific risk charge, therefore, to assess the credit risk in the trading book, an external rating-based approach is used, and risk weighted assets so computed are included under credit risk.

2) Quantitative Disclosures:

Exposure covered by Credit Mitigants

(in Crores)

Capital Requirement	Amount as on 31st March 2026
Risk Weighted Assets for Market Risk:	
Standardized Duration Approach	0.00
Interest Rate Risk	0.00
Equity Position Risk	0.00
Foreign Exchange Risk	0.00

VIII. DF – 8: Operational Risk –

1) Qualitative disclosures:

Operational Risk is defined as the risk of losses resulting from inadequate or failed internal processes, people, and systems or from external events, which includes but is not limited to legal risk. It is inherent in all activities arising out of a bank's business and operations and could result in financial losses, litigation, regulatory fines, or other damage to the bank. The severity of impact on the bank, its employees and customers are dependent on the efficacy with which operational risk is managed by the bank. The goal is to keep operational risk at appropriate levels, considering the bank's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment in which it operates.

a. Structure and Organization

The operational risk management governance structure is as follows:

- Board of Directors
- Risk Management Committee of Board (RMCB)
- Operational Risk Management Committee (ORMC)
- Chief Risk Officer (CRO)
- Head - Operational Risk Department
- Operational Risk Unit

Additionally, with a view to ensuring sound practices in respect of governance of the overall Operational Risk, the Bank has outlined policies and processes in respect of Information Security, Business Continuity Planning, Disaster Recovery, Fraud Risk Management Control and Customer Services.

b. Strategies and Processes

The business units and supporting operational functions are accountable for operational risks and controls in their respective areas, which they manage as per the policies, standards, processes, procedures; and operational risk management framework laid down by the independent operation risk management (ORM) function.

ORM along with product and process managers facilitates the business and operation groups for carrying out risk and control self-assessments on a periodic basis. All the new products and processes including modifications thereof are reviewed by the control groups such as risk, compliance, legal and audit.

Bank has an internal framework for reporting and capturing operational risk incidents. Significant incidents reported are investigated to assess weaknesses in controls and identify areas for improvement.

The Bank also has a Whistle blower policy, which is open to employees and vendors for raising their concerns, with full confidentiality, on any fraud, malpractice or any other untoward activity or event. The Bank has a separate Risk Containment Unit (RCU) to pre-empt and weed out undesirable prospective customers at the on-boarding stage itself. The Bank also has Fraud Risk Management Unit to detect and prevent frauds as also address fraud risk related issues and conduct investigations wherever frauds have been detected or potential frauds are flagged.

There is an independent information security group, which addresses information and cyber security related risks. The function is governed by a Board approved policies on information security and cyber security. The Bank carries out periodical awareness exercise to ensure that employees are updated on information security practices. The information security function is driven by both technology and process driven controls.

Disaster recovery and Business Continuity Plan (BCP) has also been established by the Bank for significant businesses to ensure continuity of operations and minimal disruption to customer services. These plans are periodically tested and reviewed to ensure their effectiveness.

XI. DF – 9: Interest Rate Risk in the Banking Book (IRRBB)

1) Qualitative Disclosure

Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on bank's earnings through changes in its Net Interest Income (NII). A long-term impact of changes in interest rates is on bank's Market Value of Equity (MVE) or Net worth through changes in the economic value of its, liabilities and off-balance sheet positions. The interest rate risk, when viewed from these two perspectives, is known as 'earnings perspective' and 'economic value' perspective, respectively.

The interest rate risk is measured and monitored through two approaches:

Earning at Risk (EAR): Earnings perspective involves analyzing the impact of changes in interest rates on accrual or reported earnings in the near term. This is measured using TGA whose focus is to measure the level of a bank's exposure to interest rate risk in terms of sensitivity of its NII to interest rate movements over the horizon of analysis which is usually one year. It involves bucketing of all RSA and RSL and off - balance sheet items as per residual maturity/ re-pricing date in various time bands and compute Earnings at Risk (EaR) i.e. loss of income under different interest rate scenarios over a time horizon of one year.

Market Value of Equity (MVE): This approach analyses the dynamic behaviour of economic value of equity with response to varying interest rate scenarios. Broadly, the MVE is defined as the difference between the market value of assets and market value of liability in response to a change in the interest rate. The linkage between the two is established via modified duration of rate sensitive assets and liabilities.

The Duration Gap Analysis (DGA) would involve bucketing of all on- and off- balance sheet Risk Sensitive Assets (RSA) and Risk Sensitive Liabilities (RSL) as per their residual maturity / re-pricing dates in various time bands and computing the Modified Duration Gap (MDG). MDG would be used to evaluate the impact on the Market Value of Equity (MVE) of the bank under different interest rate scenarios.

Modified Duration of an asset or liability measures the approximate percentage change in its value for a 100 basis point change in the rate of interest.

2) Quantitative Disclosures:

Earning at Risk (EAR):

(in Crores)

Change in interest rate	Amount as on 31st March 2026
EaR @ 100 bps	0.34%
EaR @ 200 bps	0.74%
EaR @ 300 bps	1.10%

Market Value of Equity (MVE)

(in Crores)

Change in interest rate	Amount as on 31st March 2026
% Change in MVE when there is 100 bps change in interest rates	3.34%
% Change in MVE when there is 200 bps change in interest rates	6.69%
% Change in MVE when there is 300 bps change in interest rates	10.03%

X. DF – 10: General Disclosure for Exposure Related to Counterparty Credit Risk

As on March 31, 2026, the Bank does not have any Counterparty Credit Risk and Derivative exposure.

XI. DF – 11: Composition of Capital

(in Crores)

Particulars		Amount
Common Equity Tier 1 Capital: Instruments and Reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	2,600.35
2	Retained earnings	(271.39)
3	Accumulated other comprehensive income (and other reserves)	444.56
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	**Common Equity Tier 1 capital before regulatory adjustments**	**2,773.52**

XI. DF – 11: Composition of Capital

(in Crores)

Particulars		Amount
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Intangibles including deferred revenue expenditures (net of related tax liability)	53.18
10	Deferred tax assets	473.16
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitization gain on sale	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-
17	Reciprocal crossholdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financial entities	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments (26a+26b+26c+26d)	-
26 a	Of which: Investments in the equity capital of unconsolidated insurance subsidiaries	-
26 b	Of which: Investment in the equity capital of unconsolidated nonfinancial subsidiaries	-
26 c	Of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank	-
26 d	Of which: Unamortized pension funds expenditures	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
28	Total regulatory adjustments to Common equity Tier 1	526.34
29	**Common Equity Tier 1 Capital (CET 1)**	**2,247.18**
	Additional Tier 1 Capital: instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) [31+32]	-
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase out	-
36	**Additional Tier 1 capital before regulatory adjustments**	**0.00**

XI. DF – 11: Composition of Capital

(in Crores)

Particulars		Amount
	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal crossholdings in Additional Tier 1 instruments	
39	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions ,where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a + 41b)	
41 a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41 b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**
44	**Additional Tier 1 capital (AT1)**	**-**
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)**	**2,247.18**
	Tier 2 capital: instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47	Directly issued capital instruments subject to phase out from Tier 2	344.00
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
49	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions (including Investment Reserve Account and Revaluation Reserve) (1.25% of Credit risk RWA)	65.69
51	**Tier 2 capital before regulatory adjustments**	**409.69**
	Tier 2 capital: regulatory adjustments	
52	Investments in own Tier 2 instruments	-
53	Reciprocal crossholdings in Tier 2 instruments	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55	Significant investments in the capital Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
56	National specific regulatory adjustments (56a+56b)	-
56 a	Of which: Investments in the Tier II capital of unconsolidated subsidiaries	-
56 b	Of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank	-
57	**Total regulatory adjustments to Tier 2 capital**	**0.00**
58	**Tier 2 capital (T2)**	**409.69**
59	**Total capital (TC = T1 + T2) (row 45+row 58)**	**2,656.87**
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	**15,007.00**
60 a	**of which: total credit risk weighted assets**	**15,007.00**
60 b	**of which: total market risk weighted assets**	**0.00**
60 c	**of which: total operational risk weighted assets**	**0.00**

XI. DF – 11: Composition of Capital

(in Crores)

Particulars		Amount
	Capital Ratios	
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**14.98%**
62	**Tier 1 (as a percentage of risk weighted assets)**	**14.98%**
62 a	**Tier 2 (as a percentage of risk weighted assets**	**2.73%**
63	**Total capital (as a percentage of risk weighted assets)**	**17.71%**
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)**	-
65	**of which: capital conservation buffer requirement**	-
66	**of which: Bank specific countercyclical buffer requirement**	-
67	**of which: G-SIB buffer requirement**	-
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)**	-
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	-
70	National Tier 1 minimum ratio (if different from Basel III minimum)	-
71	National total capital minimum ratio (if different from Basel III minimum)	-
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital of other financial entities	-
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability	-
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-
77	Cap on inclusion of provisions in Tier 2 under standardized approach	-
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017, and March 31, 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Notes to Template

Row No. of the Template	Particulars	₹ in Crores
10	Deferred tax assets associated with accumulated losses	473.16
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	473.16
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26 b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
44 a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions and reserves included in Tier 2 capital (1.25% of Credit risk RWA) Min (D1+D1a+ D2a,60a*1.25%)	65.69
	Total of row 50	65.69

XII. DF – 12: Composition of Capital – Reconciliation Requirements

Step 1 & 2

₹ In Crores

S. No.	Particulars	Balance Sheet as in financial statements (As on reporting date)
	A. Capital & Liabilities	
I	**Paid-up Capital**	**1,779.52**
	ESOP stock option	54.63
	Reserves & Surplus	941.45
	of which:	
	Statutory Reserve	346.14
	Capital Reserve	38.73
	Revenue & Other Reserves	0.00
	Share Premium	820.84
	Investment Fluctuation Reserve	2.07
	Investment Reserve	0.00
	Additional Reserve	0.00
	General Reserve	5.06
	Balance in Profit & Loss Account	(271.39)
	of which: Balance in Profit & Loss Account as per last financial Year	879.24
	of which Proposed dividend reduced from CET1	0.00
	of which current year profit not reckoned for Capital adequacy purpose	0.00
	Foreign Currency Translation Reserves	0.00

Step 1 & 2

₹ In Crores

S. No.	Particulars	Balance Sheet as in financial statements (As on reporting date)
	Other Reserves	0.00
	Minority Interest	0.00
	Share application money pending allotment	0.00
	Total Capital	2,775.60
II	**Deposits**	**21,653.98**
	of which: Deposits from Banks	2,785.28
	of which: Customer deposits	18,868.70
	of which: Other deposits (pl. specify)	0.00
III	**Borrowings**	**2,829.44**
	of which: From RBI	300.00
	of which: From Banks	-
	of which: From other institutions & agencies	2,029.44
	of which: Capital instruments	-
	of which: Subordinated Innovative Perpetual Debt Instruments	-
	of which: Subordinated Debt – Upper Tier II Capital	500.00
	of which: Subordinated Debt – Tier II Capital	-
	of which: Subordinated Debt – Tier II Basel III Capital	-
	of which: Subordinated Innovative Perpetual Debt Instruments- AT1 CAPITAL BASEL III COMPLIANT	-
IV	**Other liabilities & provisions**	**1,610.05**
	Of which General Provision considered for tier II	63.62
	Total	**28,869.07**
	B. Assets	
I	**Cash and balances with Reserve Bank of India**	1,692.14
	Balance with Banks and money at call and short notice	629.08
II	**Investments:**	6,914.05
	of which: Government securities	6,810.45
	of which: Other approved securities	-
	of which: Shares	4.43
	of which: Debentures & Bonds	-
	of which: Subsidiaries / Joint Ventures / Associates	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	99.17
	Less: Provision for Depreciation on Investment	141.01
III	**Loans and advances**	18,069.59
	of which: Loans and advances to Banks	0.00
	of which: Loans and advances to customers	18,069.59
IV	**Fixed assets**	457.83
V	**Other assets**	1,106.38
	of which: Goodwill, intangible assets and Deferred revenue expenditure	29.02
	of which: Deferred tax assets	473.16
Vi	Goodwill on consolidation	-
Vii	Debit balance in Profit & Loss account	-
	Total Assets	**28,869.07**

XIII. DF – 13: Main Features of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments			
		Equity Shares	
1	Issuer	Utkarsh Small Finance Bank Limited	
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	INE735W01017 (for Listed Equity Shares of the Bank)	
3	Governing law(s) of the instrument	Companies Act, 2013, SEBI (SAST) Regulations & Banking Regulation Act, 1949 (for subscription to equity shares equivalent to 5% or more of the paid-up share capital by any single investor)	
	Regulatory treatment		
4	Transitional Basel III rules	-	
5	Post-transitional Basel III rules	-	
6	Eligible at solo/group/ group & solo	-	
7	Instrument type	Equity Shares	
8	Amount recognised in regulatory capital (` in Crore, as of most recent reporting date)	₹1,779.52 Crore (as on March 31, 2026 – for fully paid-up equity shares)	
9	Par value of instrument	₹10/- per equity share	
10	Accounting classification	Share Capital	
11	Original date of issuance	Equity: (Face/Nominal Value of Equity raised)	
		i)	At the time of Incorporation ₹5,00,000/-
		ii)	Allotment date 07.10.2016 - ₹99,95,00,000/-
		iii)	Allotment date 20.01.2017 - ₹200,050,00,00/-
		iv)	Allotment date (through conversion of CCDs) 21.09.2017 – ₹120,00,00,000/-
		v)	Allotment date 26.03.2018 - ₹50,00,00,000/-
		vi)	Allotment date (through conversion of CCDs) 13.06.2018 – ₹267,00,00,000/-
		vii)	Allotment date 18.09.2019 - ₹22,22,22,220/-
		viii)	Allotment date 08.03.2021 - ₹89,06,16,470/-
		ix)	Allotment date 02.08.2021 - ₹23,58,49,050/-
		x)	Allotment date 13.08.2021 - ₹12,57,86,160/-
		xi)	Allotment date 18.08.2021 - ₹3,14,46,540/-
		xii)	Allotment date 01.09.2021 - ₹3,45,91,190/-
		xiii)	Allotment date 29.09.2021 - ₹4,40,25,150/-
		xiv)	Allotment date 22.01.2022 - ₹1,78,440/-
		xv)	Allotment date 31.10.2022- ₹19,80,250/-
		xvi)	Allotment date 17.02.2023- ₹1,701,160/-
		xvii)	Allotment date 09.03.2023- ₹1,50,000/-
		xviii)	Allotment (Public Issue - IPO) date 18.07.2023 – ₹2,000,000,000/-
		xix)	Allotment (pursuant to exercise of ESOPs) date 27.09.2023 - ₹10,847,500/-
		xx)	Allotment (pursuant to exercise of ESOPs) date 13.10.2023 - ₹9,55,000/-
		xxi)	Allotment (pursuant to exercise of ESOPs) date 03.11.2023 - ₹34,68,750/-
		xxii)	Allotment (pursuant to exercise of ESOPs) date 22.11.2023 - ₹28,28,670/-

Disclosure template for main features of regulatory capital instruments			
		Equity Shares	
		xxiii)	Allotment (pursuant to exercise of ESOPs) date 12.12.2023 - ₹6,03,620/-
		xxiv)	Allotment (pursuant to exercise of ESOPs) date 22.12.2023 - ₹30,73,750/-
		xxv)	Allotment (pursuant to exercise of ESOPs) date 22.12.2023 - ₹30,73,750/-
		xxvi)	Allotment (pursuant to exercise of ESOPs) date 05.01.2024 - ₹23,15,940/-
		xxvii)	Allotment (pursuant to exercise of ESOPs) date 02.02.2024 - ₹21,99,990/-
		xxviii)	Allotment (pursuant to exercise of ESOPs) date 17.02.2024 - ₹51,36,250/-
		xxix)	Allotment (pursuant to exercise of ESOPs) date 04.03.2024 - ₹30,88,500/-
		xxx)	Allotment (pursuant to exercise of ESOPs) date 20.03.2024 - ₹10,10,000/-
		xxxi)	Allotment (pursuant to exercise of ESOPs) date 12.04.2024 - ₹10,52,500/-
		xxxii)	Allotment (pursuant to exercise of ESOPs) date 25.04.2024 - ₹19,45,000/-
		xxxiii)	Allotment (pursuant to exercise of ESOPs) date 18.05.2024 - ₹33,10,000/-
		xxxiv)	Allotment (pursuant to exercise of ESOPs) date 07.06.2024 - ₹5,47,500/-
		xxxv)	Allotment (pursuant to exercise of ESOPs) date 06.07.2024 - ₹31,87,630/-
		xxxvi)	Allotment (pursuant to exercise of ESOPs) date 05.08.2024 - ₹44,70,320/-
		xxxvii)	Allotment (pursuant to exercise of ESOPs) date 23.08.2024 - ₹27,35,500/-
		xxxviii)	Allotment (pursuant to exercise of ESOPs) date 12.09.2024 - ₹18,72,500/-
		xxxix)	Allotment (pursuant to exercise of ESOPs) date 12.09.2024 - ₹18,72,500/-
		xl)	Allotment (pursuant to exercise of ESOPs) date 08.10.2024 - ₹9,57,500/-
		xli)	Allotment (pursuant to exercise of ESOPs) date 23.11.2024 - ₹6,12,500/-
		xlii)	Allotment (pursuant to exercise of ESOPs) date 13.12.2024 - ₹6,05,000/-
		xliii)	Allotment (pursuant to exercise of ESOPs) date 18.01.2025 - ₹50,000/-
		xliv)	Allotment (pursuant to exercise of ESOPs) date 05.02.2025 - ₹1,78,450/-

Disclosure template for main features of regulatory capital instruments		
		Equity Shares
		xlv) Allotment (pursuant to Rights Issue) date 05.11.2025 – ₹677,91,37,840/- (67,79,13,784 equity shares of ₹10/- each issued at a premium of ₹4/- each – aggregate consideration ₹949,07,92,976/-)
12	Perpetual or dated	Perpetual
13	Original maturity date	N.A.
14	Issuer call subject to prior supervisory approval	N.A.
15	Optional call date, contingent call dates and redemption amount	N.A.
16	Subsequent call dates, if applicable	N.A.
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N.A.
18	Coupon rate and any related index	N.A.
19	Existence of a dividend stopper	RBI norms/guidelines as issued from time-to-time
20	Fully discretionary, partially discretionary, or mandatory	Discretionary (subject to approval of the Board of Directors)
21	Existence of step up or other incentive to redeem	N.A.
22	Noncumulative or cumulative	N.A.
23	Convertible or non-convertible	N.A.
24	If convertible, conversion trigger(s)	N.A.
25	If convertible, fully or partially	N.A.
26	If convertible, conversion rate	N.A.
27	If convertible, mandatory, or optional conversion	N.A.
28	If convertible, specify instrument type convertible into	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.
30	Write-down feature	N.A.
31	If write-down, write-down trigger(s)	N.A.
32	If write-down, full or partial	N.A.
33	For write down instrument, specifies whether write down is permanent or temporary. Helps to assess loss absorbency.	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Last (under Co. Act, 2013)
36	Non-compliant transitioned features	-
37	If yes, specify non-compliant features	-

XIV. DF – 14: Full Terms and Conditions of Regulatory Capital Instruments – Debt instruments

Disclosure template for main features of regulatory capital instruments				
1	Issuer	Utkarsh Small Finance Bank Limited	Utkarsh Small Finance Bank Limited	Utkarsh Small Finance Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE735W08038	INE735W08053	INE735W08061
3	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws
	Regulatory treatment			
4	Transitional Basel III rules	Tier II	Tier II	Tier II
5	Post-transitional Basel III rules	NA	NA	NA
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo
7	Instrument type	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II	Non-Convertible Debentures in the nature of Sub debt qualifying for Tier II
8	Amount recognised in regulatory capital (` in Crore, as of most recent reporting date)	₹39 Crore	₹200 Crore	₹105 Crore
9	Par value of instrument	₹10,00,000/-Per NCD	₹100,000/- Per NCD	₹100,000/- Per NCD
10	Accounting classification	Borrowings	Borrowings	Borrowings
11	Original date of issuance	June 26, 2020	June 28, 2024	Nov 27, 2024
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	June 26, 2027	June 28, 2031	Nov 27, 2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	June 26,2025	June 28, 2029	Nov 27, 2029
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Coupon – 12.50% p.a.	Coupon–11.00% p.a.	Coupon–10.90% p.a.
19	Existence of a dividend stopper			
20	Fully discretionary, partially discretionary or mandatory			
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Non- Convertible	Non- Convertible	Non- Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature			
31	If write-down, write-down trigger(s)			

Disclosure template for main features of regulatory capital instruments				
32	If write-down, full or partial			
33	If temporary write-down, description of write-up mechanism			
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other depositors and creditors of the Bank	All other depositors and creditors of the Bank	All other depositors and creditors of the Bank
35	Non-compliant transitioned features			
36	If yes, specify non-compliant features			

XV. DF – 15: Disclosure Requirements for Remuneration

1) Qualitative Disclosures

a. Information relating to the bodies that oversee remuneration:

- Name, composition, and mandate of the main body overseeing remuneration. –
- Name: Nomination & Remuneration Committee
- Composition –Mr. Kshatrapati Shivaji, Mr. Ram Jass Yadav and Mr Praveen Kumar Gupta.
- Mandate:

  a) To guide the Board by laying down selection criteria for appointment/ re-appointment and mechanism for removal/dismissal of directors, Key Managerial Personnel (as defined herein) and Senior Management Personnel (as defined herein).

  b) To formulate the criteria for effective evaluation of the performance of the Board, its committees and individual directors to be carried out either by the Board or by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

  c) To devise a policy for determining the size and composition of the Board taking into account the diversity, experience, qualifications, knowledge, skills, positive attributes and judgement of the directors.

  d) To formulate the criteria for determining remuneration and compensation payable to the directors, Key Managerial Personnel, Senior Management Personnel and other employees, including performance-based variable pay and Employee Stock Options Plans ("ESOP"), wherever applicable

  e) To introduce necessary initiatives to retain, motivate and promote talent and to ensure long term sustainability of talented Key Managerial Personnel and Senior Management Personnel.

  f) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the organization successfully.

  g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

  h) To ensure that the remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the organization and its goals.

- External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process - None.
- Scope of the bank's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches.

The Nomination and Remuneration Committee is applicable to all directors, KMPs and SMPs and other employees of the Bank. The Bank does not have foreign subsidiaries and branches.

- Type of employees covered and number of such employees- The Nomination & Remuneration Policy is applicable to all directors, KMPs and SMPs and other employees of the Bank, as may be specified.

b. Information relating to the design and structure of remuneration processes:

- An overview of the key features and objectives of remuneration policy. The objective of remuneration policy is as follows:

  i. To guide the Board by laying down selection criteria for appointment and mechanism for removal/dismissal of directors, Key Managerial Personnel (as defined herein) and Senior Management Personnel (as defined herein).

  ii. To formulate a criterion for determining remuneration and compensation payable to the directors, Key Managerial Personnel, Senior Management Personnel, and other employees, including performance-based variable pay and Employee Stock Options Plans ("ESOP"), wherever applicable.

  iii. To introduce necessary initiatives to retain, motivate and promote talent and to ensure long term sustainability of talented Key Managerial Personnel and Senior Management Personnel.

- Review of the Bank's remuneration policy during the past year, and an overview of changes that were made.

  The NRC and the board reviewed the compensation policy of the bank in its meetings held on 8th March 2025 and no changes were made in the same.

- How the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

  The remuneration of employees in control functions such as Risk and Compliance depends solely on their individual and overall functional performance and is not linked to any business outcomes. The same is also reflected in their KRA"s. The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO and Risk and Compliance staff.

c. Description of the ways in which current and future risks are considered in the remuneration processes.

- An overview of the key risks that the bank considers when implementing remuneration measures.

  The overall objectives for laying down a Compensation policy is to offer compensation systems that makes it possible to attract, retain and motivate the most outstanding professionals to enable the bank to attain its strategic objectives and sustainable growth within increasingly competitive context in which it operates. Further, the compensation system would be in line with the various regulatory frameworks. It also ends to align compensation with prudent risk-taking through well designed and consistent compensation structures, considering time horizon of risks. The identified risk parameters (and additions if any) will be reflected in the bank's Performance Management System (PMS).

- An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure (values need not be disclosed)

  The bank uses the following key measures to take account of Risks in the business.

  a) Financial Parameters which establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank which include a significant variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking.

  b) Encourage attainment of long-term shareholder returns through inclusion of equity linked long-term incentives as part of compensation.

  c) The mix of cash, equity and other terms of compensation are consistent with risk alignment. Further, the compensation outcomes are symmetric with risk outcomes.

  d) The balanced score cards used to measure performance include key metrics such as Non-Performing Assets, Audit Scores, Reserve Bank of India RBS report observations etc. to ensure that the performance measures cover all aspects of the job.

- The ways in which these measures affect remuneration.

  The measures listed above impact the immediate total CTC computation based on the overall performance measurement of an individual role holder for a given FY. In case of non-performance the variable component for an individual role holder is not given and for the rest it is computed on a sliding scale of performance review which is approved by the board and the NRC annually. Also caps of cash component of variable as well as deferment of both cash and non-cash bonuses is applied as per the guidelines issued by the Reserve Bank of India.

- • How the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration

  The NRC and the board reviewed the compensation policy of the bank in its meetings on 8th March 2025 respectively and no changes were made in the same.

d. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

As a part of the performance management process in the bank at the beginning of each financial year, the bank rolls out individual KRA's to each and every employee in the bank. These KRA's are lay down based on the strategic objectives and functional targets - set by the Board of the bank. Apart from regular feedback which each manager provides to his / her subordinates, the bank has a formal process of Mid-Year Review and Year End Review to assess performance of each role holder in the bank. Based on the performance review at an organizational / Functional / Individual the bank decides- on percentage of salary increments and performance linked variable pay, as applicable to be given at various levels of performance of each individual employee.

- An overview of main performance metrics for bank, top level business lines and individuals:

  The Bank's performance metrics are aligned to the balance score card methodology and cover Financial Perspective, Process Perspective, People Perspective Customer Perspectives and Team and Learning Perspectives. These weightages on the same vary at difference levels and roles.

- How amounts of individual remuneration are linked to the bank-wide and individual performance:

  Based on the performance review at an organizational / Functional / Individual level, the bank decided on percentage of salary increments to be given at various levels of performance of each individual employee.

- The measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak:

  This is based on a robust PMS process which evaluates all metrics objectivity. The same is further deliberated and approved by the NRC and Board of the bank.

e. A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

- Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, along with a description of the factors that determine the fraction and their relative importance.

  The various deferral arrangement of variable remuneration in the bank broadly are as follows:

  a) For MD & CEO & Senior Management Team – As per the RBI guideline on Material Risk Takers, MD & CEO & SMT who have been classified as MRT's suitable deferral is being done.

  b) All ESOP 's which are granted across all levels in the organization have deferral arrangement in them

  c) Monthly / Quarterly Variable Pay – Based on the nature of the scheme, deferral arrangements are made which differ for different verticals.

- The bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

  The various deferral arrangement of variable remuneration in the bank broadly are defined in line with the following -

  a) Guidelines issued by the Regulator from time to time

  b) Approval as per the overall performance framework approved by the NRC and the Board

  c) Driving right behaviours via the various incentive schemes.

f. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

- An overview of the forms of variable remuneration offered.

  The variable remuneration is offered in the form of annual performance bonus. The same is determined on the basis of comprehensive performance appraisal system wherein the performance of each employee is evaluated on the basis of defined Goal Sheet and KRA at the beginning of year and achievement against them.

- The use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, along with a description of the factors that determine the mix and their relative importance.
- The variable remuneration is offered in the form of annual performance bonus, ESOPs & Monthly / Quarterly Variable Pay. The same is determined on the basis of comprehensive performance appraisal system wherein the performance of each employee is evaluated on the basis of defined Goal Sheet and KRA and achievement against them. The variable is a mix of cash and/or non-cash components and the mix is determined basis the role and grade of the eligible employees.

2) Quantitative Disclosures:

(The quantitative disclosures cover Whole Time Directors / CEO / MD & Chief Executive Officer / Material Risk Takers - SVP & Above)

a. Number of meetings held by the NRC from during the FY 25-26 and remuneration paid to its members: 5 meeting held from April'25 to Mar '26 during the FY 25-26 and Total ₹9,00,000 sitting fees paid to its members. (60,000 per director per meeting)

b. Number of employees having received a variable remuneration award during the FY 25-26.

- Total No. of 5,429 employees has received Annual Bonus of ₹ 16,56,53,402 excluding MD & CEO .
- Apart from the above, a total of ₹ 28,20,000 deferred bonus is paid to MD & CEO in Q1 of FY25-26.
- ₹ 3,14,53,664 ESOP's vested to the MRT's during the FY25-26.

It may be noted that 33 employees has received LTIP of ₹ 1,35,43,376 payment during the FY 25-26.

c. Number and total amount of sign-on/joining bonus awards made during the FY 25-26.

No Sign-on bonus awards during the FY 25-26 to MRTs. 92 other employees had received Joining Bonus of ₹ 1,43,25,000

d. Number and total amount of guaranteed bonuses awarded during the FY 25-26:

No guaranteed bonus awarded during the FY25-26.

e. Details of severance pay, in addition to accrued benefits, if any:

No severance pays, in addition to accrued benefits given.

f. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms:

Total outstanding deferred remuneration of No. of ₹ 11,44,67,923 split into Cash of ₹ 33,26,666 & share-linked instruments (unvested stock) of ₹ 11,11,41,257 payment during the FY 25-26.

g. Total amount of deferred remuneration paid during the Q1 of FY 25-26:

₹ 28,20,000 deferred bonus is paid to MD & CEO.

h. Breakdown of amount of remuneration awards during the FY 25-26 to show fixed and variable, deferred and non-deferred, different forms used:

i. Total outstanding deferred remuneration of No. of ₹ 11,44,67,923 split into Cash of ₹ 33,26,666 & share-linked instruments (unvested stock) of ₹ 11,11,41,257 payment during the FY 25-26.

j. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments: NIL

k. Total amount of reductions during the FY 25-26 due to ex- post explicit adjustments: NIL

l. Total amount of reductions during the FY 25-26 due to ex- post implicit adjustments: NIL

m. Number of MRTs identified – 4

n. Number of cases where malus has been exercised – NIL.

o. Number of cases where claw back has been exercised – NIL.

p. Number of cases where both malus and claw back have been exercised - NIL.

3) General Quantitative Disclosures:

The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay

MD & CEO Mean: 819.62 Cr & ED Mean: 613.07 Cr.

XVI. DF – 16: Equities – Disclosure for Banking Book Positions

Qualitative Disclosures	The Bank has Equity Exposure including both listed and unlisted as on 31 March 2026
Quantitative Disclosures	₹ 9.0 Crores

XVII. DF – 17: Summary Comparison of accounting assets vs. leverage ratio exposure measure

(in Crores)

Sl. No.	Particulars	Amount as on 31st March 2026
1	Total consolidated assets as per published financial statements	28,869.07
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	526.35
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	76.80
7	Other adjustments	-
8	Leverage ratio exposure	**7.91%**

XVIII. DF – 18: Leverage ratio

Leverage ratio is a non-risk-based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

Leverage Ratio = Capital Measure (Tier I Capital)/Exposure Measure

As per operating guidelines for SFBs, the Bank is required to maintain leverage ratio of 4.50%.

The Bank's leverage ratio, calculated in accordance with RBI guidelines under consolidated framework, is as follows:

(in Crores)

Sl. No.	Particulars	Amount as on 31st March 2026
On-Balance sheet exposure		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	28,342.72
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	0.00
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**28,342.72**
Derivative exposure		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	0.00
5	Add-on amounts for PFE associated with all derivatives transactions	0.00
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11	**Total derivative exposures (sum of lines 4 to 10)**	**0.00**

(in Crores)

Sl. No.	Particulars	Amount as on 31st March 2026
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
12	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
16	**Total securities financing transaction exposures (sum of lines 12 to 16)**	**0.00**
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	76.80
18	(Adjustments for conversion to credit equivalent amounts)	0.00
19	**Off-balance sheet items (sum of lines 17 and 18)**	**76.80**
Capital and total exposures		
20	**Tier 1 capital**	2,247.18
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**28,419.52**
Leverage ratio		
22	**Basel III leverage ratio**	**7.91%**

Board's Report

Board's Report

Dear Members,

The Board of Directors of Utkarsh Small Finance Bank Limited ("the Bank or Utkarsh SFBL") presents the tenth (10th) Annual Report along with the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2026.

FINANCIAL HIGHLIGHTS

The financial highlights for the year under review are presented below:

(in Crores)

Particulars	FY 2025-26	FY 2024-25
Deposits	21,654	21,566
Investments (incl. Cash & balances with RBI and Banks)	9,235	8,395
Advances (Net)	18,070	18,716
Net Worth*	2,247	2,776
Net Interest Income	1,477	2,023
Other Income	431	600
Operating Income	1,908	2,623
Operating Expenses	1,851	1,616
Provisions and Contingencies (incl. taxes)	1,207	983
Net Profit	-1,151	24
Gross NPA Ratio	7.71%	9.43%
Net NPA Ratio	3.29%	4.84%
Capital Adequacy Ratio	17.71%	20.93%
Business# (Deposit plus Net Advance) per employee**	1.91	1.91
Transfer to Statutory Reserve	-	6
Transfer to Capital Reserve	23	7
Transfer to Investment Fluctuation Reserve	-23	14
Deduction during the year	-	-
Dividend for the year, Including Tax Thereon	-	55.02
Number of Branches	1,110	1,092
General Banking Branches	331	331
Micro Banking Branches	779	761
No. of Employees	18,400	19,779

*Net worth computed as per RBI guidelines

#Business is the total of net advances and deposits (net of inter-bank deposits)

**Ratio is based on average employee count

Key financial/operational highlights of the Bank for FY 2025-26 are as under:

- Total deposits increased to ₹21,654 Crore as on March 31, 2026, from ₹21,566 Crore as on March 31, 2025
- Net Advances decreased to ₹18,070 Crore as on March 31, 2026, from ₹18,716 Crore as on March 31, 2025
- Bank's operating profit decreased to ₹56 Crore for FY26 from ₹1,007 Crore in FY25.
- The Bank reported annual loss of ₹1,151 Crore for FY26.
- On the asset quality, the Bank witnessed Net NPAs at 3.3% as on March 31, 2026 vs. 4.8% as on March 31, 2025.
- The Bank's overall provision cover was at 59.3% as on March 31, 2026.
- The Bank's capital plus reserves decreased to ₹2,776 Crore as on March 31, 2026 from ₹2,975 Crore as on March 31, 2025
- There are 1,110 Branches spread across 23 States and 4 Union Territories as on March 31, 2026
- During the FY 2025-26 the Bank raised ~₹950 Crore through Rights issue in the month of November 2025.

BUSINESS OPERATIONS AND STATE OF AFFAIRS OF THE BANK

The detailed operational performance of the Bank during the year has been elaborated in the Management Discussion and Analysis Report which forms an integral part of this Annual Report.

The brief details on business operations during the financial year ended March 31, 2026 and state of affairs of the Bank as on March 31, 2026 are given below:

Liabilities

Network

The bank focuses on top 100 deposit centres across India with strong metro & urban focus, serving diverse retail segments. The bank operates 1,110 banking outlets in 27 states and UTs. While, the General Banking segment, managing 331 branches, drives deposit at urban and metro centres, the Micro Banking segment, with 779 branches, supports financial inclusion in rural areas. The network is supported by an infrastructure of 373 ATMs and 787 micro-ATMs for efficient access.

Offerings

The Bank continues to enhance its digital and fintech capabilities through both direct initiatives and strategic partnerships. The Bank has enabled instant onboarding for term deposit accounts through video KYC on its website and via FinTech BC Partners. In addition, strategic fintech collaborations have strengthened the Bank's digital distribution capabilities, allowing term deposit products to be offered seamlessly across partner platforms.

Innovative offerings have been introduced which includes Green PIN Generation through Website, Utkarsh Smart Business Account, Will Making Services, ITR Filing Services, 3-in-1 Account, NRI Savings and Fixed Deposits and Bharat Bill Payment System – Biller Operating Unit. 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.

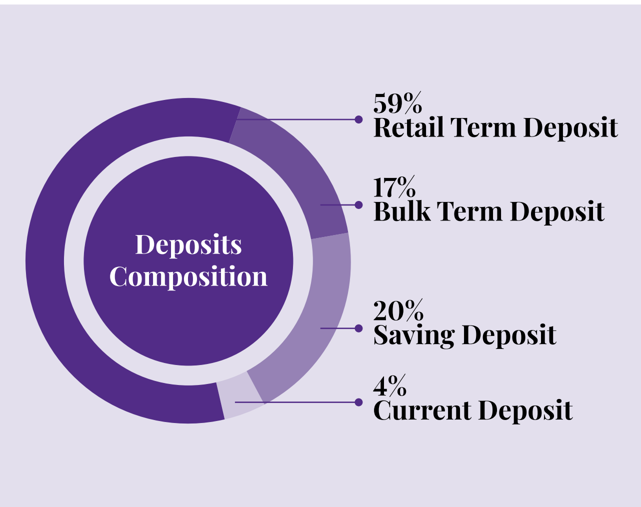
Deposit Growth

FY25-26 has been the year of business consolidation with focus on overall business scalability, margin improvement and operational efficiency. As a result, the total deposit grew to ₹21,654 Crore as of March 31, 2026 marking a year-on-year (YoY) increase of 0.4%. CASA+ Retail Term deposits reached ₹17,916 Crore, led by 16.8% YoY growth. The Bank's CASA Deposits grew by 10.6% YOY to ₹5,196 Crore, reaching a CASA ratio of 24.0% from 21.79% as on March 31, 2025.

(₹ in Crores)

Particulars	FY 2025-26	FY 2024-25
CASA Deposits	5,196	4,699
Retail Term Deposits	12,720	10,635
Bulk Term Deposits	3,738	6,232
Total Deposits	21,654	21,566
CASA + Retail Term Deposits	17,916	15,334

Deposits Composition as on March 31, 2026



Retail term deposits (RTD) emerged as a key driver, growing by 19.6% YoY to ₹12,720 Crore as of March 31, 2026. Under CASA, Current account registered YoY growth of 23.6% and Savings account registered YoY growth of 8.5%.

Key performance metrics saw notable improvements:

1. CASA Ratio: 24.0%
2. CASA + RTD Ratio: Improved to 82.7%
3. Credit to Deposit (CD) Ratio: stood at 83.4%
4. Liquidity coverage ratio (LCR) stood at 175.1%.

Other retail and wholesale lending book

As a Small Finance Bank (SFB), the Bank, which is primarily focussed on micro banking products, has diversified its product offerings to its customers viz. retail loans, unsecured Business loans, personal loans, and secured loans such as loans against property, wholesale lending that includes short term and long-term loan facilities to small and medium enterprises (SMEs), mid and large corporate and institutional clients and gold loans. In addition, we offer housing loans with a focus on affordable housing.

Our micro banking and retail loan products are primarily aimed at customers who are not a part of the formal banking infrastructure.

Retail Loans:

(a) Micro Small & Medium Enterprises (MSME):

The Bank extends a diverse array of both secured and unsecured loans tailored to meet the needs of individuals and non-individual entities, including micro, small, and medium enterprises (MSMEs). We have curated specialized products with adaptable security prerequisites to enhance accessibility to credit for retail and MSME borrowers.

Throughout the fiscal year 2025-26, our retail assets loan portfolio demonstrated steady growth, expanding to ₹4,455.93 Crore, compared to ₹3,874.53 Crore in FY25. The modest increase in the MSME portfolio was due to Bank's focus on consolidation of the business in the geography of its presence.

(b) Housing Loans (HL):

The Bank provides comprehensive home loan solutions to individuals seeking financing for the construction, purchase, repair, and renovation of homes. We meticulously assess our customers' repayment capacity and tailor loan solutions accordingly.

As of March 31, 2026, our Housing Loan portfolio, managed by our Mortgage team across 62 branches, amounted to ₹989.55 Crore, marking year-on-year growth of 7.76% compared to ₹918.29 Crore as of March 31, 2025.

(c) Wheels

The Wheels business which was launched in October 2020 with 2 businesses i.e., Commercial Vehicles & Construction Equipment Loans being offered in Chandigarh, Delhi NCR, Jharkhand, Rajasthan, Uttar Pradesh, Uttarakhand & West Bengal regions from 15 branch outlets. As of March 31, 2026 these loans are offered from states of Bihar, Chandigarh, Delhi NCR, Haryana, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand & West Bengal from 46 branches. The Bank's wheels loan portfolio de-grew to ₹ 1,090.42 Crore.on March 31, 2026 from ₹ 1,188.13 Crores as on March 31, 2025.

Book has de-grown in March 31, 2026 as compared to March 31, 2025 mainly due to heightened focus on Portfolio Management to control the delinquency in the portfolio. The Bank exited few locations where Portfolio was not performing as per expectation in order to improve the overall Wheels Portfolio Quality.

Wholesale Banking Business

The Wholesale lending vertical includes lending, deposits and other banking services provided to corporate customers of the Bank. The Bank's Wholesale Lending book stood at ₹2,980.66 Crore as on March 31, 2026 compared to ₹2,239.73 Crore in March 31, 2025. The wholesale loan portfolio comprises lending to financial institutions (WSL FI), business banking loans extended to small corporates and TReDS Loans which acts as a receivable financing for MSMEs.

The Bank's Wholesale Lending book stood at ₹2,980.66 Crore (₹1,073.99 Crore for Business Banking, ₹1,602.41 Crore for NBFC and ₹304.26 Crores for TReDS) as on March 31, 2026 compared to ₹2,239.73 Crore (₹902.72 Crore for Business Banking and ₹1,337.01 Crore for NBFC) as on March 31, 2025. The NBFC customers are being offered term loans for on-lending to their customers and overdraft for meeting their working capital requirement.

Business Correspondent (BC)

The strategy of the Bank is to build its asset portfolio through a combination approach.

1. Own Branches
2. Partnership Approach.

The partnership approach with a well-entrenched and networked individual/entity will help it gain significant presence in those markets of business interest. As on March 31, 2026, the Bank had total loan book aggregating to ₹1,218.24 Crore compared to ₹1,093.69 Crores in March 31, 2025. The portfolio comprised of JLG loans of ₹ 403.00 Crore, Retail Assets secured loans of ₹ 124.37 Crore, PL ₹ 671.43 Crore and BL & SCF ₹ 19.44 Crore contributing 33%, 10%, 55% and 2 % respectively of the total BC portfolio.

Micro Banking

Micro banking is widespread business which provides a comprehensive package of financial inclusion products and business development services to the underprivileged or low- income individuals or groups who have limited access to financial services. In micro banking, the Bank offers 'Joint Liability Group' (JLG) loans, Individual Loans, Business Loans, PM SVANidhi loans, PM Vishwakarma, and CM Yuva loans along with entire gamut of liabilities products through

MB branches. In addition, the Bank provides micro banking loans through Business Correspondent (BC) partners also.

The Bank provides group loans built on the peer-guarantee loan model (Joint Liability Group), which enables individuals to take collateral free loan in groups while promoting credit discipline. This is achieved through mutual support within the group, prudent financial conduct among the group and prompt repayment of their loans. By the end of FY26, JLG business through Micro Banking (MB) reached to ₹5,386 Crores. During the year, 18 new MB branches were opened in existing operational states.

During the year, the Bank introduced a new product, MBIL, positioned as an intermediate stage between JLG and MBBL to bridge the gap between both product while addressing client's evolving individual financial needs. On the other hand, the micro-banking business loan segment along with micro banking individual loan reached to ₹2,022 Crores in FY26 from ₹910 Crores in FY25, reflecting a year-on-year increase of 122%. Micro Banking also offers PM SVANidhi loans tailored for street vendors and PM Vishwakarma to traditional artisans and craftspeople and CM Yuva loans for the young and budding entrepreneurs.

These financial products are designed to empower low-income and underprivileged individuals who traditionally have limited access to formal banking. The JLG portfolio through Business Correspondents reached to ₹403 Crores in FY26. The Bank has seven (7) Business Correspondents (JLG) which are operating in Ten (10) states covering 101 districts through 199 branches. As of March 31, 2026, the Bank had opened more than 26 lakh basic savings bank deposit accounts (BSBDA), aimed at offering appropriate savings and financial products to microfinance borrowers while encouraging a habit of saving.

In FY26, the Bank implemented several initiatives, some of them are, introduction of Micro Banking Individual Loan for existing JLG clients, launch of Micro Banking Business Loan for non-existing customers and facilitating acquisition of new clients, increase in first cycle loan ticket size.

CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Bank.

CAPITAL

There is no change in the authorized share capital of the Bank.

In compliance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations") and Section 62 of the Companies Act, 2013 ("Act") and Rules made thereunder, the Bank issued and allotted 677,913,784 Equity Shares of face value of ₹ 10 each to the existing shareholders and specific investors at an issue price of ₹ 14 per Equity Share, which includes a premium of ₹ 4 per Equity Share, aggregating to ₹ 9,490,792,976.

Accordingly, the total issued, subscribed and paid-up share capital of the Bank as on March 31, 2026 stood at ₹17,795,236,840 /- comprising of 1,779,523,684 equity shares of ₹10 each.

Your Bank has not issued any Equity Shares with differential voting rights nor any sweat equity shares.

NON-CONVERTIBLE DEBENTURES

As on March 31, 2026, the total outstanding Non-Convertible Debentures of the Bank aggregated to ₹500,00,00,000. All such debentures were issued on a private placement basis and are listed on BSE Limited.

During the year, 1,500 rated, unsecured, redeemable, taxable, transferable, listed, Basel III compliant Tier II Bonds (ISIN: INE735W08020), aggregating to ₹15,00,00,000, which was due for redemption on August 30, 2025, were redeemed in full.

REVERSE MERGER

During the year under review, the Bank continued to progress with the proposed Scheme of Amalgamation of Utkarsh CoreInvest Limited ("UCL"), the promoter, with the Bank. The Bank has received the necessary no objection from the Reserve Bank of India (RBI) and observation/no objection letters from the stock exchanges. Pursuant thereto, a joint application was filed before the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench, Prayagraj.

In terms of the directions of the Hon'ble NCLT, meeting of shareholders and creditors were convened on March 28, 2026, wherein the Scheme was approved with the requisite majority. Further, a joint second motion petition was filed before the Hon'ble NCLT on April 05, 2026 seeking sanction of the Scheme, which as on the date of report is under consideration.

CAPITAL ADEQUACY RATIO

As of March 31, 2026, the capital adequacy ratio of the Bank stood at 17.7%.

CREDIT RATINGS

The details of all credit ratings obtained by the Bank for various instruments, including debt instruments outstanding as on March 31, 2026, are disclosed in the Report on Corporate Governance, annexed to this Report.

DIVIDEND

The Board of Directors did not recommend dividend for the financial year ended on March 31, 2026.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is available on the Bank's website viz., URL: https://www.utkarsh.bank.in/uploads/template_forty_pdf/Dividend_Distribution_Policy.pdf

TRANSFER TO RESERVES

In accordance with the RBI regulations, the Bank had transferred the following amount to reserves for the financial year ended March 31, 2026:

Amount transferred to	Amount in ₹ Crore
Statutory Reserve	-
Investment Fluctuation Reserve	(23)
Capital Reserve	23
Deduction due to fraud provision	-

NET WORTH

As on March 31, 2026, the Bank's net worth was ₹2,247 Crore*

*as per RBI norms

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Bank which occurred between the end of the financial year i.e. March 31, 2026 and up to the date of this Report.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

During the year under review, the Bank was not required to transfer any fund or Equity shares to the Investor Education and Protection Fund as per the provisions of Section 125 of the Act read with applicable rules framed thereunder, as amended from time to time.

Further, details of the unclaimed/un-encashed interest/ dividends lying in the unpaid dividend accounts as on end of the financial year and details of Nodal Officer for IEPF are provided on website of the Bank at www.utkarsh.bank.in

INTERNAL FINANCIAL CONTROL

The Bank has an Internal Control System commensurate with the size, scale and complexity of its operations. The Bank has an adequate and effective Internal Audit System, covering on a continuous basis, the entire gamut of operations and services spanning all locations, business and functions. The Audit Committee monitors the Internal Audit System at regular intervals and directs necessary steps to further improve the Internal Control System. Proper internal financial controls are in place, and that the financial controls have been adequate and operating effectively.

EMPLOYEES STOCK OPTION PLAN (ESOP)

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company and to create long-term wealth in the hands of employees, thereby and acting as a retention tool.

In view of the above, the Bank had formulated "USFBL Employee Stock Option Plan 2020 ("ESOP Plan 2020") for its employees. The ESOP details form part of Corporate Governance Report.

The details and disclosures as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations") and circulars issued thereunder, have been uploaded on the Bank's website at www.utkarsh.bank.in.

A certificate from the Secretarial Auditor of the Bank that the ESOP Plan has been implemented in accordance with the SBEB & SE Regulations and the same has been enclosed as **"Annexure 1"** to this report.

DEPOSITS

Being a banking company, the disclosures relating to deposits as required in accordance with Sections 73 and 74 of the Act read with Companies (Accounts) Rules, 2014 and other applicable provisions of the Act are not applicable to the Bank.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act, the Banking Regulation Act, 1949 ("BR Act") and Regulation 17 of the SEBI Listing Regulations, the Board of the Bank is duly constituted comprising of Executive, Non-Executive Directors, Independent Directors and Women Directors. The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act, SEBI Listing Regulations and applicable RBI Regulations/ Guidelines.

CHANGES IN COMPOSITION OF THE BOARD

Following changes took place in the Board Composition during the FY 2025-26:

Sr	Name of the Director	Type of Change	Effective Date	Remarks
1	Ms. Gauri Rushabh Shah (DIN: 06625227)	Appointment	June 01, 2025	Appointment as an Independent consecutive Director of the Bank for the term of 5 (five) consecutive years.
2	Dr. Kshatrapati Shivaji (DIN: 01185381)	Appointment	July 01, 2025	Appointment as an Independent Director and Part Time Chairman of the Bank, for the term of 5 (Five) and 3 (three) consecutive years respectively.
3	Dr. Ram Jass Yadav (DIN: 08911900)	Appointment	January 03, 2026	Appointment as an Non Executive Non Independent Director of the Bank for the term of 5 (five) consecutive years.
4	Mr. Anjani Kumar Srivastava (DIN: 07594445)	Appointment	May 09, 2026	Appointment as an Non Executive Non-Independent Director of the Bank for the term of 5 (five) consecutive years.
5	Mr. Parveen Kumar Gupta ((DIN: 02895343)	Re-appointment	September 01, 2026	Re-appointment as an Independent Director of the Bank for a second term of 3 (three) consecutive years.
6	Mr. Nagesh Dinkar Pinge (DIN: 00062900)	Cessation	July 19, 2025	Ceased to be Independent Director of the Bank due to completion of tenure.
7	Mr. Pramod Dubey (DIN: 10174154)	Cessation	December 31, 2025	Ceased to be Whole-time Director of the Bank due to resignation.
8	Mr. Muralidharan Rajamani (DIN: 01690363)	Cessation	March 02, 2026	Ceased to be Non-Executive Non-Independent Director of the Bank due to completion of tenure.

The Board placed on record its appreciation for the valuable services and support provided by Mr. Nagesh Dinkar Pinge, Mr. Muralidharan Rajamani and Mr. Pramod Kumar Dubey during their tenure as Directors of the Bank.

Re-appointment of Director retiring by rotation

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Bank, Dr. Ram Jass Yadav (DIN: 08911900), Non- Executive Non-Independent Director of the Bank retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, has offered himself for re-appointment. The re-appointment of Dr. Ram Jass Yadav is being put up for your approval at the ensuing AGM. The profile and particulars of experience, attributes, skills of Dr. Ram Jass Yadav together with his other directorships and committee memberships in terms of Regulation 36 of SEBI Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India forms part of the Notice of the 10th AGM.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following officials of the Bank are the Key Managerial Personnel ("KMP"), as on the date of this Report:

1. Mr. Govind Singh, Managing Director & CEO
2. Mr. Sarju Simaria, Chief Financial Officer
3. Mr. Muthiah Ganapathy, Company Secretary & Compliance Officer

Mr. Pramod Kumar Dubey resigned from the services of the Bank with effect from close of business hours on December 31, 2025.

DECLARATION OF INDEPENDENCE

All Independent Directors ("IDs") of the Bank have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as IDs of the Bank. In the opinion of the Board, the IDs possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

All IDs of the Bank have complied and affirmed to abide by Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, with respect to enrolling their name in the online databank of Independent Directors maintained by Indian Institute of Corporate Affairs ("IICA") and qualifying the online proficiency self-assessment test, as applicable.

NOMINATION AND REMUNERATION POLICY

The Bank pursuant to the provisions of Section 178(3) of the Act, Regulation 19 of SEBI Listing Regulations and RBI Requirements has formulated and adopted a Nomination and Remuneration Policy on directors' appointment and remuneration and the criteria for determining qualification, positive attributes and independence of directors, which is available on the website of the Bank at https://www.utkarsh.bank.in/uploads/template_forty_pdf/NRC_Policy.pdf

The details of remuneration paid to Executive and Non-executive Directors during the year forms part of the Corporate Governance report.

Compensation Policy for Non-Executive Directors

The Board of Directors of the Bank has formulated and adopted a comprehensive Compensation Policy for Non-Executive Directors ("NEDs").

The remuneration payable to the NEDs, other than Part-time Non-Executive Chairman, is in accordance with the provisions of the Circular Dated April 26, 2021 and the Circular on Review of Fixed Remuneration granted to Non-Executive Directors dated February 09, 2024, issued by RBI which, inter alia, provides for payment of compensation to NEDs, other than the Chair of the Board, in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which is considered sufficient to attract qualified competent individuals, for an amount not exceeding ₹ 30 lakh per annum, including any statutory modification or amendment or re-enactment thereof for the time being in force and the provisions of the Act.

The above mentioned policy is available on the Bank's website at https://www.utkarsh.bank.in/uploads/template_forty_pdf/Non_Executive_Compensation_Policy.pdf

The Non-Executive Independent Part-time Chairman of the Bank receives a fixed remuneration as recommended by the Board and approved by RBI and the members of the Bank, from time to time. This is in addition to payment of sitting fees, car with driver, as per applicable policy and reimbursement of expenses for official purposes / attending duties as a Chairman.

BOARD PERFORMANCE EVALUATION

In accordance with the provisions of the Act and SEBI Listing Regulations, the annual Performance Evaluation of the Board, its Committees, Part-time Chairperson and individual Directors has been carried out for the year under review. The performance evaluation was carried out internally through circulation of questionnaires covering various aspects of the performance of the Board and its Committees, including composition, roles and responsibilities, Board processes, quality and flow of information etc. The responses received to the questionnaires were placed before the Board and performance of Board as a whole including its Committees and individual Directors was found to be satisfactory.

NUMBER OF MEETINGS OF BOARD, ATTENDANCE AND CONSTITUTION OF VARIOUS COMMITTEES

During FY 2025-26, the Board met 12 (Twelve) times. The details of Board Meetings held during the year, attendance of Directors at the Meetings and constitution of various Committees of the Board are included separately in the Report on Corporate Governance.

RECOMMENDATIONS OF AUDIT COMMITTEE

During the FY 2025-26, there was no incidence, where the Board has not accepted any recommendations of the Audit Committee.

MEETING OF INDEPENDENT DIRECTORS

In accordance with Section 149(8) read with Schedule IV of Act and Regulation 25 of SEBI Listing Regulations, the Independent Directors of the Bank met 1 (once) on March 15, 2026, which was attended by all the Independent Directors of the Bank.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with Regulation 25(7) of the SEBI Listing Regulations and RBI guidelines, various training programmes were organized for the Board Members, which inter-alia covered topics related to corporate governance, generative artificial intelligence & risk management and overview of the fintech functions.

The details of familiarization programme for Independent Directors is available on the Bank's website at https://www.utkarsh.bank.in/investors

SUCCESSION PLANNING

The Bank has adopted Succession Planning Policy (the "policy") for the Board, Key Managerial Personnel and Senior Leadership positions. The policy has been formulated for successful transition of the Board and other key executives and provides for the succession process viz. periodical screening, evaluation of suitable candidates on parameters such as knowledge, experience, expertise, skill sets, conduct, age, qualifications under the relevant laws, adherence to 'fit & proper' criteria and overall readiness to take up the role. Wherever necessary, services of external consultants / experts are also availed for scouting talent, internally and / or externally. The Policy on Succession Planning is made available on the Bank's website at https://www.utkarsh.bank.in/uploads/template_forty_pdf/Policy_on_Succession_Planning_for_Board_and_Senior_Management.pdf.

STATUS OF IND AS IMPLEMENTATION

As per RBI circular RBI/2015-16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016, Implementation of Indian Accounting Standards ("Ind AS"), Banks are advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guidelines or directions issued by the RBI in this regard. Banks in India currently prepare their financial statements as per the guidelines issued by RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India ("Indian GAAP").

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial Banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for Banks till further notice as the recommended legislative amendments were under consideration of Government of India.

The Banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India (Indian GAAP).

DIRECTORS' RESPONSIBILITY STATEMENT

As per the requirements of Section 134(3)(c) of the Act, it is hereby confirmed that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed, and there is no material departure from the same;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2026, and of the loss of the Bank for that period;

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

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

e. the Directors have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and operating effectively; and

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

ANNUAL RETURN

In accordance with the provision of Section 92 (3) of the Act, the Annual Return in the prescribed form MGT-7 is uploaded on Bank's website at www.utkarsh.bank.in/investors.

AUDITORS

Statutory Auditors

RBI, on April 27 2021, had issued guidelines for appointment of Statutory Central Auditors/Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs). As per the said guidelines statutory audit of entities with asset size of ₹15,000 Crore and above as at the end of previous year, should be conducted under joint audit of a minimum of two audit firms. The audit firms can be appointed as the Statutory Auditors (SA) of the Bank for a continuous period of 3 (three) years only and thereafter, reappointment in the same entity will be possible only after a cooling period of 6 (six) years. Further, prior approval of RBI for appointment/reappointment of SAs on an annual basis is required in terms of the above guidelines.

The Members of the Bank at the 9th Annual General Meeting ("AGM") held on August 22, 2025, had approved the appointment of M/s. M. M. Nissim & Co LLP, Chartered Accountants (FRN 107122W/W100672) and M/s KKC & Associates LLP, Chartered Accountants (FRN 105146W/W100621) as the Joint Statutory Auditors of the Bank for a period of 3 (three) consecutive financial years to hold office till the conclusion of 12th AGM of the Bank, subject to RBI on an annual basis. The Bank has approached RBI seeking approval for their appointment for FY 2026-27. The approval from the RBI is awaited as on the date of this Report.

The Statutory Audit of the Bank for the FY 2025-26 was conducted jointly by M/s. M. M. Nissim & Co LLP, Chartered Accountants (FRN 107122W/W100672) and M/s KKC & Associates LLP, Chartered Accountants (FRN

105146W/W100621). The Auditors' Report forms an integral part of this Annual Report.

The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act. The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

Secretarial Auditors

In compliance with the provisions of Section 204 of the Act and the rules framed thereunder, M/s. BNP & Associates, Company Secretaries, the Secretarial Auditors of the Bank, conducted the Secretarial Audit for the financial year ended March 31, 2026. There were no qualifications made by the Secretarial Auditors in their Report.

The Secretarial Audit Report for FY2025-26 is annexed as **"Annexure 2"** to this Report.

Cost Auditor

The provisions for maintenance of cost records as specified by the Central Government under Section 148(1) of the Act are not applicable to the Bank.

Internal Auditor

As per the provisions of Section 138 of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Auditors report was presented to the Audit Committee on a quarterly basis. The scope, functioning, periodicity and methodology for conducting the Internal Audit have been formulated under the applicable RBI guidelines and in consultation with the Audit Committee.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Bank has complied with the applicable Secretarial Standards on meetings of the Board of Directors ("SS-1") and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

CONSERVATION OF ENERGY

The Bank continues to prioritise energy efficiency as part of its sustainability and ESG commitments. The Bank has undertaken focused initiatives to optimise energy consumption across its operations through a combination of technology adoption, infrastructure upgrades, and employee awareness. Key measures include the installation of solar panels, energy-efficient LED and sensor-based lighting, optimisation of air-conditioning systems, and deployment of efficient electrical infrastructure in its corporate building at Varanasi. Digital transformation initiatives such as paperless banking, and virtual meetings have further reduced energy consumption. The Bank actively monitors electricity usage across locations and promotes responsible energy practices through regular awareness programs.

However, the Bank continues to focus on efficient energy usage and technology upgradation to enhance operational efficiency and customer service in a cost effective manner.

TECHNOLOGY

In an increasingly digital and customer-centric banking landscape, Information Technology continues to be a key strategic enabler for Utkarsh Small Finance Bank. During FY 2025-26, the Bank focused on strengthening & execution of core technology foundations, modernizing critical enterprise platforms, enhancing digital customer journeys, and embedding advanced technologies to support scalability, resilience, and regulatory compliance.

Key Technology Initiatives and Platform Transformation

During the year, the Bank undertook multiple large-scale technology initiatives aimed at improving operational efficiency, customer experience, and risk management:

- **Payment Switch & ATM Modernization:** The Bank successfully migrated its Debit Card and IMPS switching to a new, robust switch platform, resulting in significantly improved transaction throughput, stability, and scalability, and an enhanced overall customer experience. In parallel, the Bank's ATM network was modernized through migration to new ATM machines, further strengthening service reliability and availability.
- **Treasury & Financial Risk Systems:** The Treasury Management System (TMS) was upgraded to support enhanced deal processing, regulatory reporting, and integrated risk monitoring. In parallel, the Bank migrated to a new Asset Liability Management (ALM) application, strengthening liquidity risk assessment and balance sheet management.
- **Strengthening AML & Compliance Capabilities:** A new, advanced Anti-Money Laundering (AML) system was implemented, replacing the legacy application. The new platform enables stronger transaction monitoring, improved alert quality, enhanced regulatory reporting, and better scalability to support business growth.
- **Credit & Recovery Digitization:** The Bank implemented a Centralized NPA Management System, enabling end-to-end monitoring, recovery tracking, legal actions, and analytics for delinquent accounts, thereby improving recovery governance and effectiveness.
- **Digital Lending & New Product Enablement:** A Digital Gold Loan Platform was launched to provide a fully digitized, faster time-to-disbursement experience. Additionally, the Loan Origination System was enhanced to better support Micro Banking Individual Loan (MBIL) and Micro Banking Business Loan (MBBL) asset products, improving configurability, reporting, and operational controls.

Digital Channels & Customer Experience Enhancements

Significant investments were made to enhance digital touchpoints and improve customer convenience:

- WhatsApp Banking Services were upgraded with extended service coverage and improved response capabilities.
- Continuous improvements were made across Internet Banking and Mobile Banking platforms to enhance security, performance, and usability.

API, Middleware, and Low-Code Enablement

To support faster innovation and system integration, the Bank:

- Continued strengthening its API and Middleware platforms, enabling secure, scalable integration with fintech partners and internal systems.
- Introduced a Low Code / No Code development platform to accelerate internal application development, automate workflows, and reduce dependency on traditional development cycles.

Strategic Adoption of Artificial Intelligence

FY 2025–26 marked a significant milestone in the Bank's journey toward AI-led transformation. Artificial Intelligence was adopted as a strategic initiative across multiple functions leveraging both generative AI and Agentic AI capabilities. AI adoption has been structured along with appropriate governance, security controls, and regulatory alignment, ensuring responsible and scalable implementation across the Bank.

Data Centre Modernization & Managed Infrastructure Services:

The Bank established a new on premises Data Centre and Disaster Recovery (DR) setup to support ongoing system modernization initiatives and strengthen infrastructure resilience. A leading industry partner was engaged for managed Data Centre services to ensure skilled operations, best in class practices, and service continuity.

Additionally, enterprise grade Backup solutions were implemented to ensure data availability, integrity, and rapid recovery, while advanced Endpoint Detection & Response (EDR) solutions were onboarded to strengthen cyber security, enable proactive threat detection, and protect critical systems from evolving cyber risks.

New Core Banking System (CBS)

The Bank continued to make measured progress on its enterprise-wide transformation initiatives relating to the Core Banking System (CBS) during FY 2025–26 and planned to go-live during the year. These programs are aimed at modernizing the Bank's core technology landscape, improving system scalability and resilience, and enabling a consistent omni-channel customer experience. The initiatives are being executed under strong governance with a phased approach to ensure business continuity and regulatory compliance throughout the transformation journey.

Outlook

The Bank remains committed to leveraging technology as a strategic differentiator. Investments made during FY 2025–26 have laid a strong foundation for future growth, operational excellence, and superior customer experience. The IT roadmap continues to prioritize modernization, resilience, digital innovation, and responsible adoption of emerging technologies.

Cyber Security Framework of the Bank

In an increasingly digital banking environment, cybersecurity remains a critical enabler of business growth, customer trust, and regulatory compliance at Utkarsh Small Finance Bank. The Bank's cybersecurity strategy is closely aligned with its business objectives, ensuring secure digital expansion, operational resilience, and protection of customer assets/ information.

During FY 2025–26, the Bank significantly strengthened its cybersecurity posture through robust governance, advanced security controls, and proactive risk management, which includes:

- A comprehensive Governance, Risk, and Compliance (GRC) framework, reinforced by board-level oversight through the Information Security Committee, ensures structured risk identification, proactive mitigation, and continuous monitoring.
- The year was marked by notable achievements, including being honoured as "Cybersecurity Team of the Year" at the IBA CISO Summit 2025 and achieving a best-in-class BitSight Security Rating of 820/820, underscoring the Bank's strong cyber maturity and minimal risk exposure.
- The Banks 24x7 Security Operations Center (SOC) continued to provide real-time monitoring and response to cyber threats, supported by advanced security technologies such as EDR, DLP, WAF, and threat intelligence integration, etc.
- Proactive risk management remained a key focus, with regular VAPT, Red Team Exercise, Risk Assessments, Attack Surface Monitoring and Breach Attack Simulations ensuring continuous evaluation and strengthening of security controls.
- Strong progress was also achieved in regulatory compliance, including ISO 27001:2022 certification, which is a testament to the Bank's strengthened security framework and adherence to global best practices.
- The Bank further strengthened its resilience by adopting Cyber Risk Insurance, providing financial

protection against cyber incidents, including ransomware attacks, business disruptions, and regulatory liabilities.

- Significant investments were also made in cybersecurity awareness, including phishing simulations and organization-wide training programs, helping build a strong security-conscious culture.

This complement exists security controls by addressing residual risks and enhancing overall cyber preparedness.

FOREIGN EXCHANGE EARNINGS / OUTGO

During the year under review, the Bank has foreign exchange earnings of ₹ 3.18 Crore. However, there was no foreign exchange outgo.

CODE OF CONDUCT

For a financial institution, transparency and the highest standards of corporate governance are important prerequisites for establishing a compliance-oriented bank. Towards this end, the Bank endeavours to ensure that all its activities are fairly aligned with the highest standards of personal and professional integrity and the highest level of ethical conduct.

The Bank has adopted a Code of Conduct and norms for the avoidance of conflict of interest, all the Senior Management officials, KMPs, Employees with loan sanctioning authority, employees directly related with sourcing/servicing corporate or wholesale banking relationships and employees directly involved in the procurement of goods and services, conduct duties according to the aforesaid Code of Conduct. Some of the areas that have been covered by the Code of Conduct are fairness of employment practices, protection of intellectual property, integrity, customer confidentiality and conflict of interest. The Bank's Code of Conduct for Directors and Senior Management is hosted on the website of the Bank at CODE_OF_CONDUCT_FOR_THE_BOARD_OF_DIRECTORS_AND_SENIOR_MANAGEMENT_PERSONNEL.pdf. A declaration on compliance with code of conduct for FY 2025-26 forms part of corporate governance report.

Whistle Blower /Vigil Mechanism

Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Bank has in place a Whistle Blower Policy / Vigil Mechanism. The policy provides a mechanism to enable directors and employees of the Bank to report genuine concerns relating to unethical behaviour, actual or suspected fraud, violation of the Bank's code of conduct, or other irregularities, in a confidential and secure manner. The Whistle Blower Policy ensures adequate safeguards against victimisation of the individuals who avail themselves of the vigil mechanism.

The policy is hosted on the Bank's website at https://www.utkarsh.bank.in/uploads/template_forty_pdf/Whistle_Blower_Policy_Revised_13_12_2022.pdf

In addition, the Bank has also adopted a Vigilance Policy, which outlines the framework for prevention, detection, and handling of vigilance related matters, including risks arising from corruption, malpractices, fraud, and other misconduct, in accordance with applicable regulatory and statutory requirements.

VIGILANCE & SECURITY

The Bank has a Vigilance & Security Department for investigating frauds, bribery cases, and complaints, including complaints received under the whistle-blower policy of the Bank.

Vigilance & Security Department makes concerted efforts to curb fraud, forgery, and burglary incidents in the Bank with the help of new ideas, technology, previous experiences, and adopting preventive vigilance measures with appropriate tools.

CORPORATE SOCIAL RESPONSIBILTY

The Bank has a duly constituted CSR Committee in terms of the requirements of Section 135 of the Act read with the rules made thereunder. The details of the changes in the composition of the CSR Committee during the FY 2025-26 have been provided in the Corporate Governance Report which forms part of the Annual Report for the FY 2025-26. The Bank has formulated its CSR policy pursuant to Section 135(4) of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, in accordance with the approach and direction given by the Board of the Bank, taking into account the recommendations of its CSR Committee, and including guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

The said Policy is available on the website of the Bank at https://www.utkarsh.bank.in/uploads/template_forty_pdf/Corporate_Social_Responsibility_Policy.pdf. The detailed Annual Report on the CSR activities for the FY 2025-26 is annexed as "**Annexure 3**" to this Report.

PARTICULARS OF EMPLOYEES

The information in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "**Annexure 4**" to this Report.

Further, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, forms part of this Annual Report. In terms of section 136(1) of the Act, the Annual Report is being sent without this Annexure. The Annexure is available for inspection and any member interested in obtaining a copy of the statement may write to the Company Secretary of the Bank at secretarial.usfb@utkarsh.bank.in.

CORPORATE GOVERNANCE

The Bank's activities are carried out in accordance with the good Corporate Governance practices and the Bank is constantly striving to make them better with time. The Bank believes that governance framework and good practices helps in creating right culture and in turn enhances long-term sustainable value for all its stakeholders.

Pursuant to Regulation 34 of the SEBI Listing Regulations, a 'Report on Corporate Governance' has been annexed to this Report along with the certificate issued by the Secretarial Auditor as "**Annexure 5**" of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance under the SEBI Listing Regulations. The Report on Corporate Governance also contains certain disclosures required under the Act, including the details of the Board meetings held during the financial year ended March 31, 2026.

RISK MANAGEMENT POLICY

The details of Risk Management Policy & its framework are separately provided in the Management Discussion and Analysis Report.

LOANS, GUARANTEES AND INVESTMENTS

The particulars of investments made by the Bank are disclosed in notes to accounts forming part of financial statements.

During the year under review, no loans or guarantees were given or security provided on any loans or guarantees and hence, no disclosure is required to be made thereon.

RELATED PARTY TRANSCATION

There was no materially significant related party transaction entered between the Bank and its related parties.

All the contracts/arrangements/transactions entered by the Bank with the related parties during the FY 2025-26 were on arm's length basis; accordingly, the disclosure of particulars of contracts/ arrangements entered into by the Bank with related parties referred to in sub-section (1) of section 188 of the Act in Form AOC-2 is not applicable.

The Policy on Related Party Transactions is available on the website of the Bank at https://www.utkarsh.bank.in/uploads/template_forty_pdf/RPT_and_Arms_Length_Policy.pdf

REPORTING OF FRAUDS BY AUDITORS

During FY 2025-26, no instances of fraud committed in the Bank, by its officers or employees were reported by the Joint Statutory Auditors and Secretarial Auditor under Section 143(12) of the Act, to the Audit Committee or the Board of Directors of the Bank.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, as amended the Business Responsibility and Sustainability Report describing the initiatives taken by the Bank from an Environmental, Social and Governance perspective is presented in a separate section which forms an integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI Listing Regulations is presented in a separate section which forms an integral part of this Annual Report.

SIGNIFICANT AND AN INTEGRAL MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no material orders have been passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Bank and its future operations.

However, basis the receipt of the Shareholders approval of the Bank and UCL, Promoter on the Scheme of Amalgamation between the Promoter and Bank, a second motion petition was filed with the Hon'ble NCLT, Allahabad Bench, Prayagraj for final sanction of the Scheme.

The Bank has not made any application under the Insolvency and Bankruptcy Code, 2016 and no proceeding is pending under the said Code.

Further, no one time settlement was done with any Bank/ Financial Institution with respect to loans taken by the Bank, hence disclosure on the difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking such loans is not applicable.

HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

The UCL is Promoter Company of the Bank. The Bank does not have subsidiary or associate company. Hence the details of sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 are not applicable to the Bank.

KNOW YOUR CUSTOMER / ANTI-MONEY LAUNDERING

The Bank complies with all requirements prescribed under the RBI Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, as amended from time to time. The Bank's KYC/AML Policy has been framed in line with the RBI Master Direction – Know Your Customer (KYC) Directions, as applicable to Small Finance Banks, and the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) and the rules made thereunder.

The Policy adopts a risk-based approach for the effective implementation of the AML framework across the Bank. The Bank complies with all applicable regulatory reporting requirements prescribed by the Financial Intelligence Unit – India (FIU IND).

The Bank has put in place a robust transaction monitoring mechanism in line with FIU IND and regulatory requirements. An automated transaction monitoring system is deployed, which is closely monitored by a centralised AML team to identify, review, and report suspicious transactions in a timely manner.

The Bank imparts regular training to its employees on KYC/AML compliance requirements to ensure awareness and effective implementation of regulatory guidelines. Senior officers and executives of the Bank also participate in periodic workshops and seminars organised by FIU IND, RBI, Indian Banks' Association (IBA), and the National Institute of Bank Management (NIBM), with a view to enhancing awareness and strengthening compliance standards.

Recent amendments and changes notified under the PMLA and RBI guidelines have been duly incorporated into the Bank's customer onboarding processes and internal policies. The Bank's KYC/AML Policy is reviewed annually and placed before the Board of Directors for approval, taking into account all applicable regulatory amendments and supervisory expectations.

PREVENTION OF SEXUAL HARASSMENT

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Bank has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were pending with the Internal Complaints Committee for more than ninety days. The information as required pursuant to Rule 8 of Companies (Accounts) Rules, 2014 relating to complaints received, redressed and pending during FY 2025-26 forms part of the Corporate Governance Report.

The POSH Policy is periodically communicated to all employees and is available on the Bank's website https://www.utkarsh.bank/uploads/policy/Prevention_of_Sexual_ Harassment_Policy.pdf

HUMAN RESOURCES AND TRAINING

At Utkarsh, our employees are at the core of everything we do. Our human resources framework is built to foster inclusive growth, transparency, and equity across the organisation. With a well-structured HR setup encompassing recruitment, operations, training, and employee engagement—supported by a robust zonal structure—we ensure effective last-mile connectivity and responsiveness across regions.

Our technology-enabled HR services, including a mobile-based platform, provide employees with real-time access to key functions, enhancing efficiency and engagement. As of March 31, 2026, our workforce stands at 18,400 employees, reflecting our continued expansion and strong commitment to nurturing a collaborative, diverse, and growth-oriented workplace.

Learning and development remain a cornerstone of our people strategy, enabling employees to continuously build capabilities and progress in their careers. Through flagship programmes such as Utkarsh Aarambh, Utkarsh Pragati, Udaan, Saksham, and Manthan, we provide structured opportunities to develop functional expertise, leadership capabilities, and compliance awareness across levels.

In FY 2025–26, all the new joiners attended induction and taken through mandatory courses, and more than 10,000+ existing employees engaged in developmental programs, reinforcing a strong culture of continuous learning. Initiatives like the Probationary Officer Program, Branch Baithaks, and our partnership with Institute of Professional Banking (IPB) and Baddi University ensure we cultivate talent aligned with our mission. Our focus also included virtual training and leadership workshops aimed at improving performance across sales, liabilities, and assets.

Our broader talent and capability initiatives further strengthen workforce effectiveness and retention. These include competition role–grade benchmarking, salary benchmarking, job norms rationalisation, succession planning, career portal utilisation, fortnightly zonal HR updates, and the "Know Your HR" initiative to enhance employee connect. Focused efforts such as diversity hiring, resource-level productivity and incentive optimisation, the rehire programme (Innings 2.0), and a retention grid for critical talent underscore our commitment to building a future-ready, resilient organisation.

As part of its ongoing commitment to building a future ready institution, the Bank continued to strengthen its talent management and leadership development agenda during the year. A key focus was on ensuring strong alignment of leadership mindsets and capabilities with the Bank's long-term strategic priorities.

In this context, the Bank conducted a Senior Management Alignment Workshop, designed to bring leadership teams onto a common platform around the Bank's vision, institutional growth agenda, and evolving business priorities. The workshop aimed to foster shared accountability, reinforce the desired organizational culture, and enable leaders to collectively steer the Bank through transformation while ensuring long term sustainability. Building on the outcomes of the alignment workshop, the Bank initiated a series of targeted leadership and capability development interventions.

We promote employee well-being through structured engagement activities, comprehensive wellness initiatives, and robust recognition programs. From celebrating key milestones such as our 9th anniversary, to honouring long-serving employees and recognising top performers, we consistently acknowledge the contributions of our people.

Platforms such as Utkarsh Samvaad and Sampark foster open dialogue by enabling direct interaction between employees and the Managing Director & CEO, as well as the Senior Leadership Team. These initiatives strengthen alignment, transparency, and connection across the organisation.

Our overarching objective is to engage, motivate, and retain talent by cultivating a supportive and inclusive work culture. Our POSH Policy, applicable to all employees and stakeholders, reinforces a zero-tolerance approach towards harassment and misconduct, ensuring a safe and respectful workplace. Collectively, these initiatives underscore our commitment to building a supportive, secure, and purpose-driven organisation.

COMPLIANCE ON MATERNITY BENEFIT ACT, 1961

The Bank is in compliance with the provisions of the Maternity Benefit Act, 1961.

BASEL III (PILLAR 3) DISCLOSURES

RBI Direction RBI/DOR/2025-26/182 DOR.CAP.REC.101/21-01-002/2025-26 dated November 28, 2025 (Updated as on March 10, 2026) on 'Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025' requires banks to make Pillar 3 disclosures, as applicable. These disclosures have not been subjected to audit or limited review. These disclosures are available on the Bank's website at www.utkarsh.bank.in/basel-disclosures

Acknowledgement

The Directors of the Bank would like to place on record their gratitude towards the guidance and co-operation received from the RBI, SEBI, Stock exchanges, Ministry of Corporate Affairs and other Government and Regulatory Agencies. The Directors of the Bank would like to take this opportunity to express their appreciation for the hard work and dedicated efforts put in by the Bank's employees and acknowledge the continued support of the members.

For and on behalf of the Board of Directors

	Kshatrapati Shivaji	**Govind Singh**
Date: May 09, 2026	Part-time Chairperson & Independent Director	Managing Director & CEO
Place: Mumbai	DIN: 01185381	DIN: 02470880

ANNEXURE 1

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

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

We, **BNP & Associates**, Company Secretaries in Practice, were appointed as the Secretarial Auditors of **Utkarsh Small Finance Bank Limited (hereinafter referred to as 'the Bank')**, having CIN L65992UP2016PLC082804 having its registered office at Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN – 221105, vide a resolution passed by the Board of Directors of the Bank at its meeting held on 03rd May, 2025, for the financial year ended 31st March, 2026.

The Management of the Bank has requested us to issue the required certificate with respect to the Utkarsh Small Finance Bank Limited ("USFBL") – Employee Stock Option 2020 – (Scheme I) and USFBL Employee Stock Option 2024 - Scheme II ("Scheme II") (hereinafter referred to as the 'Schemes'). This Certificate of compliance, for the year ended 31st March, 2026, is issued under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as **"the Regulations"**).

Management Responsibility:

It is the responsibility of the Management of the Bank to implement the Schemes including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Bank has the following Utkarsh Small Finance Bank Limited (USFBL) – Employee Stock Option 2020 – Scheme I and USFBL Employee Stock Option 2024 - Scheme II ("Scheme II") ("Schemes") which is in operation viz:

- USFBL Employee Stock Option 2020- Scheme I which is a part of USFBL Employee Stock Option Plan 2020 of the Company, as noted above, have been approved by the Shareholders of the Company by way of a Special Resolution at their General Meeting held on December 28, 2020 and the same was amended on July 19, 2022 to ensure compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The approval granted by the Shareholders through Special resolutions dated December 28, 2020 and July 19, 2022 and the USFBL Employee Stock Option 2020- scheme I which is a part of USFBL Employee Stock Option Plan 2020 of the Company are in strict compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- USFBL Employee Stock Option 2024 - Scheme II ("Scheme II") which is a part of USFBL Employees Stock Option Plan 2024 of the Company, as noted above, have been approved by the Shareholders of the Company by way of a Special Resolution at their Postal Ballot Meeting held on December 14, 2024 to ensure compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The approval granted by the Shareholders through Special resolutions dated December 14, 2024 and the USFBL Employee Stock Option 2024 - Scheme II which is a part of USFBL Employees Stock Option Plan 2024 of the Company are in strict compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For the purpose of verifying compliance of the Regulations, we have examined the following:

1. Schemes received from/ furnished by the Bank.
2. Articles of Association of the Bank.

3. Resolutions passed at the meeting of the Board of Directors.
4. Shareholders' Resolution passed at the General Meeting by the members and Postal ballot for approving/ratification of the schemes respectively.
5. Detailed terms and conditions of the schemes as approved by Nomination and Remuneration Committee.
6. Committee Meetings resolution(s) for allotment of equity shares during the Financial Year 2025-26.
7. Exercise price/pricing formula.
8. Valuation Report;
9. Certificate of Compliance from PCS under Regulation 10(b) of the Regulations.
10. Disclosures by the Board of Directors in their Report.
11. Relevant Accounting Standards as prescribed by the Central Government.
12. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder, as applicable.
13. Other relevant documents/ filings/ records/ information as sought and made available to us for issuing this Certificate.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Bank and its officers, we certify that the Bank has implemented the aforesaid Scheme in accordance with the applicable provisions of the Regulations and the Shareholders Resolutions.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Bank.
2. Our responsibility is to give a certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No: 7353/2025]

Avinash Bagul
Partner
FCS No.: F5578 / COP No: 19862
UDIN: F005578H000318044

Place: Mumbai
Date: May 09, 2026

ANNEXURE 2

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Utkarsh Small Finance Bank Limited (hereinafter called "The Bank")** having CIN: - L65992UP2016PLC082804 for the Financial Year ended on 31st March, 2026 (the 'Audit Period').

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Bank's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our **verification** of the Bank's books, papers, minutes books of the Board and Committee meetings, forms and returns filed, and records provided to us and other records maintained by the Bank;

(ii) **Compliance certificates** confirming compliance with corporate laws applicable to the Bank given by the Key Managerial Personnel / Senior Managerial Personnel of the Bank and taken on record by the Bank's Board of Directors; and

(iii) **Representations** made, documents produced and information provided by the Bank, its officers and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the Audit Period, the Bank has:

(i) Complied with the statutory provisions listed hereunder; and

(ii) The Board processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

1.1 We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Bank during the audit period in terms of the applicable provisions / clauses of:

(i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

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

(iv) Foreign Exchange Management Act (FEMA), 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

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

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

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

(d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

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

(h) Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;

(i) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to the obligations of the Bank).

(vi) Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India (Secretarial Standards) which have mandatory application to the Bank.

1.2 During the period under review the Bank:

(i) Has complied with all the applicable provisions of the aforesaid Acts, Rules, Regulations, Guidelines and Secretarial Standards.

(ii) Generally complied with the applicable provisions / clauses of:

(a) FEMA to the extent of Foreign Direct Investment mentioned under paragraph 1.1 (iv);

(b) The Secretarial Standards on meetings of Board of Directors (SS-1) mentioned under paragraph 1.1 (vi) above as applicable to the meetings of the Board, Committees constituted by the Board held during the year. The compliance of the provisions of the Rules made under the Act with regard to participation of Directors through video conference for the Board/Committee meeting(s) held during the year, were verified based on the minutes of the meetings provided by the Bank.

(c) The Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above, as applicable in connection with the Ninth (9th) Annual General Meeting held on Friday, 22nd August, 2025 ("AGM"), and the postal ballots conducted by the Bank on 12th July, 2025, 28th February, 2026 and Court Convened Meeting held on 28th March, 2026.

1.3 During the Audit Period under review, provisions of the following Acts /Regulations were not applicable to the Bank:

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

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

(iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Bank and provided to us with respect to the following statutes which are applicable to the Bank and found that the Bank has generally complied with the applicable requirements. The Bank has provided us with a Certificate to the effect that due compliance has been ensured in respect of the following Acts, reliance on which has been placed by us.

(i) The Banking Regulations Act, 1949 and amendments made thereof;

(ii) Reserve Bank of India Act, 1934 and guidelines and amendments made there under;

(iii) Master Circulars, directions, guidelines issued to Small Finance Banks by the Reserve Bank of India from time to time;

(iv) The Negotiable Instruments Act, 1881;

(v) The Bankers' Book Evidence Act, 1891;

(vi) The Unlawful Activities (Prevention) Act, 1967;

(vii) The Payment and Settlement Systems Act, 2007;

(viii) The Deposit Insurance and Credit Guarantee Corporation Act, 1961 and amendments made thereof;

(ix) The Prevention of Money Laundering Act, 2002 and The Prevention of Money- Laundering (Maintenance of Records, etc.,) Rules, 2005;

(x) Information Technology Act, 2000.

2. BOARD PROCESSES OF THE BANK:

We further report that:

2.1 The Board of Directors of the Bank as on 31st March, 2026 comprised of:

1. One Executive Director -Mr. Govind Singh (DIN: 02470880);

2. One Non-Executive Non-Independent Director – Mr. Ramjass Yadav (DIN: 08911900);

3. Five Non-Executive - Independent Directors, including Women Independent Directors- Mr. Parveen Kumar Gupta (DIN: 02895343), Mr. Ajay Kumar Kapur (DIN: 00108420), Mrs. Kalpana Prakash Pandey (DIN: 06715713), Mrs. Gauri Rushabh Shah (DIN: 06625227) and Dr. Kshatrapati Shivaji (DIN: 01185381).

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel ("KMP") during the year were carried out in compliance with the provisions of the Act:

1) Based on the recommendation of the Nomination and Remuneration Committee, the approval of the Board of Directors of the Bank at its Meeting held on March 08, 2025, the Members of the Bank by way of Postal Ballot which concluded on 12th July, 2025, have approved the re-appointment of Ms. Kalpana Prakash Pandey (DIN: 06715713) as an Independent Director of the Bank, whose first term as an Independent Director of the Bank was completed on April 28, 2025 and who was re-appointed as an Independent Director of the Bank, not liable to retire by rotation, for second term of 3 (Three) consecutive years with effect from April 29, 2025 to April 28, 2028 (both days inclusive), pursuant to the provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 Regulations 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 10A 2(a) and applicable provisions of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, including any statutory amendments, modifications, variations or re-enactments thereof, for the time being in force, and in accordance with the provisions of the Articles of Association.

2) Based on the recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors of the Bank on May 27, 2025, the Members of the Bank by way of Postal Ballot which concluded on 12th July, 2025, have approved the appointment of Ms. Gauri Shah (DIN: 06625227) as an Independent Director, not liable to retire by rotation, for a period of 5 consecutive years commencing from the June 01, 2025 to May 31, 2030, pursuant to the provisions of of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in terms of the provisions of Banking and the Guidelines issued by Reserve Bank of India and in accordance with the provisions of the Articles of Association of the Bank.

3) Based on the recommendation of the Nomination and Remuneration Committee, the approval of the Board of Directors approval dated July 01, 2025, the Reserve Bank of India's approval dated March 10, 2025, the Shareholders of the Bank at their AGM, approved the appointment of Dr. Kshatrapati Shivaji (DIN: 01185381) as an:

   a. Independent Director of the Bank, not liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from July 01, 2025 to June 30, 2030 (both days inclusive) in the capacity of. Part Time Chairman of the Bank for a period of 3 (three) consecutive years, with effect from July 01, 2025 to June 30, 2028 (both days inclusive), pursuant the applicable provisions, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulations 17 and 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Section 10A 2(a) and such other applicable provisions, if any, of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, (including any statutory modifications or re-enactments thereof for the time being in force), and in accordance with the Articles of Association of the Bank on such terms and conditions as approved by the Shareholders.

4) Mr. Parveen Kumar Gupta (DIN: 02895343) stepped down as Part-time Non-Executive Chairman of the Board with effect from July 01, 2025. Thereafter he has he continued on the Board of the Bank as an Independent Director.

5) Cessation of office of Directorship of Mr. Nagesh Dinkar Pinge (DIN: 00062900) who has ceased to be an Independent Director (ID) of the Bank with effect from July 20, 2025, on completion of his first term as an ID.

6) The members of the Bank at its AGM held on August 22, 2025 approved the re-appointment of Mr. Muralidharan Rajamani (DIN-01690363), as Non-Executive Non-Independent Director, liable to retire by rotation.

7) Cessation of office of Pramod Kumar Dubey (DIN: 10174154) as Whole Time Director and Key Managerial Personnel ("KMP") of the Bank w.e.f. December 31, 2025 (close of business hours) due to resignation.

8) The Nomination and Remuneration Committee is currently in the process of identifying and evaluating suitable candidates for the position of Whole-Time Director for recommendation to the Board pursuant to Sections 152, 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and applicable provisions of the Banking Regulation Act, 1949, relevant circulars and notifications issued by the Reserve Bank of India ("RBI") from time to time including any amendments, modifications, variations or re-enactments thereof and the provisions of the Articles of Association and subject to approval of RBI and/or such other approval(s) as may be necessary and subject to approval of the shareholders of the Bank on the terms and conditions as may be approved.

9) Based on the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Bank at its meeting held on December 13, 2025 and Members of the Bank have by way of Postal Ballot was completed on 28th February, 2026, approved the re-appointment of Mr. Ajay Kumar Kapur (DIN: 00108420) as an Independent Director of the Bank for a second term of 3 (three) consecutive years i.e., from March 02, 2026 to March 01, 2029 (both days inclusive), pursuant the applicable provisions, , of the Companies Act, 2013 ("Act"), and the Companies (Appointment and Qualification of Directors), Rules, 2014, regulations 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 10A (2)(a) and applicable provisions of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force, and in accordance with the Articles of Association.

10) Based on the recommendation of Nomination and Remuneration Committee, the approval of the Board of Directors of Bank at its meeting held 03rd January, 2026, the Members of the Bank have, by way of Postal Ballot completed on 28th February, 2026, approved the appointment of Dr. Ram Jass Yadav (DIN: 08911900) as a Non-Executive Non-Independent Director of the Bank, liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from January 03, 2026 to January 02, 2031 (both days inclusive) pursuant to to applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Section 10A (2)(a) and such other applicable provisions, if any, of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force, and in accordance with the Articles of Association.

11) Mr. Muralidharan Rajamani (DIN: 01690363) completed his first term of five (5) consecutive years as a Non-Executive Non-Independent Director of the Bank on March 01, 2026 and ceased to be a Non-Executive Non-Independent Director of the Bank with effect from March 02, 2026.

2.3 Adequate notices have been given to all the directors of the Bank to enable them to plan their schedules for the Board meeting(s), except in respect of a few meetings which were convened at a shorter notice to transact urgent business(es) for which necessary consent was received, which were compliant with the provisions of the Act as prescribed and SS-1.

2.4 Agenda and detailed notes on agenda circulated to all the directors for at least seven days before the Board meetings, except for few meetings and in respect of certain matters considered to be price sensitive in nature at such meetings which were convened at a shorter notice.

2.5 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and to ensure their meaningful participation at the meetings.

2.6 As per minutes, of the Board meetings held during the year, we note as under:

(i) Decisions were taken through the majority of the Board; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, which were required to be recorded as part of the minutes.

3. COMPLIANCE MECHANISM

There are reasonably adequate systems and processes prevalent in the Bank, which are commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

4. SPECIFIC EVENTS/ACTIONS

4.1 During the audit period, the following specific events/ actions, having a major bearing on the Bank's affairs took place: -

1. Based on the recommendation of the Audit Committee and approval of the Board of Directors, the members at the AGM, approved the appointment of M/s BNP & Associates, Company Secretaries (FRN: P2014MH037400) as the Secretarial Auditors of the Bank for a period of 5 (five) consecutive years commencing from April 01, 2025 to March 31, 2030 to conduct a Secretarial Audit of the Bank pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or re-enactments thereof, for the time being in force).

2. Based on the recommendation of Capital Structuring & Fund Raise Committee ("the Committee"), the Board of Directors of the Company, accorded its approval to raise funds by way of a Rights Issue of equity shares to the existing shareholders and specific investors of the Bank in such ratio and at such price as may be determined by the Board in consultation with financial and legal advisors, for an aggregate amount not exceeding ₹950 Crore (Rupees Nine Hundred & Fifty Crore only).

3. The Capital Structuring & Fund Raise Committee ("the Committee") of the Board has approved the allotment of 67,79,13,784 Rights Equity Shares to the Eligible Equity Shareholders of the Bank, their respective renounce (s) and the specific investor(s) in terms of the Letter of Offer and the basis of allotment noted by the Committee on November 05, 2025 as finalized by the registrar to the Issue (RTA) in consultation with the Designated Stock Exchange i.e. National Stock Exchange of India Limited, and as detailed in the statement circulated to the Committee pursuant to the Section 62(1)(a), Section 23(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules thereunder, , the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI LODR Regulations") and any other provisions of applicable law, and in accordance with the provisions of the memorandum and the articles of association of the Bank, and pursuant to the Letter of Offer, in connection with the Bank's rights issue of 67,79,13,784 equity shares of face value of ₹10 each of the Bank on a fully paid-up basis (the "Rights Equity Shares") for cash at a price of ₹ 14 per Rights Equity Share (including a premium of ₹ 4 per Rights Equity Share), on a rights basis to the Eligible Equity Shareholders (as defined in the Letter of Offer) of the Bank in the ratio of 8 Equity Share for every 13 equity shares of the Bank held by the eligible equity shareholders on the record date, being October 14, 2025, which opened for subscription on October 24, 2025 and closed on November 03, 2025. The Rights issue proceeds were utilized in terms of the "Objects for the issue" as stated in the Letter of Offer.

4. Reverse Merger:

   Pursuant to the order dated February 11, 2026, the Hon'ble NCLT, Allahabad Bench, Prayagraj directed convening meetings of the equity shareholders and unsecured creditors of the Bank on March 28, 2026 in the matter of Scheme of Amalgamation between Utkarsh Small Finance Bank Limited ("Transferee Company") and Utkarsh CoreInvest Limited ("Transferor Company") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. Accordingly:

   i) The Meeting of the Equity Shareholders of the Bank was held on Saturday, March 28, 2026 through Video Conferencing

("VC") for approving the Scheme of Amalgamation of Utkarsh CoreInvest Limited into and with Bank and their respective equity shareholders ("Scheme").

ii) The Meeting of Unsecured Creditors ("Meeting") of the Bank was held on Saturday, March 28, 2026 through Video Conferencing ("VC") for approving the Scheme of Amalgamation of Utkarsh CoreInvest Limited into and with Bank and their respective equity shareholders ("Scheme")

iii) The Scheme was approved both by the equity shareholders and unsecured creditors with the requisite majority and the respective voting results were submitted to stock exchanges on April 03, 2026 and April 01, 2026.

The Bank has filed the second motion petition on April 05, 2026, which is currently under consideration before the Hon'ble NCLT as of the date of this report.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 7353/2025]

Sd/-
Avinash Bagul
Partner
FCS No.: 5578/COP No.: 19862
UDIN: F005578H000317991

Date: May 09, 2026
Place: Mumbai

The Board of directors are requested to read this report along with our letter of even date annexed to this report as **Annexure-A**.

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

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

Our Secretarial Audit Report of even date is to be read along with this letter:

1. The Bank's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have considered compliance related actions taken by the Bank based on independent legal /professional opinion obtained as being in compliance with law.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Bank. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: - 7353/2025]

Sd/-
Avinash Bagul
Partner
FCS No.: 5578/COP No.: 19862
UDIN: F005578H000317991

Date: May 09, 2026
Place: Mumbai

ANNEXURE 3

Annual Report on Corporate Social Responsibility (CSR) Activities for financial year 2025-26

1. Brief outline on CSR Policy of the Company:

The Bank's CSR aims to contribute to the social and economic development of the underprivileged and underserved community in low-income geographies. Through impact-oriented interventions the Bank seeks to mainstream economically, physically, and socially challenged groups and to draw them into the cycle of growth, development, and empowerment. Initiatives have been largely focused on education, health, promoting livelihoods through skill building and vocational training. The Bank shall also promote initiatives that preserve, restore and enhance environment, ecological balance, and natural resources, and improve sanitation and hygiene. All the projects or programs activities shall be as per areas or subjects as specified in Schedule VII under Section 135 of the Companies Act, 2013.

The Bank's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

2. Composition of CSR Committee as on date of report:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Muralidharan Rajamani*	Chairperson	3	3
2	Dr. Ram Jass Yadav**	Chairperson	0	0
3	Ms. Kalpana Pandey	Member	3	3
4	Mr. Ajay Kumar Kapur	Member	3	3

* Mr. Muralidharan Rajamani ceased to be Director and Chairperson of the Committee with effect from March 02, 2026.

** Dr. Ram Jass Yadav was appointed as a Member of the Committee with effect from January 28, 2026, and was subsequently re-designated as Chairperson of the Committee with effect from March 15, 2026.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.utkarsh.bank.in/investors

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Impact assessment of CSR projects is not applicable to the Bank for Financial Year 2025-26

5. Details of CSR spent during the financial year

   a. Average net profit of the company as per section 135(5): ₹4,07,61,58,024

   b. Two percent of average net profit of the company as per section 135(5): ₹8,15,23,171.09 (rounded off to ₹8.16 Cr)

   c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable

   d. Amount required to be set off for the financial year, if any: Not applicable

   e. Total CSR obligation for the financial year (7a+7b-7c): ₹8,16,00,000

6. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

a. **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Financial Literacy, Digital Financial Literacy, women empowerment	Schedule VII (ii) & (iii)	Yes	1. **Bihar** (Bhojpur, Madhubani, Gopalganj, Katihar, Rohtas, Samastipur, Siwan) 2. **Jharkhand** (Garhwa, Giridih, Palamu, Ranchi) 3. Madhya Pradesh (Rewa) 4. **Odisha** (Khordha) 5. **Uttar Pradesh** (Chandauli, Gorakhpur, Prayagraj, Sonebhadra, Varanasi) 6. **Uttarakhan** (Almora, Dehradun, Haridwar, Udhamsingh Nagar)			47,74,000	47,45,817	28,183	No	Utkarsh Welfare Foundation	CSR00000763
2.	Health Program (Health Awareness, Polyclinic Camps & Special Health Camps)	Schedule VII (i)	Yes	1. **Bihar** (Bhojpur, Buxar, Kaimur, Madhubani, Patna, Samastipur) 2. **Jharkhand** (Hazaribagh, Palamu, Giridih) 3. **Madhya Pradesh** (Chhindwara, Jabalpur, Rewa, Maihar, Satna) 4. **Uttar Pradesh** (Chandauli, Gorakhpur, Mirzapur, Prayagraj, Sonebhadra, Varanasi) 5. **Uttarakhand** (Almora, Dehradun, Haridwar, Udhamsingh Nagar) 6. **Odisha** (Khordha)			1,74,47,452	1,14,54,595	59,92,857	No	Utkarsh Welfare Foundation	CSR00000763
3.	Education Program	Schedule VII (ii)	Yes	1. **Uttar Pradesh** (Gorakhpur, Varanasi) 2. **Uttarakhand** (Dehradun, Haridwar, Almora, Udhamsingh Nagar)			36,42,100	24,99,637	11,42,463	No	Utkarsh Welfare Foundation	CSR00000763

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
4.	Village & Entrepreneurship Development Program	Schedule VII (i) ,(ii) (iii), (iv) & (x)	Yes	1. **Bihar** (Bhojpur) 2. **Uttar Pradesh** (Varanasi, Gorakhpur) 3. **Uttarakhand** (Almora, Haridwar) 4. **Jharkhand** (Palamu, Giridih) 5. **Madhya Pradesh** (Chhindwara, Rewa)			1,37,85,750	1,15,31,375	22,54,375	No	Utkarsh Welfare Foundation	CSR00000763
5.	E-clinic	Schedule VII (i) & (xi)	Yes	1. **Uttar Pradesh** (Ayodhya, Gorakhpur, Varanasi, Mirzapur, Sonbhadra) 2. **Bihar** (Bhojpur, Buxar, Darbhanga, Madhubani, Samastipur, Patna) 3. **Uttarakhand** (Almora, Dehradun, Haridwar, Udhamsingh Nagar)			2,99,67,630	2,48,50,765	51,16,865	No	Utkarsh Welfare Foundation	CSR00000763
6.	Other Philanthropy program	Schedule VII (i) & (x)	Yes	1. **Uttar Pradesh** (Varanasi, Prayagraj)			26,40,000	21,59,151	4,80,849	No	Utkarsh Welfare Foundation	CSR00000763
7.	Skill Centre Program	Schedule VII (i), (ii) & (x)	Yes	1. **Uttar Pradesh** (Varanasi)			93,43,068	85,58,660	7,84,408	No	Utkarsh Welfare Foundation	CSR00000763
8.	**Total**						**8,16,00,000**	**6,58,00,000**	**1,58,00,000**			

Note: During Financial Year 2025–2026, a sum of 22.01 lakh earned as interest and other income, was also spent during the financial year.

a. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.

b. Amount spent in Administrative Overheads: Not applicable

c. Amount spent on Impact Assessment, if applicable: Not applicable

d. Total amount spent for the Financial Year (8b+8c+8d+8e): 6,58,00,000

e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
6,58,00,000	1,58,00,000	April 29, 2026	NA	NA	NA
14,41,176^	1,24,248	April 20, 2026	NA	NA	NA

^Unspent sum of 15.20 lakh relating to FY2023-24 along with interest earned of 0.45 lakh, out of which 14.41 lakh spent in FY2025-26.

f. Excess amount for set-off, if any: Not applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2025-26	1,58,00,000	6,58,00,000*	Unspent CSR Account	1,58,00,000	April 29, 2026	1,58,00,000
2.	2024-25	92,22,000	7,57,78,000#	Unspent CSR Account	92,22,000	April 05, 2025	92,22,000
3.	2023-24	1,88,00,000	3,24,00,000^	Unspent CSR Account	1,88,00,000	April 29, 2024	1,88,00,000

*During Financial Year 2025-2026, a sum of 22.01 lakh earned as interest and other income, was also spent during the financial year.

#During Financial Year 2024-2025, a sum of 14.37 lakh earned as interest and other income, was also spent during the financial year.

^During Financial Year 2023-2024, a sum of 16.58 lakh earned as interest and other income, was also spent during the financial year.

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in ₹).	(7) Amount spent on the project in the reporting Financial Year (in ₹).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project - Completed /Ongoing.
(i)	-	Skill Development Centre	2023-24	-	2,80,22,000	14,41,176	1,87,64,911	Ongoing

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

Govind Singh
Managing Director & CEO
DIN: 02470880

Ram Jass Yadav
Chairman of CSR Committee
DIN: 08911900

ANNEXURE 4

Disclosures on Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]:

I. Ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for the FY2025-26.

Name of Director	Designation	Remuneration (gross fixed salary)	Ratio
Dr. Kshatrapati Shivaji (w.e.f. July 01, 2025)	Independent Director & Part time Chairman of the Board	18,00,000	5.0:1
Mr. Ajay Kumar Kapur	Independent Director	9,00,000	2.5:1
Ms. Gauri Shah (w.e.f. June 01, 2025)	Independent Director	9,59,678	2.6:1
Ms. Kalpana Prakash Pandey	Independent Director	9,00,000	2.5:1
Mr. Parveen Kumar Gupta (Part time Non-Executive Chairman of the Board till July 01, 2025)	Independent Director	11,25,000	3.1:1
Mr. Nagesh Dinkar Pinge (till July 20, 2025)	Independent Director	3,61,290	1.0:1
Mr. Muralidharan Rajamani (till March 02, 2026)	Non-Executive Non-Independent Director	8,27,500	2.3:1
Dr. Ram Jass Yadav (w.e.f January 03, 2026)	Non-Executive Non-Independent Director	2,20,161.29	01:01
Mr. Pramod Kumar Dubey (till December 31, 2025)	Whole Time Director	1,22,52,588	33.8:1
Mr. Govind Singh*	Managing Director and Chief Executive Officer	2,57,00,000	74:4

*Apart from fixed remuneration, during FY 2024–25 the Bank paid variable remuneration aggregating to ₹1,31,07,000 (non cash) and a deferred bonus of ₹28,20,000 to Mr. Govind Singh, Managing Director and Chief Executive Officer of the Bank.

II. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary for FY 2025-26.

Name of Director/Key Managerial Personnel	Designation	% increase in remuneration
Dr. Kshatrapati Shivaji (w.e.f. July 01, 2025)	Independent Director & Part time Chairman of the Board	-
Mr. Ajay Kumar Kapur	Independent Director	-
Ms. Gauri Shah (w.e.f. June 01, 2025)	Independent Director	-
Ms. Kalpana Prakash Pandey	Independent Director	-
Mr. Parveen Kumar Gupta (Part time Non-Executive Chairman of the Board till July 01, 2025)	Independent Director	-
Mr. Nagesh Dinkar Pinge (till July 20, 2025)	Independent Director	-
Mr. Muralidharan Rajamani (till March 02, 2026)	Non-Executive Non-Independent Director	-
Dr. Ram Jass Yadav (w.e.f January 03, 2026)	Non-Executive Non-Independent Director	-
Mr. Pramod Kumar Dubey (till December 31, 2025)	Whole Time Director	-
Mr. Govind Singh	Managing Director and Chief Executive Officer	-
Mr. Sarjukumar Pravin Simaria	Chief Financial Officer	-
Mr. Muthiah Ganapathy*	Company Secretary & Compliance Officer	6

*Paid in FY 2025-26 for FY 2024-25.

III. The percentage increase in the median remuneration of employees in FY 2025-26.

The percentage increase in median remuneration of employees in the FY 2025-26 is Nil.

IV. The number of permanent employees on the rolls of the Bank.

As on March 31, 2026, there were 18,400 permanent employees (includes 16,062 male employees and 2,338 female employees).

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the FY 2024-25 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentage increase for Key Managerial Personnel: 1.5%*

The average percentage increase for Non-Managerial Staff : 6.07%

*The average percentage increase is only for Company Secretary.

VI. The key parameters for any variable component of remuneration availed by the Directors.

The same is specified in the Remuneration Policy of the Bank.

VII. Affirmation that the Remuneration is as per the remuneration policy of the Bank.

The Bank is in compliance with Remuneration Policy.

ANNEXURE 5

Corporate Governance Report

1) A Brief statement on listed Bank's philosophy on code of governance

The Bank believes in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against each such practice. The Bank understands and respects its role and responsibility towards its shareholders and strives hard to meet their expectations. The Bank's philosophy on corporate governance is to promote the culture of customer centricity, accountability, integrity, sustainability, transparency and ethics, which enables the Bank to conduct itself in the right way while dealing with all its stakeholders.

The Bank has a robust governance structure in place, led by an independent and diverse Board of Directors (Board). The Board believes in prompt and clear communication to its stakeholders, which reflects the internal functioning at the Bank.

The Bank believes that best board governance practices, transparent disclosures and shareholder empowerment are necessary for creating shareholder value. The Bank has infused the philosophy of corporate governance into all its activities.

The Bank's governance framework is based on the following principles:

1. Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains.
2. Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties.
3. Involvement of Board and vital role in improving and maintaining the Banks processes and practices from time to time.
4. Timely disclosure of material operational and financial information to the stakeholders.
5. Systems and processes in place for internal control and proper business conduct by the Board, Senior Management and employees.

2) Board of Directors:

a. Composition and Category of directors:

As on March 31, 2026, the Board of Directors ("Board") of the Bank comprises of seven Directors, which is governed by the Companies Act, 2013 (Act), guidelines/circulars/directions issued by Reserve Bank of India Act, 1934 (RBI), the Banking Regulations Act 1949 (BR Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (hereinafter collectively referred to as applicable laws & regulations).

Category wise composition is as given below:

Category of Directors	Name of Directors	DIN	Inter-se Relationship between Directors
Part Time Non – Executive Chairman and Independent Director	Dr. Kshatrapati Shivaji	01185381	None
Four Non-Executive - Independent Director including two Woman Independent Director	1. Mr. Ajay Kumar Kapur 2. Ms. Gauri Rushabh Shah 3. Ms. Kalpana Prakash Pandey 4. Mr. Parveen Kumar Gupta	00108420 06625227 06715713 02895343	
Non-Executive and Non-Independent Director	Dr. Ram Jass Yadav	08911900	
Managing Director and Chief Executive Officer	Mr. Govind Singh	02470880	

More than 50% of the Board of Directors are Independent Directors as provided for under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 along with rules framed thereunder.

In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Independent Directors of the Bank have submitted their annual declarations with respect to the criteria of independence as stipulated under the provisions of the applicable laws & regulations from time to time and in the opinion of Board the Independent Directors meet the criteria of independence laid down thereunder and are independent of the management. All the Independent Directors of the Bank are in compliance with provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of Independent Directors and qualifying the online proficiency self-assessment test for Independent Directors, as applicable. None of the Non – Executive Directors hold shares and / or convertible instruments of the Bank as on March 31, 2026.

The changes in the Board Composition forms part of the Board's report.

b. Board Meetings and attendance:

The Board assembles at regular intervals to discuss and decide crucial matters and strategies to attain the goal in efficient manner and to cope up with the dynamic and competitive environment.

During FY 2025-26 the Board met 13 (Thirteen) times and the gap between two consecutive meetings did not exceed 120 days. The meetings of the Board were held on following dates:

1. Monday, April 14, 2025
2. Saturday, May 03, 2025
3. Saturday, June 07, 2025
4. Saturday, August 02, 2025
5. Saturday, September 06, 2025
6. Wednesday, October 01, 2025
7. Wednesday, October 08, 2025
8. Friday, November 14, 2025
9. Saturday, December 13, 2025
10. Saturday, January 03, 2026
11. Monday, February 02, 2026
12. Saturday, February 14, 2026
13. Saturday – Sunday, March 14-15, 2026

Sr. No.	Name of the Director	Attendance particulars for the year ended March 31, 2026		
		Number of Board Meetings Entitled to attend	Number of Board Meetings attended	Last AGM held on August 22, 2025
1.	Dr. Kshatrapati Shivaji#	10	10	Yes
2.	Ms. Gauri Rushabh Shah##	11	11	Yes
3.	Mr. Parveen Kumar Gupta	13	13	Yes
4.	Mr. Ajay Kumar Kapur	13	13	Yes
5.	Ms. Kalpana Prakash Pandey	13	13	Yes
6.	Dr. Ram Jass Yadav###	03	03	NA
7.	Mr. Govind Singh	13	13	Yes
8.	Mr. Nagesh Dinkar Pinge*	03	03	NA
9.	Mr. Pramod Kumar Dubey**	09	09	Yes
10.	Mr. Muralidharan Rajamani ***	12	12	Yes

Appointed as Part-Time Chairman w.e.f July 01, 2025 for three years, and Independent director for 5 years.

Appointed as Independent Director w.e.f June 01, 2025

###Appointed as Non-Executive and Non-Independent Director w.e.f January 03, 2026

* Ceased to be Independent Director w.e.f July 20, 2025 on completion of first term

** Ceased to be Whole-time Director w.e.f close of business hours on December 31, 2025

*** Ceased to be Non-Executive and Non-Independent Director on completion of first term w.e.f March 02, 2026

c. Other Directorships in Listed Entities

Sr. No.	Name of the Director	Other Directorships[1]	Committee Memberships[2&3]	Committee Chairmanships[2]	Other Listed entities in which they hold Directorship	Category of Directorship	No. of Shares held by Directors in the Bank
1.	Dr. Kshatrapati Shivaji	0	0	0	0	0	0
2.	Mr. Ajay Kumar Kapur	0	1	0	0	0	0
3.	Ms. Gauri Rushabh Shah	0	2	2	0	0	0
4.	Ms. Kalpana Prakash Pandey	0	2	0	0	0	0
5.	Mr. Parveen Kumar Gupta	2	6	2	India Shelter Finance Corporation Ltd National Securities Depository Limited	Non-Executive - Independent Director Non-Executive - Independent Director & Part Time Chairman	0
6.	Dr. Ram Jass Yadav	0	0	0	0	0	0
7.	Mr. Govind Singh	0	1	0	0	0	11,01,390

Notes:

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

As per regulation 26 of SEBI Listing regulations none of the Directors on the Board is a member of more than ten committees or acts as a Chairperson of more than five committees across all public limited companies in which they are a Director.

Familiarisation Programme

Regulation 25(7) of the SEBI Listing Regulations requires listed Companies to conduct familiarisation programme for the Independent Directors to familiarise them with the Bank, their roles, rights, responsibilities in the Bank, nature of the Bank in which the Bank operates, business model of the Bank, etc. Utkarsh Small Finance Bank Limited facilitates the members of its Board to familiarise themselves with the Bank and its operations to enable them to gain in-depth and thorough understanding about the perspective of the Bank. The web link of the Policy for Familiarisation is mentioned below: https://www.utkarsh.bank.in/uploads/pdf/our-policy/template_ten/Policy-for-familiarisation-Programme-for-Directors.pdf

d. Board skill matrix

The Board comprises of qualified & experienced members who bring in qualified skills, competence and expertise that enable them to make effective contributions to the Bank's working. They uphold ethical standard, integrity and probity and exercise their responsibility in the best interest of the Bank and all stakeholders. The details of the expertise of the Board Members are given below:

Name of the Director	Business	Finance	Enterprise	Technology
	Banking, NBFC, Public Financial Institution, Rural, MFI, SME, MSME, Retail, Liabilities.	Audit, Accountancy and Financial management	Risk Management, Governance, Compliance and Human resources	Technology and Digital banking
Dr. Kshatrapati Shivaji	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Kapur	Yes	Yes	Yes	Yes
Ms. Gauri Rushabh Shah	Yes	Yes	Yes	Yes
Ms. Kalpana Prakash Pandey	Yes	Yes	Yes	Yes
Mr. Parveen Kumar Gupta	Yes	Yes	Yes	Yes
Dr. Ram Jass Yadav	Yes	Yes	Yes	Yes
Mr. Govind Singh	Yes	Yes	Yes	Yes

3) Audit Committee (AC)

Composition of the Audit Committee and the terms of reference are in compliance with the provisions of the applicable laws & regulations as may be applicable from time to time

a. Brief description of terms of reference

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank.
2. Review and monitoring the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Scrutiny of inter-corporate loans and investments.
5. Evaluation of internal financial controls and risk management systems.
6. Monitoring the end use of funds raised through public offers and related matters.
7. Providing direction and to oversee the operation of the audit function.
8. Review of the internal audit system with special emphasis on its quality and effectiveness.
9. Review of internal and concurrent audit reports of large branches with a focus on all major areas of housekeeping, particularly inter branch adjustment accounts, arrears in the balancing of the books, unreconciled entries in inter-Bank accounts and frauds.
10. Discussion on the matters related to frauds.
11. Discussion and follow up for the audit observations relating to long form audit report.
12. Discussion and follow up for the observations relating to inspection report / risk assessment report of the RBI.
13. Review the system of appointment of concurrent auditors and external auditors.
14. Review of our Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
15. Approval of payments to statutory auditors for other services rendered by them.
16. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to modified opinion(s) in the draft audit report:
    - Review and Approval of matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (5) of section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies & practices and reasons for the same.
    - Review of major accounting entries involving estimates based on the exercise of judgment by the management.
    - Review of Significant adjustments made in the financial statements arising out of audit findings.
    - Review of Compliance with statutory and legal requirements relating to financial statements.
    - Review of disclosure of any related party transactions.
    - Review and discuss qualifications in the draft audit report.
17. Review, with the management, the quarterly financial statements before submission to the Board for approval along with Auditors Review Report.
18. Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board for taking steps in the matter.
19. Review with the management, performance and independence of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
20. Obtain and review quarterly/half yearly reports of the Compliance Officer.
21. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure, coverage, and frequency of internal audit.
22. Discuss with internal auditors any significant audit findings and follow up thereon.

23. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board.
24. Discuss with statutory auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern.
25. Analysis of the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
26. Review of the functioning of the whistle blower-cum-vigil mechanism.
27. Approval of the appointment of the head of internal audit / chief internal audit officer before finalisation of the same by the management. While approving the appointment, Audit Committee shall assess the qualifications, experience, background etc. of the candidate.
28. Approval or any subsequent modification of transactions of the Bank with related parties.
29. Valuation of undertakings or assets of the Bank, wherever it is necessary.
30. Review of information system audit and cyber security audit reports.
31. Discussion and follow up for audit observations relating to Information System audit and Cyber Security Audit.
32. Approving the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.
33. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by our Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other applicable law.
34. Reviewing the utilisation of loans and/ or advances from/investment by the holding Bank in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
35. Discussion and follow up for audit observations relating to Information System audit and Cyber Security Audit.
36. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
37. Approval or any subsequent modification of transactions of the Bank with related parties provided that the Audit Committee make omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as may be prescribed.
38. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
39. The Audit Committee shall mandatorily review the following information.
    - Management's discussion and analysis of financial condition and results of operations.
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
    - Management letters/ letters of internal control weaknesses issued by the statutory auditors.
    - Internal audit reports relating to internal control weaknesses.
    - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee and
    - Statement of deviations
        - » Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
        - » Annual statement of funds utilised for purposes other than those stated in the document/ prospectus/notice in terms of the Listing Regulations

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

40. Review and assess the policy and processes established by the Bank to monitor conformance with its code of conduct policies by all employees of the Bank.
41. Review and approve the internal audit charter at least annually.
42. To forward to the board an annual report, summarizing the Internal Audit activities and recommendations. The report may include the summary of the work the audit performed, management's progress in addressing the result of internal and external audit reports, enhancing required control and compliance process, any other matters it deems of sufficient importance.
43. To have unrestricted access to the members of the management, employees, and relevant information it is considered necessary to discharge its duties. The committee will also have unrestricted access to records, data, and reports.

b. Meetings and Composition

During the financial year under review the Audit Committee met 8 (Eight) times

1. Saturday, May 03, 2025
2. Friday, June 06, 2025
3. Saturday, August 02, 2025
4. Friday, September 05, 2025
5. Friday, November 14, 2025
6. Saturday, December 06, 2025
7. Monday, February 02, 2026
8. Friday, March 13, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1	Ms. Gauri Rushabh Shah#	Chairperson	06	06
2	Mr. Ajay Kumar Kapur	Member	08	08
3	Ms. Kalpana Prakash Pandey	Member	08	08
4	Mr. Parveen Kumar Gupta##	Member	06	06
5	Mr. Nagesh Dinkar Pinge*	Chairman	02	02
6	Mr. Muralidharan Rajamani**	Member	02	02

#Appointed as the Chairperson of the Committee w.e.f from July 20, 2025
##Appointed as the Member of the Committee w.e.f July 20, 2025
* Ceased to be Chairperson and Member of the Committee w.e.f July 20, 2025
** Ceased to be Director and Member of the Committee w.e.f March 02, 2026

4) Nomination and Remuneration Committee (NRC)

Composition of NRC and the terms of reference are in compliance with the provisions of the applicable laws & regulations as may be applicable from time to time

a. Brief description of terms of reference

1. Review the structure, size, composition, diversity of our Board and make necessary recommendations to our Board with regard to any changes as necessary and formulation of policy thereon.
2. Evaluate the skills that exist, and those that are absent but needed at our Board level, and search for appropriate candidates who have the profile to provide such skill sets.
3. Examine vacancies that will come up at our Board on account of retirement or otherwise and suggest course of action.
4. Undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a Director on our Board, based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto.
5. Review and recommend to our Board for approval of the appointment of Managing Director & Chief Executive Officer and other Whole-Time Directors and the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors and Key Managerial Personnel), the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & Chief Executive Officer, other Whole Time Directors and senior managers one level below our Board;
6. Review and recommend to our Board for approval of the total increase in manpower cost budget of our Bank as a whole, at an aggregate level, for the next year.

7. Recommend to our Board the compensation payable to the Chairman of our Bank.
8. Review the code of conduct and human resources strategy, policy and performance appraisal process within our Bank, as well as any fundamental changes in organisation structure, which could have wide ranging, or high-risk implications.
9. Review and recommend to our Board for approval of the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of Managing Director and chief executive officer, the other whole time Directors, senior managers one level below our Board and other key roles and their progression to our Board.
10. Review and recommend to our Board for approval:
    - the creation of new positions one level below Managing Director and CEO; and to approve job descriptions and key responsibility areas.
    - appointments, promotions and exits of senior managers one level below the Managing Director and chief executive officer.
11. Set the goals, objectives, and performance benchmarks for our Bank and for Managing Director and CEO, the other whole-time directors for the financial year and over the medium to long term.
12. Review the performance of the Managing Director and CEO and other whole time Directors at the end of each year.
13. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, RBI or by any other regulatory or statutory body.
14. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to our Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
15. Formulating of criteria for evaluation of the performance of the Independent Directors and our Board.
16. Devising a policy on Board diversity Identifying persons who qualify to become Directors or who may be appointed in Senior Management in accordance with the criteria laid down, recommending to our Board their appointment and removal, and carrying out evaluations of every Director's performance.
17. Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
18. Performing such functions as are required to be performed by the Committee under the SEBI SBEB Regulations.
19. Performing such other activities as may be delegated by our Board and/or specified/ provided under the Companies Act or the Listing Regulations, or by any other regulatory authority.
20. Recommend to our board, all remuneration, in whatever form, payable to Senior Management.
21. Performing such other functions as may be required for the performance of any of the above duties.
22. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - Use the services of an external agencies, if required.
    - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - Consider the time commitments of the candidates.
23. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria laid down, recommend to Board their appointment and removal and to specify the manner for effective evaluation of performance of the Board, its committees and individual Directors.

b. Meetings and Composition

During the financial year under review the NRC met 5(Five) times

1. Wednesday, May 07, 2025
2. Friday, June 06, 2025
3. Monday, October 27, 2025
4. Saturday, November 08, 2025
5. Tuesday, December 30, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Parveen Kumar Gupta#	Chairperson/Member	05	05
2.	Dr. Kshatrapati Shivaji ##	Member	03	03
3.	Dr. Ram Jass Yadav ###	Member	0	0
4.	Ms. Kalpana Prakash Pandey*	Chairperson	02	02
5.	Mr. Muralidharan Rajamani **	Member	05	05

#Appointed as the Chairperson of the Committee w.e.f from July 20, 2025

##Appointed as the Member of the Committee w.e.f July 20, 2025

Appointed as the Member of the Committee w.e.f March 02, 2026

* Ceased to be Chairperson and Member of the Committee w.e.f July 20, 2025

** Ceased to be Director and Member of the Committee w.e.f March 02, 2026

c. Performance evaluation criteria for Independent Directors

The Board evaluation framework is designed in compliance with the requirements under the 149(8) read with Schedule IV, Section 178(2) of Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI, through questionnaire designed containing Qualitative & Quantitative parameters.

The Bank has a structured assessment process for evaluation of the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. Further, the Independent Directors met separately, without the presence of non-Independent Directors and Executive Management, and inter alia reviewed the performance of non-Independent Directors, and Board as a whole; and performance of the Chairman.

The evaluation of the Independent Directors, which was carried out by the Board of Directors, was based on the following assessment criteria as laid by the Nomination and Remuneration Committee:

- Attendance and participation in the meetings.
- Provides valuable input and suggestions for the overall benefit of the organization.
- Extend or continue the term of appointment of Independent Director, based on the report of performance evaluation of the Independent Directors.
- Any other function as may be required from time to time by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, Companies Act, 2013 and rules made there under and any other statutory, contractual, or other regulatory requirements to be attended by such Committee.

5) Stakeholders' relationship committee (SRC)

Composition of SRC and the terms of reference are in compliance with theprovisions of the applicable laws & regulations as may be applicable from time to time

a. Brief description of terms of reference

1. Resolving the grievances of the security holders of the listed entity, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Allotment of securities, approval and rejection of transmission of shares, debentures or any other securities.
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.
4. Overseeing requests for dematerialisation and re-materialisation of securities.
5. Spreading awareness amongst security holders for protection of their rights and interest(s).
6. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures, or any other securities.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by our Bank in respect of various services being rendered by the Registrar and Share Transfer Agent.
9. Review of the various measures and initiatives taken by our Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Bank.
10. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
11. Carrying out other functions as provided for in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other roles and responsibilities as assigned by the Board of Directors related with security holders of the Bank, from time to time.

b. Meetings and Composition

During the financial year under review the Stakeholders Relationship Committee met 4(Four) times

1. Saturday, May 03, 2025
2. Friday, August 01, 2025
3. Thursday, November 13, 2025
4. Thursday January 29, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Gauri Rushabh Shah#	Chairperson	0	0
2.	Ms. Kalpana Prakash Pandey	Member	04	04
3.	Mr. Govind Singh	Member	04	04
4.	Mr. Ajay Kumar Kapur*	Member	01	01
5.	Mr. Muralidharan Rajamani**	Chairperson	04	04
6.	Dr. Ram Jass Yadav ***	Chairperson	0	0

\# Appointed as the Chairperson of the Committee w.e.f March 15, 2026.

* Ceased as the Member of the Committee w.e.f July 20, 2025

** Ceased as the Director and Chairperson of the Committee w.e.f March 02, 2026

*** Appointed as Chairperson of the Committee w.e.f March 02, 2026 and ceased to be Chairperson and Member w.e.f March 15, 2026.

c. Name and designation of the Compliance officer

The Board has designated Mr. Muthiah Ganapathy as the Compliance Officer in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

d. Investor Complaints:

Particulars	No. of Complaints	
	Shareholders	Debenture holders
Pending at the beginning of the year i.e. April 1, 2025	0	0
Received during the year	12	0
Resolved during the year	12	0
Pending at the end of the year i.e. March 31, 2026	0	0

6) Risk Management Committee (RMC)

Composition of RMC and the terms of reference are in compliance with the provisions of the applicable laws & regulations as may be applicable from time to time The terms of reference of the Risk Management Committee, inter alia, include:

a. Brief description of terms of reference

1. To perform the role of Risk Management in pursuance of the Risk Management Guidelines issued periodically by RBI and Board.
2. To oversee and advise to the Board on:

Defining risk appetite, tolerance thereof and review the same, as appropriate.

- The systems of risk management framework, internal control and compliance to identify, measure, aggregate, control and report key risks.
- The maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.

3. To advise the Board on all high-level risk matters.
4. To require regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored by management; and give clear focus to current and forward-looking aspects of risk exposure.
5. To review the effectiveness of the Bank's internal control and risk management framework, in relation to its core strategic objectives, and to seek such assurance as may be appropriate.
6. To review the asset liability management (ALM) of the Bank on a regular basis.
7. To provide to the Board with such additional assurance as it may require regarding the quality of risk information submitted to it.

8. To decide the policy and strategy for integrated risk management containing various risk exposures of the Bank including the credit, market, liquidity, operational risks including IT risks, Cyber risks and reputation risks.
9. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
10. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
11. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
13. To formulate a detailed risk management policy which shall include:
    - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    - Measures for risk mitigation including systems and processes for internal control of identified risks.
    - Business continuity plan.
14. Approve various Risk Management policies.
15. Measures for risk mitigation including systems and processes for internal control of identified risks.
16. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
17. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.
18. To formulate & approve and revise various Risk Management policies at such intervals as may be considered necessary.

b. Meetings and Composition

During the financial year under review the Risk Management Committee met 4(Four) times

1. Tuesday, May 20, 2025
2. Thursday, August 28, 2025
3. Tuesday, December 02, 2025
4. Tuesday February 24, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Ajay Kumar Kapur	Chairperson	04	04
2.	Dr. Kshatrapati Shivaji#	Member	03	03
3.	Ms. Kalpana Prakash Pandey	Member	04	04
4.	Mr. Govind Singh##	Member	01	01
5.	Mr. Parveen Kumar Gupta*	Member	01	01
6.	Mr. Pramod Kumar Dubey**	Member	03	03

#Appointed as Member of the Committee w.e.f July 20,2025

##Appointed as Member of the Committee w.e.f January 28,2026

* Ceased to be Member of the Committee w.e.f July 20,2025

** Ceased to be Director w.e.f December 31, 2025

7) Corporate Social Responsibility (CSR)

Composition of the Corporate Social Responsibility Committee ('CSR Committee') and the terms of reference are in compliance with the requirements under section 135 of the Companies Act, 2013

a. Brief description of terms of reference

1. Formulation and recommendation to our Board, the Corporate Social Responsibility (CSR) strategy of the Bank including the CSR Policy and its implementation.
2. Formulation and recommendation to our Board, the CSR activities to be undertaken by our Bank, either directly or through Utkarsh Welfare Foundation or through any other entity working for the welfare of society and determining the CSR projects / programmes which our Bank plans to undertake during the year of implementation, specifying modalities of execution in the areas/ sectors chosen and implementation schedules for the same.

3. Conducting an impact-assessment of the various initiatives undertaken in terms of the CSR Policy at periodic intervals.
4. Instituting a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by our Bank.
5. Reviewing and recommending the annual CSR report for our Board's approval and for public disclosure.
6. Our Corporate Social Responsibility Committee shall:
   - formulate, review and recommend to our Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Bank as specified in Schedule VII.
   - recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
   - monitor the Corporate Social Responsibility Policy of our Bank from time to time.
7. To consider and review the CSR Initiatives of our Bank with as per Section 135 of the Companies Act, 2013, Schedule VII of the Act and related circulars issued by the Ministry of Corporate Affairs from time to time.
8. To review annual CSR policy of our Bank and suggest changes within the purview of section 135 of the Companies Act, schedule VII of the act and related circulars issues by Ministry of corporate affairs.
9. To undertake CSR programmes/ projects with the approval of our Boards on the recommendations of their CSR Committees. Changes, if any, in the programme / project should also be undertaken only with the approval of the Committee / Board.
10. To consider and review the thematic areas under CSR initiatives of our Bank which currently comprises of Financial Awareness, Primary education, Health Camps, Health Awareness Programme, Skill development and Vocational Training, Supporting Orphanages and Support to Elderly Care.
11. To undertake the CSR activities to be undertaken by our Bank through Utkarsh Welfare Fund/ Identified CSR Implementing Partner.

b. Meetings and Composition

During the financial year under review the CSR met 3(Three) times

1. Saturday, May 31, 2025
2. Friday, September 05, 2025
3. Monday, January 19, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Dr. Ram Jass Yadav#	Chairperson	0	0
2.	Ms. Kalpana Prakash Pandey	Member	03	03
3.	Mr. Ajay Kumar Kapur	Member	03	03
4.	Mr. Muralidharan Rajamani*	Chairperson	03	03

Appointed as Member and Chairperson of the Committee w.e.f January 28, 2026 and March 15, 2026 respectively.

*Ceased as the Director and Chairperson of the Committee w.e.f March 02, 2026

8) IT Strategy Committee (ITSC)

Composition of the ITSC and the terms of reference are in compliance with the requirements RBI regulations

a. Brief description of terms of reference

1. Approving IT strategy and policies.
2. Ensuring that management has an effective strategic planning process in place.
3. Ensuring that the business strategy is aligned with the IT strategy.
4. Ensuring that the IT organisational structure serves business requirements and direction.
5. Oversight over implementation of processes and practices that ensures IT delivers value to businesses.
6. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
7. Ensuring proper balance of IT investments for sustaining Bank's growth.
8. Assess exposure to IT risks and its controls and evaluating effectiveness of management's monitoring of IT risks.
9. Assessing management's performance in implementing IT strategies.
10. Assessing if IT architecture has been designed to derive maximum business value.
11. Reviewing IT performance measurement and contribution to businesses.

12. To approve capital and revenue expenditure in respect of IT procurements.
13. To ensure that IT resources and infrastructure is available to meet required strategic business objectives and that a process is in place to record the resources available/ potentially available to the bank.
14. To monitor performance of IT function towards ensuring delivery on time and within budget, with appropriate functionality and with intended benefits.
15. Review of Information System audit and Cyber Security audit reports & Inspection reports.
16. Discussion and follow up for audit observations relating to Information System Audit and Cyber Security Audit & Inspection reports.

b. Meetings and Composition

During the financial year under review the ITSC met 8(Eight) times

1. Tuesday, April 15, 2025
2. Thursday, June 05, 2025
3. Friday, July 18, 2025
4. Friday, August 01, 2025
5. Thursday, October 16, 2025
6. Tuesday, December 23, 2025
7. Wednesday, February 25, 2026
8. Saturday, March 28, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Kalpana Prakash Pandey	Chairperson	08	08
2.	Mr. Ajay Kumar Kapur#	Member	05	05
3.	Dr. Kshatrapati Shivaji##	Member	05	05
4.	Mr. Parveen Kumar Gupta###	Member	01	01
5.	Mr. Nagesh Dinkar Pinge*	Member	03	03
6.	Mr. Muralidharan Rajaman**	Member	07	07
7.	Mr. Abhijeet Bhattacharjee***	Member / Permanent Invitee	07	07

Appointed as member of the Committee w.e.f July 20, 2025
Appointed as member of the Committee w.e.f July 20, 2025
Appointed as member of the Committee w.e.f March 15, 2026
* Ceased to be a Member of the Committee w.e.f July 20, 2025
** Ceased to be Member of the Committee w.e.f March 02, 2026
*** Ceased to be member of the Committee w.e.f March 15, 2026

9. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (SCBMF)

Composition of the SCBMF and the terms of reference are in compliance with the requirements RBI master directions on Fraud Risk Management.

Brief description of terms of reference

1. To monitor and review all the frauds of; Identify systemic lacunae, if any that allowed perpetration of the fraud; and put in place measures to plug the same.
2. Identify reasons for delay, if any, in detection and reporting to top management of the Bank and RBI.
3. Monitor progress of CBI/Police investigation and recovery position.
4. Ensure that staff accountability is examined at all levels in all the cases of frauds and stafrelated action, if required, is completed quickly.
5. Review efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.
6. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

Meetings and Composition

During the financial year under review the SCBMF met 4 (Four) times

1. Friday, June 06, 2025
2. Thursday, September 04, 2025
3. Saturday, December 06, 2025
4. Wednesday March 11, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Dr. Kshatrapati Shivaji#	Chairperson	03	03
2.	Ms. Gauri Rushabh Shah##	Member	03	03
3.	Mr. Govind Singh	Member	04	04
4.	Mr. Nagesh Pinge*	Member	01	01
5.	Ms. Kalpana Pandey**	Member	01	01
6.	Mr. Parveen Kumar Gupta***	Member	04	04

Appointed as Chairperson of the Committee w.e.f July 20, 2025

Appointed as Member of the Committee w.e.f July 20, 2025

* Ceased to be Director w.e.f July 20, 2025

** Ceased to be Member of the Committee w.e.f July 20, 2025

*** Ceased to be Member of the Committee w.e.f March 15, 2026

11) Customer Service Committee (CSC)

a. Brief description of terms of reference

1. To review & submit a detailed memorandum on customer service / customer care aspects in the Bank to the Board of Directors on half yearly basis and to ensure prompt corrective action by the Bank wherever service quality / skill gaps have been noticed.
2. To review the quarterly report of Branch Level Customer Service Committee (BLCSC) examined by Customer Service Standing Committee (CSSC), for necessary policy and procedural action.
3. To review at appropriate intervals, on an ongoing basis, status of implementation of Doorstep Banking Services for Senior Citizens and Differently Abled persons.
4. The Customer Service Committee of the Board will interact with experts and representatives of the customers in its meeting.
5. To monitor the progress made for ramp facility at the entrance of the bank branches, wherever it is feasible for the persons with disabilities/ wheelchair users can enter bank branches and conduct business without difficulty.
6. To examine the implementation of the recommendations (which have relevance in the present-day banking and continue to implement them) of various working groups/Committees on customer service.
7. The Internal Ombudsman (IO) shall furnish periodic reports (including the analysis of complaints) on his / her activities to the Committee of the Board handling customer service and protection, preferably at quarterly intervals,The Committee will also analyse the number of cases where there is substantive difference between the decisions of the IO / Dy. IO vis-à-vis those given by the RBI Ombudsman subsequently.
8. The Committee will review, once a year, the number of Internal Ombudsmen (IO) and Deputy Internal Ombudsmen (Dy. IO) required. This review will consider the volume and complexity of customer complaints and ensure that the IOs have sufficient time to apply fairness, equity, and natural justice while reviewing the bank's complaint resolutions.
9. The decision of the IO / Dy. IO can be overruled only with the approval of the Whole Time Director / Executive Director-in charge of customer service vertical of the bank. The Committee will review all the cases where the IO/Dy. IO decision is overruled by above-mentioned competent authority.
10. Information on the complaints resolved by the RBI Ombudsman in favour of complainant, either partially or fully, will be placed before the Committee, on quarterly basis. The information will be accompanied with an analysis of minimum top five categories of complaints along with remedial measures so as to avoid complaints of a similar nature in future.
11. Consumer awareness initiatives and efforts for consumer made by bank during last quarter and its impact assessment.
12. To review, on a periodic basis, the achievement of nomination coverage in customer accounts.
13. Overseeing the functioning of the Bank's Customer Service Standing Committee setup for customer service.
14. To review the level of customer service in the Bank including customer complaints and the nature of their resolutions.
15. Provide guidance in improving customer service.
16. The Committee may address the formulation of a Comprehensive Deposit Policy.
17. Policy, incorporating issues such as the treatment of death of a depositor for operations of his

account, product approval process, the annual survey of depositor satisfaction and the triennial audit of such services.

18. The Committee may also examine any other issues having a bearing on the quality of customer service rendered.
19. To ensure implementation of directives received from RBI with respect to rendering services to customers of the Bank.

b. Meetings and Composition

Four meetings of CSC were held during the financial year ended March 31, 2026:

1. Thursday, June 05, 2025
2. Thursday, September 04, 2025
3. Monday, December 08, 2025
4. Thursday, February 26, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Ms. Kalpana Prakash Pandey#	Chairperson	04	04
2.	Dr. Kshatrapati Shivaji##	Member	03	03
3.	Dr. Ram Jass Yadav###	Member	01	01
4.	Mr. Parveen Kumar Gupta	Member	04	04
5.	Mr. Muralidharan Rajamani*	Chairperson	01	01
6.	Mr. Pramod Kumar Dubey**	Member	03	03

Appointed as the Chairperson of the Committee w.e.f July 20, 2025

Appointed as the Member of the Committee w.e.f July 20, 2025

Appointed as the Member of the Committee w.e.f January 28, 2026

* Ceased to be Chairperson & Member of the Committee w.e.f July 20, 2025

** Ceased to be Director w.e.f December 31, 2025

12) Capital Structuring & Fund Raise Committee (CSFRC)

a. Brief description of terms of reference

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the RoC and any other governmental, statutory or regulatory authorities as may be required in connection with the Offer and accept on behalf of our Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus, as applicable.

2. To finalise, settle, approve, adopt and file in consultation with the Selling Shareholder(s) and BRLMs where applicable, the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant regulatory, governmental and statutory authorities or in accordance with Applicable Laws.

3. To decide in consultation with the Selling Shareholder(s) and /or the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer.

4. To appoint and enter into and terminate arrangements with the BRLMs, Underwriters to the Offer, Syndicate Members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, Sponsor Bank, Refund Bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalisation, execution and, if required, amendment of the offer agreement with the BRLMs.

5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring

prospectus, the prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, escrow and sponsor bank agreement, agreements with the Registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the Registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/ intermediaries in connection with the Offer with the power to authorise one or more officers of our Bank to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer.

6. To seek, if required, the consent and/or waiver of the lenders of our Bank, customers, parties with whom our Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith.

7. To open and operate bank accounts in terms of the escrow and sponsor bank agreement and to authorise one or more officers of our Bank to execute all documents/deeds as may be necessary in this regard.

8. To open and operate bank accounts of our Bank in terms of Section 40(3) of the Companies Act, and to authorise one or more officers of our Bank to execute all documents/deeds as may be necessary in this regard.

9. To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer.

10. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws.

11. To approve the implementation of any corporate governance requirements that may be considered necessary by our Board or the CSFR Committee or as may be required under the Applicable Laws or the Listing Regulations and listing agreement(s) to be entered into by our Bank with the relevant stock exchanges, to the extent allowed under law.

12. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Bank with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more recognised stock exchanges in India, with power to authorise one or more officers of our Bank to sign all or any of the aforesaid documents.

13. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer.

14. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs.

15. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/ or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorise one or more officers of our Bank to execute all or any of the aforesaid documents.

16. To make applications for listing of the Equity Shares in one or more recognised stock exchanges in India for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of our Bank, where necessary.

17. To settle all questions, difficulties or doubts that may arise with regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit.

18. To submit undertaking/certificates or provide clarifications to the SEBI, the RoC, RBI and the Stock Exchanges.

19. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the CSFR Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or

instruments so executed and delivered or acts and things done or caused to be done by the CSFRC Committee shall be conclusive evidence of the authority of the CSFRC Committee in so doing.

20. To delegate any of its powers set out under (i) to (xx) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of our Bank.
21. To approve the list of 'group of company (ies)' of our Bank, identified pursuant to the materiality policy adopted by our Board, for the purposes of disclosure in the DRHP, RHP and Prospectus.
22. Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws.
23. Taking on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the Offer.
24. To withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs.
25. To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.
26. To act in a non-executive role to take action in order to report to, and assist, our Board in fulfilling its responsibilities relating to capital structure and fund raise management.
27. To obtain outside legal or other professional advice/services. Matters to be considered in relation to the above including but not limited to below:
    i. Capital restructuring strategy and execution.
    ii. Rights issue, Pre-IPO and IPO.
    iii. IPO allocation to domestic & international market and market timing.
    iv. Appointment of financial advisor, investment bankers and book running lead manager(s)
    v. Appointment of legal and other advisors.
    vi. Appointment of tax, regulatory & accounting advisors.
    vii. Appointment of rating agencies.
    viii. Valuation report from registered valuer.
    ix. Offer document preparation and verification process.
    x. Legal documentation finalisation and sign off process.
28. To call any member of our Bank personnel, or outsiders with relevant experience and expertise, if it considers this necessary.
29. To select the stock exchange for listing of securities.
30. To authorise personnel to represent our Bank before regulatory bodies and filing/signing/ execution of necessary application/documents.
31. To take other actions considered necessary or prudent to fulfill the responsibilities of the committee, provided that no other action is taken without the approval of our Board.
32. To act in a non-executive role to take action in order to:
    i. Be a forum to consult and report in relation to the capital structure and ongoing financing strategy.
    ii. Review and recommend to our Board in relation to setting strategy for capital structuring management, equity fund raise and debt financing.
    iii. Review and monitor the company's financing strategy and advise our Board whether the financing arrangements have been entered into on appropriate terms, at an appropriate cost and are appropriate financing arrangements for their purpose.
    iv. Advise our Board of any matters identified during the course of carrying out its duties that might have a significant impact on the ability of our Bank to raise financing in the future or place restrictions on equity.
    v. Appointment of advisors as required for advice and / or execution of our Bank's capital structuring and fund raise strategy.
    vi. Review and recommend to our board regarding terms of debt financing proposals/ offers.

b. Meetings and Composition

During the financial year under review the CSFRC met 1(one) time

1. Wednesday, October 01, 2025

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Dr. Kshatrapati Shivaji#	Chairperson	01	01
2.	Mr. Govind Singh	Member	01	01
3.	Mr. Parveen Kumar Gupta*	Member	01	01
4.	Mr. Nagesh Dinkar Pinge **	Member	00	00
5.	Ms. Gauri Rushabh Shah***	Member	01	01

#Appointed as the Chairperson of the Committee w.e.f July 20, 2025

* Stepped down as Chairperson but continued to be Member w.e.f July 20, 2025

** Ceased to be Director w.e.f July 20, 2025

*** Appointed as Member wef July 20, 2025 and ceased to be Member w.e.f March 15, 2026

13) Credit approval Committee (CAC)

a. Brief description of terms of reference

1. To provide approvals for loans above certain stipulated limits, discuss strategic issues in relation to credit policy, and deliberate on the quality of credit portfolio.
2. To monitor credit exposures of the Bank.

b. Meetings and Composition

During the financial year under review the CAC met 13 (Thirteen) times

1. Sunday, April 13, 2025
2. Sunday, April 27, 2025
3. Wednesday, May 28, 2025
4. Sunday, June 07, 2025
5. Saturday June 27, 2025
6. Wednesday, July 15, 2025
7. Thursday, August 28, 2025
8. Friday, September 26, 2025
9. Wednesday, October 29, 2025
10. Saturday, November 22, 2025
11. Sunday, December 14, 2025
12. Wednesday, December 24, 2025
13. Monday, February 16, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Parveen Kumar Gupta	Chairperson	13	13
2.	Mr. Ajay Kumar Kapur	Member	13	13
3.	Dr. Ram Jass Yadav#	Member	01	01
4.	Mr. Muralidharan Rajamani*	Member	13	13

#Appointed as the Member of the Committee w.e.f January 28, 2026

*Ceased as the Director and Member of the Committee w.e.f March 02, 2026

14) Review Committee for Identification of Wilful Defaulters (RCIWD)

a. Brief description of terms of reference

1. To review, confirm and take decision about classifying a borrower as "Wilful Defaulter" based on the inputs/ decisions of Wilful Defaulters Identifying Committee, classifying a borrower as Wilful Defaulter.
2. To set-up and review the policies and process of the Bank vis-à-vis regulatory guidelines about identification of "Wilful defaulter."

b. Meetings and Composition

During the financial year under review the RCIWD met 2 (Two) times

1. Thursday, September 04, 2025
2. Thursday, March 05, 2026

Sr. No.	Name of the Director	Position in the Committee	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Govind Singh	Chairperson	02	02
2.	Ms. Gauri Rushabh Shah#	Member	02	02
3.	Dr. Ram Jass Yadav##	Member	0	0
4.	Mr. Nagesh Dinkar Pinge*	Member	0	0
5.	Mr. Muralidharan Rajamani**	Member	01	00

\# Appointed as Member of the Committee w.e.f July 20,2025

\## Appointed as Member of the Committee w.e.f March 15, 2026

* Ceased to be Director w.e.f July 20, 2025

** Ceased to be Director w.e.f March 02, 2026.

15) Senior management:

Particulars of senior management including the changes therein since the close of the previous financial year.

Particulars	Details	Details	Detail	Detail	Detail	Detail	Detail	Detail	Detail	Detail	Detail
Name of the Employee	Mr. Sanjay Sharda & Mr. Rahul Sinha	Mr. Alok Pathak	Mr. Umesh Arora	Mr. Mukesh Singh Verma	Dr. Sourabh Ghosh	Mr. Virender Sharma	Mr. Ritesh Kumar	Mr. Hitain Sharma	Mr. Abhay Kataria	Mr. Anindya Mitra	Ms. Dhara Manoj Vyas
Reason for change	Ceased to be in employment	Ceased to be in employment	Ceased to be in employment	Ceased to be in employment	Appointed as Head-Consumer Banking	Appointed as Head-Micro Banking	Appointed as Chief Compliance Officer	Ceased to be in employment	Appointed as Head-Assets	Appointed as Chief Credit Officer	Appointed as Chief Human Resources Officer
Date of appointment / cessation (as applicable) & term of appointment	April 30, 2025	June 04, 2025	July 08, 2025	July 15, 2025	August 02,2025	November 14, 2025	December 31, 2025	February 27, 2026	May 09, 2026	May 09, 2026	May 09, 2026
Disclosure of Relationships between Directors (in case of Appointment of a Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NIL

16) Remuneration of directors:

a. The Non-Executive Directors of the Company are entitled to sitting fees for attending each meeting of the Board and/or of a committee.

b. Criteria of making payments to non-executive directors – This is forming a part of Nomination and Remuneration Policy of the Bank which is displayed on the website at: https://www.utkarsh.bank.in/uploads/template_forty_pdf/NRC_Policy.pdfdisclosures with respect to remuneration

Remuneration to Executive Director - Mr. Govind Singh (MD & CEO)

Fixed Pay (including perquisites)	₹2.57 Crore
Variable Pay (FY 24-25)	₹1.31 Crore (non-cash)
Total Remuneration	₹3.88 Crore
Deferred Bonus for FY 23-24 ₹11,73,333 FY 22-23 ₹9,80,000 FY 21-22 ₹6,66,667	₹0.28 Crore

Remuneration to Whole Time Director - Mr. Pramod Kumar Dubey

Fixed Pay (including perquisites)	₹1.23 Crore
Variable Pay	-
Total Remuneration	₹1.23 Crore

Remuneration of Non- Executive Directors:

Sr. No.	Name of the Director	Sitting Fees (in ₹)	Remuneration for FY 2025-26 (in ₹)
1.	Dr. Kshatrapati Shivaji	20,80,000	18,00,000
2.	Mr. Ajay Kumar Kapur	35,00,000	9,00,000
3.	Ms. Gauri Rushabh Shah	19,40,000	9,59,678
4.	Ms. Kalpana Prakash Pandey	35,00,000	9,00,000
5.	Mr. Muralidharan Rajamani	33,40,000	8,27,500
6.	Mr. Nagesh Dinkar Pinge	7,00,000	3,61,290
7.	Mr. Parveen Kumar Gupta	35,20,000	11,25,000
8.	Dr. Ram Jass Yadav	4,20,000	2,20,161

Notes:

- None of the Independent Directors holds shares of the Bank.
- The Bank has not entered in any service contracts with the Managing Director or any other Director.

17) General body meetings:

a. location and time, of annual general meetings held in last three Year

Year	Particulars of Meeting	Date & Time	Location	Special Resolution passed, if any
2024-25	9th AGM	August 22, 2025 at 02:30 PM	Through Video conferencing initiated from Registered Office	▪ Appointment of Dr. Kshatrapati Shivaji (DIN: 01185381) as an Independent Director and Part Time Chairman of the Bank
2023-24	8th AGM	July 22, 2024 at 02:00 PM		▪ Re-appointment of Mr. Parveen Kumar Gupta - Part Time Non-Executive Chairman (DIN: 02895343) w.e.f. October 12, 2024 till August 31, 2026 (both days inclusive). ▪ Approval of payment of variable pay to Mr. Govind Singh - Managing Director & CEO (DIN: 02470880) for FY 2023-24. ▪ Re-appointment of Mr. Govind Singh as Managing Director & CEO (DIN: 02470880) for a further period of three years w.e.f. September 21, 2024 to September 20, 2027 (both days inclusive) and approval of remuneration payable for FY 2024-25.
2022-23	7th AGM	June 12, 2023 at 01:00 pm		Revision in remuneration of Mr. Govind Singh, Managing Director & CEO (for FY 22-23)

b. During the FY 2025-26, pursuant to the order passed by the Hon'ble National Company Law Tribunal, Allahabad Bench for the purpose of considering, and approving the Scheme of Amalgamation between Utkarsh Coreinvest Limited ("Transferor Company") and Utkarsh Small Finance Bank Limited ("Transferee Company") and their respective shareholders, an Extraordinary General Meeting (EGM) of equity shareholders (including public shareholders) of the Bank was held and convened on March 28, 2026 at 12:30 PM through Video Conferencing and Registered Office was deemed venue of the Meeting.

Further, the above resolution was passed by the majority of the equity shareholders of the Bank representing more than three-fourths in value of the equity shares of the Bank.

c. Resolutions passed through Postal Ballot:

Sr. No.	Resolution	Nos. of Votes		Percentage of votes (%)		Result
		In favour	Against	In favour	Against	
1.	Re-appointment of Ms. Kalpana Prakash Pandey (DIN: 06715713) as an Independent Director of the Bank	31,05,86,077	1,17,209	99.97	0.03	Resolution passed with requisite majority
2.	Appointment of Ms. Gauri Rushabh Shah (DIN: 06625227) as an Independent Director of the Bank	31,06,12,644	72,897	99.98	0.02	
3.	Appointment of Dr. Ram Jass Yadav (DIN: 08911900) as an Non-Executive Non-Independent Director of the Bank	65,51,79,467	3,29,551	99.95	0.05	
4.	Re-appointment of Mr. Ajay Kumar Kapur (DIN: 00108420) as an Independent Director of the Bank	65,47,61,861	7,93,402	99.88	0.12	
5.	Payment of remuneration to Mr. Govind Singh, Managing Director & Chief Executive Officer (DIN: 02470880) of the Bank for the FY 2025-26	65,46,91,615	8,16,951	99.88	0.12	

The Bank had appointed CS Avinash Bagul (FCS No.5578, COP No.19862), Partner of M/s BNP & Associates, Company Secretaries, as the Scrutinizer for conducting the postal ballot through remote e-voting in a fair and transparent manner.

d. Special resolution(s) proposed to be conducted through postal ballot:

As on the date of the report, no special resolution is proposed to be passed through postal ballot.

e. Procedure of Postal Ballot:

The Postal Ballot procedure followed by the Bank is as stipulated under the provisions of Section 108, 110 of the Companies Act, 2013 read with applicable Rules and SEBI Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Members are provided with the facility to cast their votes through e-Voting. The Scrutiniser submits the report to the Company Secretary & Compliance Officer as authorised by the Chairperson of the Board after the completion of the scrutiny of the e-Voting results. Considering the results and report of the Scrutiniser of the Postal Ballot, the resolution is considered approved or rejected. The necessary intimations as required under the applicable SEBI Listing Regulations are submitted to the Stock Exchanges and post declarations of the results the same are displayed on the website of the Bank.

18) Means of Communication

The Board believes that effective communication of information is an essential component of corporate governance. The Bank regularly Communicate with Shareholders through multiple channels of communication such as Bank's website, Stock Exchanges where the Bank's shares/other instruments are listed for announcement of Financial Results, Annual Report, Bank's policies, notices and outcome of meetings etc.

Quarterly/Half Yearly/Annual Results:	The Bank being listed is required to submit the quarterly, half-yearly/annually unaudited/ audited financial results to the Stock Exchange. The financial results of the Bank were submitted to the Stock Exchanges and were published in one English daily newspaper circulating Nationally and other daily newspaper published in the vernacular language, where the registered office of the Bank is situated. Currently these are not sent individually to the Shareholders.
Newspapers wherein results are normally published:	The Financial Results are generally published in daily newspapers – Financial Express (English Newspaper) circulating widely in whole of India and in the language of the region, where the registered office of the listed entity is situated
Website:	The Bank has a website https://www.utkarsh.bank.in which contains the basic information about the Bank - details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Bank who are responsible for assisting and handling investor grievances and such other details as may be required under regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. The Bank ensures that the contents of this website are periodically updated.
Investors Presentation:	The presentations made at the analyst/ institutional investors meetings are filed with the stock exchanges and hosted on the Bank's website at https://www.utkarsh.bank.in

19) General shareholder information

Sr. No.	Particulars	Disclosure
a.	Annual general meeting	August 04, 2026
b.	Financial year	The Bank follows the financial year starting from 1st April to ending on 31st March every year.
c.	Dividend payment date	Not applicable for FY 25-26
d.	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India **National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India. Bank has deposited the annual listing fees to the stock exchange(s) where the securities of the Bank are listed.
e.	Stock code	BSE – 543942 NSE - UTKARSHBNK
f.	Registrar to an issue and share transfer agents	**For Equity Shares:** **M/s. KFIN Technologies Limited** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, 400 070, Maharashtra. **Address for Correspondence / Operations Centre:** Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032. **For Debt Securities** **M/s. NSDL Database Management Limited** 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Maharashtra

Sr. No.	Particulars	Disclosure
g.	Share transfer system	Effective from April 1, 2019, SEBI has mandated that shares can be transferred only in Demat. Hence no transfer of shares in physical form can be lodged by the shareholders. All shares of the Bank are held in dematerialised form.
h.	Dematerialization of shares and liquidity	All shares of the Bank are held in dematerialised form.
i.	Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	The Bank has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity
j.	Commodity price risk or foreign exchange risk and hedging activities	The Bank has not dealt in commodity for FY 25-26 or hedging commodity activities for FY 25-26 and therefore, there was no need to take forward cover in respect of its foreign currency exposure for import of raw materials and traded goods during the financial year ended March 31, 2026.
k.	Plant locations	The Bank is not into manufacturing . Therefore, this clause is not applicable on the Bank.
l.	Address for correspondence	The Company Secretary & Compliance Officer 22nd Floor, Rupa Sapphire, Plot No.12, Sector 18, Sion - Panvel Expressway, Sanpada, Navi Mumbai – 400 705, Maharashtra
m.	Disclosures with respect to demat suspense account/ unclaimed suspense account	Not applicable.

Distribution of Shareholding as on March 31, 2026

Sr. No.	Group	No. of Shareholders	% of Shareholders	Shareholding Amount	% of Shareholding Amount
1.	1-5000	1,99,319	70.45	24,30,96,770	1.37
2.	5001- 10000	31,656	11.19	24,92,52,130	1.40
3.	10001- 20000	21,121	7.47	31,84,44,750	1.79
4.	20001- 30000	8,468	2.99	21,45,30,230	1.21
5.	30001- 40000	4,622	1.63	16,45,26,980	0.92
6.	40001- 50000	3,728	1.32	17,41,90,440	0.98
7.	50001- 100000	6,832	2.41	50,51,80,970	2.84
8.	100001& Above	7,171	2.53	15,92,60,14,570	89.50
Total		**2,82,917**	**100**	**17,79,52,36,840**	**100**

Categories of Shareholders is as under

Category	31.03.2026		31.03.2025	
	No of Shares	%	No of Shares	%
Promoter & Promoter Group	75,92,72,222	42.67	75,92,72,222	68.92
Alternate Investment Funds	4,72,68,547	2.66	1,05,42,266	0.96
Insurance Companies	11,95,33,542	6.72	1,49,60,940	1.36
Sovereign Wealth Funds	3,15,000	0.02		
Mutual Funds	31,68,998	0.18	5,19,58,216	4.72
Foreign Portfolio Investors	20,44,17,336	11.49	1,09,12,762	0.99
Foreign Companies	5,32,69,594	2.99	5,16,74,781	4.69
Body Corporate & Qualified Institutional Buyers	8,46,69,439	4.76	2,03,85,225	1.85
Directors & Relatives	11,01,390	0.06	5,01,390	0.05
Others	50,65,07,616	28.46	18,14,02,098	16.47
Total	**1,77,95,23,684**	**100**	**1,10,16,09,900**	**100**

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

Nature of Instrument	Nature of Term	Credit Rating Agency	Credit Rating Assigned (At Present)	Revised on	Credit Rating Assigned (Earlier)
Subordinated Debt	Long term	ICRA	[ICRA] A (Negative)	August 12, 2025	[ICRA] A+ (Negative)
Certificate of Deposit	Short term	ICRA	[ICRA] A1+	NA	[ICRA] A1+
Subordinated Debt	Long term	CARE	CARE A (Negative)	January 05, 2026	CARE A (Stable)

20) Other disclosures

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

There were no materially significant related party transactions during the year that may have had a potential conflict with the interests of the Bank at large.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

Entity	Non – Compliance	Penalty / Fine	Date of Payment
RBI	Cash-out in ATM of the Bank	₹ 10,000	June 09, 2025
SEBI	For non-compliance of Regulations 4(3), 5(2)(b), 6, 7, 8, 9, 12, 14 and 26 of e SEBI (Issue and Listing of Debt Securities) Regulations, 2008	₹1,00,000	September 25, 2023
SEBI	Settlement Order against violations of certain provisions of the LODR Regulations, as detailed in the Settlement Order.	₹1,24,23,600	March 27, 2024
SEBI	Fine as per SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022-Regulation 60(2) -For Month ended September 2023	₹ 11,800	November 09, 2023

c. Details of establishment of vigil mechanism, whistle blower policy

The Company has a Whistle Blower Policy/ Vigil Mechanism to monitor the actions taken on complaints received under the said policy. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee or external stakeholders blows the whistle for any wrongdoing in the Company. The policy is available on the website of the Company, https://www.utkarsh.bank.in/uploads/pdf/our-policy/template_ten/Whistle_Blower_Policy%20_Final.pdf . No personnel have been denied access to the Audit Committee.

The details on Whistle Blower Policy and Vigil Mechanism are forming the part of Board Report.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

- The Company complies with all the mandatory requirements specified under Listing Regulations.
- The non-mandatory requirements have been adopted to the extent and in the manner as stated at the appropriate positions in this report.

e. Disclosure of commodity price risks and commodity hedging activities

The Bank has not dealt in commodity for FY25-26 or hedging commodity activities for FY25-26 and therefore, there was no need to take forward cover in respect of its foreign currency exposure for import of raw materials and traded goods during the financial year ended March 31, 2026.

f. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management has been annexed as "**Annexure – I**" to this report

g. Certificate from a Company Secretary in Practice

i. Certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority and

ii. compliance of conditions of corporate governance shall be annexed with the directors' report have been annexed as "**Annexure - II & III**" to this report.

h. During the year under review, the recommendations made by the Board Committees to the Board, were accepted by the Board.

i. Total fees paid to Statutory Auditors of the Bank

Total fees of ₹ 1,30,92,008.52/- (includes remuneration and certification fees including applicable taxes) were paid by the Bank for Financial Year 2025-26 for the services rendered by the Statutory Auditors.

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as of May 09, 2026

Particulars	Information
number of complaints filed during the financial year	17
number of complaints disposed of during the financial year	14
number of complaints pending as on end of the financial year	03

k. During the year under review, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of SEBI Listing Regulations, as applicable.

ANNEXURE - I

Declaration of Compliance with Code of Conduct for the year ended March 31, 2026

I, Govind Singh, Managing Director and Chief Executive Officer of Utkarsh Small Finance Bank Limited ("the Bank") hereby declare that, to the best of my information, all the Board Members and Senior Management Personnel of the Bank have affirmed their compliance and undertaken to continue to comply with the Code of Conduct laid down by the Board of Directors of the Bank.

For Utkarsh Small Finance Bank Limited

Govind Singh
Managing Director and Chief Executive Officer
(DIN: 02470880)

Date: April 01, 2026
Place: Varanasi

ANNEXURE – II

CERTIFICATE

Pursuant to Regulation 34(3) and Schedule V para C clause (10) (i) of the SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015

To,
The Members of,
UTKARSH SMALL FINANCE BANK LIMITED,
Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur,
Kazi Sarai, Harhua, Varanasi,
Uttar Pradesh-221105.

We, BNP & Associates, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UTKARSH SMALL FINANCE BANK LIMITED**, having CIN L65992UP2016PLC082804 and having its registered office at Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh-221105. (hereinafter referred to as "the Bank"), which have been produced before us for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including verification of Directors' Identification Number ("DIN") status] in terms of the portal of Ministry of Corporate Affairs Government of India ("MCA") www.mca.gov.in as considered necessary and pursuant to explanations furnished to us by the Bank and its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below, for the financial year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as directors of the Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	DIN	Name of the Directors	Designation	*Date of Appointment
1	01185381	Dr. Kshatrapati Shivaji[1]	Part Time Chairman and Independent Director	01-07-2025
2	02470880	Mr. Govind Singh	Managing Director & CEO	31-05-2018
3	02895343	Mr. Parveen Kumar Gupta[2]	Non-Executive - Independent Director	01-09-2021
4	06715713	Ms. Kalpana Prakash Pandey[3]	Non-Executive - Independent Director	29-04-2020
5	00108420	Mr. Ajay Kumar Kapur[4]	Non-Executive - Independent Director	02-03-2021
6	06625227	Ms. Gauri Rushabh Shah[5]	Non-Executive - Independent Director	01-06-2025
7	08911900	Dr. Ram Jass Yadav[6]	Non Executive Non Independent Director	03-01-2026

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

1 Dr. Kshatrapati Shivaji (DIN: 01185381) was appointed as an Independent Director of the Bank, not liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from July 01, 2025 to June 30, 2030) . He is part Time Chairman of the Bank for a period of 3 (three) consecutive years, with effect from July 01, 2025 to June 30, 2028.

2 Mr. Parveen Kumar Gupta (DIN: 02895343) stepped down as Part-time Non-Executive Chairman of the Board with effect from July 01, 2025. Thereafter, he is continuing on the Board of the Bank as an Independent Director.

3 Ms. Kalpana Prakash Pandey (DIN: 06715713) has been appointed as an Independent Director of the Bank for second term of 3 (Three) consecutive years with effect from April 29, 2025 to April 28, 2028.

4 Mr. Ajay Kumar Kapur (DIN: 00108420) has been appointed as an Independent Director of the Bank for a second term of 3 (three) consecutive years i.e., from March 02, 2026 to March 01, 2029.

5 Ms. Gauri Shah (DIN: 06625227) has been appointed as an Independent Director, not liable to retire by rotation, for a period of 5 consecutive years commencing from the June 01, 2025 to May 31, 2030.

6 Dr. Ram Jass Yadav (DIN: 08911900) has been appointed as a Non-Executive Non-Independent Director of the Bank, liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from January 03, 2026 to January 02, 2031.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: -7353/2025]

Avinash Bagul
Partner
FCS No.: -F5578 / COP No.: - 19862
UDIN: F005578H000318088

Place: Mumbai
Date: May 09, 2026

ANNEXURE III

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

We, BNP & Associates, Practicing Company Secretaries have examined all relevant records of Utkarsh Small Finance Bank Limited having CIN: L65992UP2016PLC082804 (hereinafter referred to as "the Bank") as provided for the purpose of certifying the compliance ensured by the Bank of the disclosure requirements and corporate governance norms as specified for Listed Companies, as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') , for the financial year ended 31st March 2026. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of this certification.

We state that completing compliance requirements of Corporate Governance is the responsibility of the management of the Bank, and our examination is limited to procedures and implementation thereof as adopted by the Bank for ensuring the compliance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as specified for a listed entity in LODR for FY 2025-26.

We further state that the above certification is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank during the financial year.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: -7353/2025]

Avinash Bagul
Partner
FCS No.: -F5578 / COP No.: - 19862
UDIN: F005578H000318088

Place: Mumbai
Date: May 09, 2026

Business Responsibility and Sustainability Report

Table of Contents

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L65992UP2016PLC082804
2	Name of the Listed Entity	UTKARSH SMALL FINANCE BANK LIMITED
3	Year of incorporation	2016
4	Registered office address	Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105
5	Corporate address	Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105
6	E-mail	secretarial.usfb@utkarsh.bank
7	Telephone	0542-6605555
8	Website	www.utkarsh.bank
9	Financial year for which reporting is being done	2025-26
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 17,79,52,36,840
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Indra Deo Pandey (9598069282 & indradeo.pandey@utkarsh.bank)
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	All the disclosures under this report are made on a standalone basis including offices and branches of Utkarsh small finance Bank across India.
14	Name of Assurance Provider	NA
15	Type of Assurance obtained	NA

II. Products / Services - As on 31st March, 2026

16. Details of business activities (accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	Banking and financial services	The Bank provides a range of commercial banking products and services, including loan products, fee and commission-based products and services, deposit products. The Bank's retail operations primarily consist of retail lending, payments, deposit taking and distribution of third-party insurance and investment products.	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1.	Banking activities by Central, Commercial and Saving banks	64191	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	0	1110	1110
International	0	0	0

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States and Union Territories)	27 State & UTs
International (No. of Countries)	0

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c) A brief on types of customers

Utkarsh Small Finance Bank Limited caters to a diverse customer base across urban, semi-urban and rural markets, with a strong focus on financially underserved and unbanked segments of society. Its customers include low and middle-income households, micro-entrepreneurs, women entrepreneurs, self-employed individuals, small and marginal farmers, MSMEs, Corporates and institutional customers. The Bank offers a wide range of banking and financial solutions, including microfinance loans under the Joint Liability Group (JLG) model, MSME loans, housing loans, personal loans, commercial vehicle loans, construction equipment loans, wholesale lending, deposits, payments, insurance and investment products. These offerings are complemented by digital banking services such as internet and mobile banking, digital onboarding, online account opening facilities, ATMs and Micro ATMs, enabling greater access to formal banking services across the country.

IV. Employees

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/ A)	No. (C)	%(C / A)
	EMPLOYEES					
1.	Permanent (D)	18389*	16051	87%	2338	13%
2.	Other than Permanent (E)	29	15	52%	14	48%
3.	**Total employees (D + E)**	**18418**	**16066**	**87%**	**2352**	**13%**
	WORKERS					
4.	Permanent (F)	11	11	100%	0	0%
5.	Other than Permanent (G)	1156	1078	93%	78	7%
6.	**Total workers (F + G)**	**1167**	**1089**	**93%**	**78**	**7%**

*Total no. of employees as of March 2026 is 18400 out of which 11 permanent workers have been excluded and added in the Permanent worker TAB as unskilled employees. Out of 18389, 16051 are Males and 2338 are females.

b) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/ A)	No. (C)	%(C / A)
	DIFFERENTLY-ABLED EMPLOYEES					
1.	Permanent (D)	8	6	75%	2	25%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total employees (D + E)**	**8**	**6**	**75%**	**2**	**25%**
	DIFFERENTLY-ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total employees (F+ G)**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	3	29%
Key Management Personnel	3	0	0%

22. Turnover rate for permanent employees and workers

	Turnover rate FY 2025-26			Turnover rate FY 2024-25			Turnover rate FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35%	6%	41%	30%	5%	35%	28.51%	5.21%	33.73%
Permanent Workers	0%	0%	0%	9%	0%	9%	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary /associate companies / joint ventures (A)	Indicate whether holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicate at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Utkarsh CoreInvest Limited	Promoter (Associate)	Holding 42.67% equity in the bank	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turnover (in ₹) - ₹ 38,09,74,68,874.00 (FY 2025-26)

(iii) Net worth (in ₹)- ₹ 22,47,18,03,796.02 (As on 31st March'26)

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Bank and its implementation partners engage with the community periodically. Any complaints/ grievances raised by the community are resolved on site as on when required basis. Any queries or complaints can be shared by sending an email to communications@utkarsh.bank or at our toll free number available on https://odr.utkarsh.bank.in/utkarsh-mbank/	0	0	-	0	0	-
Investors (other than shareholder)	Yes, any queries or complaints can be shared by sending an email to shareholders@utkarsh.bank	0	0	-	0	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes, any queries or complaints can be shared by sending an email to shareholders@utkarsh.bank	10	0	-	2	0	NA
Employees and workers	Yes, the Bank has established a secure, confidential, and internal grievance and query redressal mechanism for employees, which can be accessed through the intranet.	426	3	All 03 open complaints in this segment, have been resolved by April 15, 2026.	351	0	NA
Customers	Yes. The policy for customer grievance redressal is available at https://www.utkarsh.bank.in/uploads/policy/Grievance_Redressal_Policy.pdf	7911	55	Out of 55 open complaints in this segment, only 08 complaints are in open status by April 15, 2026 and their bifurcation have been mentioned below. 1. 05 complaints are related to Fraud in which investigation is ongoing. 2. 03 complaints are related to Transaction Dispute in which resolution dependency on acquirer bank.	5325	107	Out of 107 open complaints, only 25 complaints are pending for Resolution by 15-04-2025. Out of 25 complaints, 18 complaints are related to Transaction Dispute, 05 are related to Fraud & 02 are related to Utkarsh BHIM UPI pin creation(IT Production movement required).
Value Chain Partners	Yes, any queries or complaints can be shared by sending an email to communications@utkarsh.bank	0	0	-	0	0	NA
Other		0	0	-	123	3	All 03 complaints are resolved by 15-04-2025.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Financial Inclusion	Opportunity	Financial inclusion is widely recognized as a key catalyst for economic empowerment and social development through poverty reduction. Embracing both financial and digital inclusion enhances not only the social and economic progress of India but also positions the Bank as a fundamental promoter of inclusive growth. The Bank perceives vast potential in financial and digital inclusion. Focusing on strategies can help the Bank achieve its goals of increasing client base size, increasing customer loyalty, diversifying revenue streams, cutting costs, and fostering partnerships.	-	It has positive impact.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Data Privacy & Security	Risk	Data Privacy & Security has direct regulatory implications from MeitY (Ministry of Electronics and Information Technology) & RBI. A breach of customer privacy and data security systems can result in reputational damage, a decrease in customer trust, and the imposition of legal and regulatory penalties.	Bank has a Data Privacy Policy in place. Data_Privacy_Policy.pdf (utkarsh.bank) Cyber-Security framework available. Bank is ISO 27001:2013 (Information Security Management System) certified. Strong governance around information security and data privacy. Cyber Risk Insurance coverage is in place for the bank as a fallback against the risks of cyber incidents.	It has negative impact if not addressed properly.
	Regulatory Compliance	Risk	Regulatory Compliance has direct bearing on Bank's operations & reputation. The expanding footprint has accelerated the hiring process, leading to more manual interventions across different banking operations. Consequently, there is a risk of unintended errors, resulting in non-compliance.	The Bank's processes, policies, procedures, systems, and tools ensure that regulatory compliance is maintained across all operations. Additionally, the Bank adheres to all statutory reporting requirements.	It has negative impact if not addressed properly.
	Corporate Governance & Ethics	Risk	Corporate Governance & Ethics has direct bearing on Bank's operations, regulatory performance & brand value. Corporate conduct and ethical practices are essential for protecting the reputation and ensuring the success for the bank.	By fostering a robust ethical culture, Bank upholds its reputation as a trusted financial institution. Bank has implemented effective governance practices which minimizes exposure to business and ethics-related risks. Bank rigorously manages its compliance mechanisms and consistently monitors its performance.	It has negative impact if not addressed properly.
	Developing & Managing robust Risk Management Framework	Risk	Increased vulnerability to economic downturns or market crashes can result in heightened regulatory scrutiny, reputational harm, and decline in investor confidence. Hence developing and managing a robust risk management framework is crucial for the bank.	Bank prioritizes robust risk management, focusing on credit assessment and monitoring across various risk categories. Bank adopts a structured risk management approach, ensuring qualified and experienced officials that lead risk management independently from business functions.	It has negative impact if not addressed properly.
	Transparency and Disclosure	Opportunity	Transparency and Disclosure is essential for increasing stakeholder confidence. It guarantees adherence to regulatory obligations, reinforce market positioning, and enhance relationships with stakeholders.	-	Opportunity
	Sustainable Resource Consumption	Opportunity	Sustainable Resource Consumption has a direct bearing on Bank's bottom line. It is necessary to adopt sustainable resource consumption to reduce environmental impact & acknowledge social responsibility.	-	Sustainable Resource Consumption has a direct bearing on Bank's bottom line, it has positive impact.
	Customer Satisfaction	Opportunity	Customer satisfaction could directly affect stickiness of customers, Bank's reputation and brand value. It is vital for business expansion, as they aid in preserving customer trust and ensuring they feel appreciated. Bank's rapid growth trajectory and flexibility create opportunities for adapting to evolving customer needs and addressing emerging preferences.	-	It has positive impact.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
	ESG Governance and Board Oversight	Opportunity	Incorporating ESG risks into banking operations is imperative for building a resilient organization. These risks are increasingly becoming uncertain and volatile. Therefore, establishing robust ESG governance and ensuring board oversight is essential for a bank to navigate these evolving challenges effectively and sustainably. ESG Governance and Board Oversight helps create a brand as good corporate citizen & creates visibility. It may reduce possibility of regulatory actions on ESG ground.	-	Opportunity
	Business Ethics	Risk	Business Ethics has direct moral and regulatory bearing. It is crucial for achieving bank's objectives, mitigating risks, fostering stakeholder trust, and ensuring business continuity. By placing emphasis on ethical behaviour, the Bank not only seeks to retain its current clientele but also to draw in new customers.	Bank recognizes that it is a trustee and custodian of public money and in order to fulfil its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of public at large. Bank acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. The Bank is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations.	Risk

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

We have implemented following policies towards adopting National Guidelines on Responsible Business Conduct (NGRBC):

Principle P1:

- Duties of Directors and Norms to Avoid Conflict of Interest
- Whistle Blower Policy
- Record Management Policy
- Code on Bank's Commitment to Individual Customers
- Code of Bank's Commitment to Micro and Small Enterprises Customers

Principle P2:

- ESG Policy
- Sustainable Finance Framework
- Green Deposit Policy
- Branch Insurance Policy

Principle P3:

- Prevention of Sexual Harassment

Principle P4:

- Customer Rights Policy
- Customer Protection Policy for Limiting Liability in Unauthorised Electronic Transactions
- Citizen Charter

Principle P5:

- Prevention of Sexual Harassment
- Whistle Blower Policy

Principle P6:

- ESG Policy
- Sustainable Finance Framework
- Green Deposit Policy

Principle P7:

- ESG Policy

Principle P8:

- Lending to Micro and Small Enterprises and Rehabilitation
- Resolution Framework Policy 2.0 (Individuals & Small Businesses)
- Resolution Framework Policy 2.0 (MSMEs)

Principle P9:

- Data Privacy Policy
- Customer Grievance Redressal Policy
- Customer Compensation Policy
- Customer Rights Policy
- Customer Protection Policy (Unauthorised Transactions)
- Doorstep Banking Policy
- Comprehensive Deposit Policy
- Deceased Claim Policy
- Fair Lending Practice Code
- Fair Practice Code for Credit Card Business

<table>
<tr><th>Disclosure</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>Policy and management processes</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>1. a. Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>b. Has the policy been approved by the Board? (Yes/No)</td><td colspan="9">Yes</td></tr>
<tr><td>c. Web Link* of the Policies, if available</td><td colspan="9">https://www.utkarsh.bank.in/our-policies</td></tr>
<tr><td>2. Whether the entity has translated the policy into procedures. (Yes / No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr>
<tr><td>4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</td><td colspan="9">ISO 22301: 2019
Management of Business Continuity of branch banking, micro banking, ATM’s, information technology, CPC, HR, Administration, call centre, Accounts & Finance, Disaster recovery sites and support processes.</td></tr>
<tr><td>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</td><td colspan="9">ENVIRONMENTAL GOALS:
1. Tracking GHG Emissions
▪ Monitor and report Scope 3 emission (only
(i) Business Travel,
(ii) Employee Commute,
(iii) Purchased Goods, and
(iv) Waste Generated) from own operations by FY 27.
▪ Monitor the Y-o-Y reduction in GHG Emission by FY 2030 onwards (On incremental basis).
2. Emission Reduction Targets
▪ Replace at least 50% of leased and owned vehicles with electric 2W/4w by FY 29 (Owned: Scope 1 | Leased: Scope 3)
▪ Convert 70% old owned DG sets from diesel to CNG by FY 29 (on incremental basis)
3. Climate Risk Management
▪ Develop a climate strategy focusing on ‘Risk Management’ pillar as per TCFD recommendations by FY29.
4. Paper Consumption and Waste
▪ Aim 50% and 90% reduction in paper usage by FY29 and FY32 respectively by (i) promoting e-statements and (ii) digitalisation of workflows.
5. Green Deposit Framework
▪ 100% allocation of the raised green deposits by FY35.</td></tr>
<tr><td></td><td colspan="9">SOCIAL GOALS:
1. Diversity and inclusion:
▪ 90% women in workforce should be covered under mentorship program by FY 30
▪ Ensure atleast 20% women work participation of total workforce by end of FY 35.
▪ Atleast 1% person with disability will be included in active work force by FY 35.</td></tr>
</table>

	GOVERNANCE GOALS: **1. Oversight on ESG** ▪ Test the efficacy of the ESGMS every 2 years through an independent agency from FY27 onwards. **2. Board Functioning** ▪ By FY28, develop a policy on the performance evaluation of the Board, that will function as a performance evaluation framework for Board and its committees. **3. Business Ethics & Integrity** ▪ 100% of Utkarsh's employees should be trained under Anti-bribery Anti-corruption policy (ABAC policy) training program by FY32. ▪ Review and improve whistle blower policy and mechanism by end of FY30.
6. Performance of the entity against the specific commitments, goals and targets along - with reasons in case the same are not met.	The Bank has initiated foundational activities for implementation of the identified ESG goals and is in the process of establishing baselines, data collection mechanisms, and monitoring frameworks for tracking progress against these commitments. Quantitative progress against certain targets will be disclosed in subsequent reporting periods as implementation progresses. Some of the progress made during FY 2025-26 is as follows: ▪ Women workforce representation: Women constituted 13% of the Bank's total workforce (2,352 out of 18,418 employees) as on 31 March 2026, demonstrating progress towards the Bank's long-term target of achieving 20% women participation in the total workforce by FY35. ▪ Inclusion of persons with disabilities: The Bank had 8 differently abled employees on its rolls as on 31 March 2026 and is making progress towards its commitment of having at least one percent employees with disability in its active workforce. ▪ Digital transformation initiatives: The Bank continued to invest in digital transformation and paperless banking initiatives, which are expected to support its future targets relating to reduction in paper consumption and efficient resource utilisation. ▪ ESG governance: The Bank has an ESG Steering Committee and strengthened its governance mechanisms to oversee sustainability-related initiatives, supporting the implementation of its climate and ESG commitments.
Governance, leadership, and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Utkarsh Small Finance Bank Limited, we believe that responsible banking is about creating meaningful and lasting value for all our stakeholders. During FY 2025-26, we continued to strengthen our environmental, social and governance practices by extending our reach to more than 1,000 banking outlets across 27 States and Union Territories, with a strong focus on serving underserved and unbanked communities. We also enhanced digital financial inclusion by strengthening our mobile banking, UPI, WhatsApp Banking and Video KYC capabilities, while continuing to invest in employee development and stakeholder engagement.

	We further strengthened our governance practices through improved internal controls, enhanced information security and process automation initiatives. As the banking sector continues to navigate challenges relating to cybersecurity, data privacy, regulatory compliance and climate concerns, we remain focused on building a resilient and responsible institution. Through initiatives such as our Sustainable Finance Framework and Green Deposit offerings, we remain committed to driving inclusive and sustainable growth while conducting our business with integrity, transparency and accountability.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	ESG Steering Committee

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies are developed and aligned to applicable compliance requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, or the Bank's internal requirements and best practices.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Utkarsh Small Finance Bank is dedicated to full regulatory compliance. The integrated Compliance Management System allows for the real-time monitoring and tracking of all statutory duties. By combining Board-level oversight with systematic digital tools, the Company ensures that every aspect of its operations remains aligned with the highest standards of corporate governance.																	

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		No	No	No	No	No	No	No	No	No
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	No. The various Head of Departments are responsible for effective implementation of the pertinent policies. The Bank's Internal Audit Department, among its mandates, assesses each department's adherence to their respective policies. In addition, the Bank's Compliance Department monitors the adherence to implementation of policies mandated by RBI.								
12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
	a. The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
	b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not applicable								
	c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable								
	d. It is planned to be done in the next financial year (Yes/No)	Not applicable								
	e. Any other reason (please specify)	Not applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership." While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

We have introduced an online Learning Management System (LMS), by mapping the learning curve of every individual to inculcate the culture of continuous learning and growth in our people.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4 Board of Directors were covered in 3 training programs	Director's Certification in Corporate Governance, Program on KYC/ AML for Board of Directors of Banks, NBFCs and FIs & Programme on IT & Cyber Security for Board Members	57%
Key Managerial Personnel	2 KMP covered in 2 training programs	National Convention of Company Secretaries & Certification Programme on IT & Cyber Security for Board Members	67%
Employees	9391 participants covered in 408 training programs	Program on Technology Adoption in Microfinance Sector at BIRD, Retail Assets Connector/Referral Associate Empanelment Process Amendment Note, Building Loan Portfolio and Risk Management for MFIs etc.	51%
Workers	6016 off-role candidates were covered in 52 programmes	USFB History and progress, Asset Products, Collection & NPA, KYC/ AML, POSH, Phishing, Cyber Security, Basic Loan eligibility, Applications	100%

2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	-	0	NA	NA
Settlement	NA	-	0	NA	NA
Compounding fee	NA	-	0	NA	NA

Non- Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	-	NA	NA	
Punishment	NA	-	NA	NA	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Code of conduct policy in place covering every aspect of anti-corruption policy or anti-bribery policy. Brief summary is as follows:

Code of Conduct Policy – Key Highlights

- Objective: Establishes ethical standards and professional behavior expected from all employees, coordinators, and officers, emphasizing integrity, transparency, and accountability.
- Scope: Applies to all employees and associates, requiring adherence to laws, internal policies, and high ethical standards.
- Core Principles:
  - Integrity: Upholding honesty and professionalism.
  - Quality & Transparency: Delivering efficient services with clear communication.
  - Fair Practices: Ethical treatment of clients and fair recovery processes.
  - Client Privacy: Protecting client data and using it responsibly.
  - Social Values: Embedding governance and social responsibility in operations.
- Conflict of Interest: Employees must avoid situations where personal interests conflict with Utkarsh's interests and disclose any potential conflicts.
- Confidentiality & Data Security: Strict protection of proprietary and client information, with clear rules on IT asset usage and data handling.
- Gifts & Bribery: Zero tolerance for bribery or corruption; only token gifts allowed under specific conditions.
- Asset Protection: Employees must safeguard company assets and report misuse.
- Workplace Conduct:
  - Fair Employment & Diversity: Equal opportunity and non-discrimination.
  - Harassment-Free Environment: Zero tolerance for harassment or intimidation.
  - Safety: Commitment to a safe and healthy workplace.
  - Fair Vendor Relations: Ethical dealings with suppliers and third parties.
- Raising Ethical Issues: Encourages reporting of violations without fear of retaliation; ensures thorough investigation and corrective action.

- Compliance: Mandatory adherence to all laws, regulations, and internal policies.
- Disciplinary Actions: Categorized into habitual, gross, fraudulent, and high-risk irregularities with corresponding penalties.
- Anti-Money Laundering: Prohibits involvement in money laundering or terrorist financing; requires due diligence in client dealings.
- Insider Trading: Prohibits trading based on non-public information; mandates pre-clearance for certain trades.
- External Activities: Restrictions on engaging in non-official activities that may conflict with official duties.
- Political/Charitable Activities: Prohibited use of company resources for political purposes without approval.
- Review & Disclosure: Policy reviewed annually.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2025-26 (Current Financial Year)	FY 2024- 25 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

Benefits	FY 2025-26 (Current Financial Year)		FY 2024– 25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format.

Particulars	FY 2025-26 (Current Financial Year)	FY 2024- 25 (Previous Financial Year)
Number of days of accounts payables	24	22

Note: The previous year disclosure has been incorporated during the current year based on the availability of requisite data to ensure consistency and comparability of disclosures.

9. Openness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024- 25 (Previous Financial Year)
Concentration of purchase	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024- 25 (Previous Financial Year)
Concentration of sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programs held	Topics/Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
Nil	NA	NA

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. The Board has formulated and adopted the Code of Conduct and Conflict of Interest Norms for the Board of Directors and the Code of Conduct and Ethics of the Bank in terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, relating to corporate governance. The Code of Conduct and Conflict of Interest Norms for the Board of Directors outlines the do's and don'ts to be followed by Directors and includes provisions relating to conflict of interest, skill development, health, confidentiality, insider trading and prevention of sexual harassment. The amendments to the said Code were reviewed and approved by the Board during in 2024.

The Code of Conduct and Ethics reflects the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct expected from all employees to facilitate informed and responsible decision-making in the discharge of their roles and responsibilities. The Code serves as a guiding framework for day-to-day conduct by (i) reinforcing the Bank's commitment to compliance with applicable laws, regulations and regulatory guidelines, (ii) establishing the basic parameters of ethical and acceptable social behaviour, and (iii) providing mechanisms for the detection and reporting of known or suspected unethical conduct or regulatory violations.

Further, during FY 2025-26, the Bank did not enter into any materially significant transactions with its Directors or their relatives that could potentially result in a conflict of interest between the Bank and members of the Board.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY 2025-26 (Current Financial Year)	FY 2024- 25 (Previous Financial Year)	Details of improvements in environmental and
R & D	Given the nature of operations as a financial service provider, this question is not applicable.		
Capex	-		

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   No, we do not have any specific stipulations/ clauses related to sustainability in our policy, but we endeavour to procure from local vendors, from locally sourced material. All of our vendor's factories comply with Indian labour regulations and do not employ any child labour, and comply with existing environmental omission norms.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   NA

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

(a)	Plastics (including packaging)	This is not applicable since the Company is not producing any physical product.
(b)	E-waste	
(c)	Hazardous waste	
(d)	other waste.	

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Not Applicable.

Leadership Indicator

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable since the Bank does not manufacture physical products, and its principal activities comprise the provision of banking and financial services through branch and digital channels.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of product / Service	Description of risk/concern	Action Taken
Not Applicable since the Bank does not manufacture physical products, and its principal activities comprise the provision of banking and financial services through branch and digital channels.		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Not Applicable since the Bank does not manufacture physical products, and its principal activities comprise the provision of banking and financial services through branch and digital channels.		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Benefits	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable			Not Applicable		
E-waste						
Hazardous waste						
Other waste						

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials
Not Applicable	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C /A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	16051	14770	93%	1097	7%	NA	NA	7200	45%	0	0
Female	2338	2237	96%	88	4%	2338	100%	NA	NA	0	0
Total	**18389**	**17007**	**93%**	**1185**	**7%**	**2338**	**100%**	**7200**	**45%**	**0**	**0**
Other than Permanent employees											
Male	15	12	100%	-	-	-	-	-	-	-	-
Female	14	2	100%	-	-	-	-	-	-	-	-
Total	**29**	**14**	**100%**	-	-	-	-	-	-	-	-

b. **Details of measures for the well-being of workers:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F /A)
Permanent workers											
Male	11	-	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-	-
Total	**11**	-	-	-	-	-	-	-	-	-	-
Other than Permanent workers											
Male	1078	-	-	-	-	-	-	-	-	-	-
Female	78	-	-	-	-	-	-	-	-	-	-
Total	**1156**	-	-	-	-	-	-	-	-	-	-

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

Particulars	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	1%	-

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total Employees	No. of workers covered as a % of total	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Other - Pls. specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Bank is committed to fostering an inclusive, safe and equitable workplace that respects human rights and promotes ethical business practices. The Bank has employed persons with disabilities and endeavours to provide an accessible and supportive work environment. The Bank continues to take measures to promote inclusivity and ensure that its workplaces remain conducive to the well-being and participation of all employees.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. As per Talent Acquisition policy, USFBL is an equal employer and does not discriminate based on caste, creed, religion, gender, disability etc.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	81%	81%	NA	NA
Female	83%	83%	NA	NA
Total	**81%**	**81%**	**NA**	**NA**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	The Bank has an Employee Grievance Redressal Policy and a grievance redressal mechanism in place to address employee grievances in a transparent, equitable and judicious manner within a specified timeframe, ensuring that all employees receive fair treatment and that their grievances are resolved promptly and fairly. The mechanism covers the following scenarios: a) An employee or a group of employees registering a complaint against another employee or group of employees. b) An employee or a group of employees registering a complaint against an external party in relation to a work-related engagement with the Bank. c) An employee registering a complaint against his/her reporting manager or next-level manager.

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2025-26			FY 2024-25		
	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A	Total Employees/ Workers in respective Category (A)	No. of employees / workers in respective category who are part of association / union (B)	% (B/A)
Total Permanent Employees						
Male	16051	0	0%	16918	-	-
Female	2338	0	0%	2851	-	-
Total Permanent Workers						
Male	11	0	0%	10	-	-
Female	0	0	0%	0	-	-

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C/ A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
Employees										
Male	16051	10110	63%	5151	32%	10609	-	-	7059	66.54%
Female	2338	861	37%	1179	50%	1757	-	-	422	24.02%
Total	**18389**	**10971**	**60%**	**6330**	**34%**	**12366**	**-**	**-**	**7481**	**60.50%**
Workers										
Male	11	11	100%	NIL	0%	10	NIL	0%	NIL	0%
Female	0	0	0%	NIL	0%	0	NIL	0%	NIL	0%
Total	**11**	**11**	**100%**	**NIL**	**0%**	**10**	**NIL**	**0%**	**NIL**	**0%**

9. Details of performance and Career development reviews of employees:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B /A)	Total (C)	No. (D)	% (D /C)
Employees						
Male	16051	12687	79.04%	10609	10609	100%
Female	2338	1893	80.97%	1757	1757	100%
Total	**18389**	**14580**	**79.29%**	**12366**	**12366**	**100%**
Workers						
Male	11	0	0%	10	0	0%
Female	0	0	0%	0	0	0%
Total	**11**	**0**	**0%**	**10**	**0**	**0%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes.The Bank conducts regular safety drills through its Physical Security function to ensure a safe and secure working environment across its operations. The coverage of the system includes:

- Annual hands-on training on emergency evacuation procedures.
- Fire safety briefings conducted at the premises.
- Demonstration and hands-on training on the use of fire extinguishers.
- Regular inspection of fire extinguishers and other fire safety equipment.
- Periodic refilling and maintenance of fire extinguishers.
- Monthly inspections of fire detectors and sensors.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Bank conducts regular fire drills during which employees are sensitised to identify and eliminate workplace hazards. Security guards deployed at Bank premises are trained in the use of fire safety equipment. Additionally, advisories are issued on various safety-related aspects, including weather warnings, fire safety and security.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The Bank considers it its responsibility to provide the necessary support for the well-being of its workers. The Bank assesses risks related to occupational health and safety at periodic intervals and implements mitigation measures to take corrective and preventive action against such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).

Yes, The Bank has in place, a Group Term Life Insurance and a Mediclaim policy to address the non-occupational medical and healthcare needs of its employees. Employees are educated about these policies during the induction.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NA	NA
	Workers		
Total recordable work-related injuries	Employees	Nil	Nil
	Workers		
No. of fatalities	Employees	Nil	Nil
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank continues to strengthen its policies, systems and processes to ensure the safety and well-being of its employees and the security of its physical assets in the face of unforeseen events and emergencies. The Bank has a Business Continuity Plan (BCP) in place to facilitate preparedness, response and continuity of critical operations during adverse situations. The Bank also undertakes various measures to promote a safe and healthy workplace, including:

- Annual fire safety training programmes for employees.
- Annual evacuation drills to enhance emergency preparedness and response.
- Issuance of fire safety advisories to create awareness on safety protocols.
- Installation of fire safety signage at various locations across the premises.
- Doctor consultation facilities through on-call and video consultation services.
- Enrolment of dependents under Mediclaim coverage.
- Annual health check-ups for employees at the level of Assistant Vice President (AVP) and above.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	13	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note: At Utkarsh Small Finance Bank, we prioritize our employees' well-being and safety. We conduct internal assessments across our offices, focusing on evaluating and improving working conditions and health and safety practices. These assessments play a crucial role in maintaining a secure and supportive work environment, reflecting our commitment to being an employee-centric Company.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

In the FY 2025-26, no safety incidents were recorded. However, the bank prioritizes workplace safety by implementing relevant measures such as safety training, inspections, and internal assessments. Dedicated officials at each office location manage safety matters.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

   (A) Employees (Y/N): Y

   (B) Workers (Y/N): Y

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   The Company ensures that all statutory dues are deducted and deposited by the value chain partners, emphasizing the importance of adherence to support business responsibility principles and ideals of transparency and accountability.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total number of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No):**

   No, we do not provide a dedicated transition assistance program for retired or terminated employees.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working conditions	

6. **Provide details of any corrective actions taken or underway to address significant risk / concerns arising from assessment of health and safety practices and working conditions of value chain partners.**

   There are no cases or incidents related to health and safety practices of the value chain partners observed during the reporting period.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Utkarsh Small Finance Bank recognizes that its operations have a direct and indirect impact on a wide array of stakeholders, including customers, regulators, peers, business partners, and the broader community. The Bank believes that transparent communication and meaningful engagement are essential to building and sustaining strong, long-term relationships across this stakeholder spectrum.

   By engaging with diverse stakeholders, the Bank gains valuable insights into the social, environmental, and economic implications of its activities. Their feedback, perspectives, and constructive critiques enable the Bank to act responsibly and enhance its role as a conscientious corporate citizen.

   Utkarsh conducts proactive and targeted stakeholder engagements to identify material issues, refine its business strategies, assess the effectiveness of its products and services, mitigate reputational risks, and positively influence both internal and external environments.

   The Bank's key internal stakeholders include senior management and employees, while its external stakeholders encompass shareholders and investors, customers, regulatory bodies, communities, industry peers, vendors, service providers, media, and academia. These engagements are carried out throughout the year through various channels and platforms, ensuring continuous dialogue and collaboration.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	NO	▪ **Branch and On-Ground Interactions:** Direct, face-to-face communication at branches and field offices, enabling personalized service and real-time feedback. ▪ **Social Media Platforms:** Active presence on social media to share updates, respond to queries, and engage with customers in a timely and interactive manner. ▪ **Print and Television Campaigns:** Mass media outreach through advertisements and awareness campaigns to inform and educate customers about products, services, and initiatives. ▪ **Customer Care Channels:** Multi-modal support through the mobile app, telephone helpline, email, and the official website to address customer needs and resolve issues efficiently. ▪ **Financial Literacy Programs:** Educational initiatives aimed at empowering customers with knowledge about financial products, responsible banking, and digital tools.	Ongoing Eventual Periodic	The Bank conducts a proactive and focused engagements with diverse sets of stakeholders which helps identify significant material issues for the Bank, evaluate business strategy and operations, products, services and solutions, minimises reputational risk and positively influence our internal and external environment

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Utkarsh Small Finance Bank fosters a culture of openness, collaboration, and continuous engagement with its employees through multiple communication platforms, including: ▪ **Town Halls and Internal Meetings:** Regular sessions led by senior leadership to share updates, recognize achievements, and align teams with the Bank's vision and goals. ▪ **Internal Communication Platforms:** Use of intranet, internal newsletters, and email communications to disseminate important information, policy updates, and organizational announcements. ▪ **Training and Development Programs:** Structured learning sessions, workshops, and e-learning modules to enhance employee skills and knowledge. ▪ **Employee Feedback Mechanisms:** Surveys, suggestion boxes, and open-door policies to encourage feedback, ideas, and concerns from employees. ▪ **HR and Managerial Interactions:** One-on-one discussions, performance reviews, and team meetings to support employee growth and address individual needs. ▪ **Recognition and Engagement Initiatives:** Programs and events designed to celebrate employee contributions and foster a positive workplace culture.	Ongoing	Working condition, Employee performance, Employee Satisfaction
Investors/ Shareholders	No	**Investor and Shareholder Communication Channels** Utkarsh Small Finance Bank maintains transparent and consistent communication with its investors and shareholders through a variety of formal engagement platforms, including: ▪ **Investor Meets:** Regularly organized sessions to share business updates, financial performance, and strategic direction. ▪ **Top Management Roadshows:** Interactive events where senior leadership engages with institutional investors and analysts to discuss the Bank's vision and growth plans. ▪ **Investor Grievance Channels:** Dedicated mechanisms such as email, helplines, and online portals to address and resolve investor concerns promptly and effectively. ▪ **Face-to-Face Meetings:** Personalized interactions with key investors to foster trust and provide clarity on business performance and outlook. ▪ **Annual General Meeting (AGM):** A statutory platform for shareholders to engage with the Board, vote on key resolutions, and receive updates on the Bank's performance. ▪ **Annual Report:** A comprehensive document detailing the Bank's financial results, strategic initiatives, governance practices, and sustainability efforts, shared with all stakeholders.	Need-based Periodically Annual Ongoing	Business Strategies and Performance

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulators	No	**Regulatory Communication Channels** Utkarsh Small Finance Bank maintains a proactive and transparent relationship with regulatory authorities through multiple formal channels, including: ▪ **One-on-One and Group Meetings:** Direct interactions with regulatory bodies to discuss compliance, policy updates, and operational matters. ▪ **Correspondence via Telephone, Email, and Mail:** Regular communication to ensure timely responses and information exchange. ▪ **Periodic Submissions:** Scheduled reporting of business and operational performance to meet regulatory expectations. ▪ **Mandatory Regulatory Filings:** Compliance with statutory requirements through timely submissions to authorities such as the Reserve Bank of India (RBI) and the Securities, Exchange Board of India (SEBI) etc. ▪ **Participation in Industry Platforms:** Active engagement in regulatory and banking forums, conferences, and meetings to stay aligned with evolving regulatory frameworks and contribute to sectoral dialogue.	Periodic Need-based	Legal Compliance
Communities	No	Utkarsh Small Finance Bank actively engages with communities through structured and impactful initiatives aimed at social development and empowerment. Key channels include: ▪ **Direct CSR Initiatives:** Implementation of community development programs across multiple locations, focusing on education, health, livelihood, and financial inclusion. ▪ **CSR Interventions via Utkarsh Foundation:** Strategic execution of social responsibility projects through the Utkarsh Welfare Foundation and its network of implementation partners to ensure sustainable and scalable impact. ▪ **Whistle Blower Mechanism:** A transparent and secure platform that allows community members and stakeholders to report unethical practices or grievances, reinforcing the Bank's commitment to accountability and ethical conduct.	Periodic Need-based Ongoing	Social welfare

Leadership Indicator

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Board Committees and Board-Delegated Committees regularly review progress on economic, environmental, and social matters through structured presentations made by respective department heads. These presentations provide updates on key initiatives, performance metrics, and stakeholder feedback, enabling the Board to stay informed and exercise effective oversight on sustainability and ESG-related topics

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. Inputs received from stakeholders are communicated through departmental feedback mechanisms. Based on these insights, relevant processes and policies are formulated or updated to address emerging priorities and ensure alignment with stakeholder expectations. This approach enables the Bank to integrate stakeholder perspectives into its sustainability strategy and operational practices.

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

   As a Small Finance Bank, Utkarsh is deeply committed to financial inclusion, extending its efforts well beyond regulatory obligations. The Bank continues to prioritize lending to the underserved, including small and marginal farmers and economically weaker sections, while also facilitating access to government-led financial initiatives aimed at improving financial service outreach.

   In addition to financial support, the Bank actively promotes financial literacy and digital education to ensure meaningful and inclusive participation in the financial ecosystem. Through its CSR initiatives, Utkarsh makes a significant impact by empowering socially, economically, financially, and physically disadvantaged communities. These initiatives are designed to foster self-reliance and contribute to sustainable and inclusive development.

   The Bank's community-focused programs emphasize livelihood enhancement, quality education, skill development, and public awareness on key issues such as financial and digital literacy. These efforts reflect Utkarsh's holistic approach to addressing the concerns of vulnerable and marginalized stakeholder groups.

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators

1. **Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of / employees workers covered (D)	% (D / C)
Employees						
Permanent	18389	7396	40%	19769	-	-
Other than permanent	29	0	0%	17	-	-
Total Employees	**18418**	**7396**	**40%**	**19786**	**-**	**-**
Workers						
Permanent	11	0	0%	10	0	0%
Other than permanent	1156	0	0%	1429	0	0%
Total Employees	**1167**	**0**	**0%**	**1439**	**0**	**0%**

2. **Details of minimum wages paid to employees, in the following format:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum wages		More than Minimum wages		Total (D)	Equal to Minimum wages		More than Minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	16051	0	0%	16051	100%	16,074	30	0.19%	16,044	99.81%
Female	2338	0	0%	2338	100%	2,758	21	0.76%	2,737	99.24%
Other than Permanent Employees										
Male	15	0	0%	15	100%	17	-	-	-	-
Female	14	0	0%	14	100%	0	-	-	-	-
Permanent Workers										
Male	11	0	0%	11	100%	10	-	-	-	-
Female	0	NA	NA	NA	NA	0	-	-	-	-
Other than permanent Workers										
Male	1078	0	0%	1078	100%	1357	-	-	-	-
Female	78	0	0%	78	100%	72	-	-	-	-

3. **Details of remuneration/salary/wages, in the following format:**

As an institution in the Banking sector, the Bank is compliant with the Labour laws of India, that stipulate minimum wages for employees falling under different categories. The Bank's remuneration of employees is in alignment with Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, in respect of Directors / Employees of the Bank. The remuneration paid to all the employees / MD & CEO / Whole-Time Directors of the Bank, for the fiscal 2023, is in accordance with the Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank.

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (in million rupees)	Number	Median remuneration/ salary/wages of respective category (in million rupees)
Board of Directors (BoD)		Please refer to 'Disclosure on Remuneration' of the Annual Report 2025-26 .		
Key Managerial Personnel		Please refer to 'Disclosure on Remuneration' of the Annual Report 2025-26 .		
Employees other than BoD and KMP	25,264	0.21 million	3,996	0.19 million
Workers				

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

Safety Incident/Number	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	11.39%	12.03%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Bank's commitment to human rights is anchored in its Human Rights Policy and supported by related governance frameworks. The policy reflects the Bank's commitment to upholding ethical business practices, promoting equality, dignity, and fair treatment across its operations and stakeholder interactions. The Bank also strives to foster an inclusive and respectful workplace environment while ensuring compliance with applicable regulatory and statutory requirements related to human rights principles.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Bank has in place an employee HRMS portal through which employee can communicate their grievances or concerns to the Management in a confidential and secure manner.

The Bank also has an Internal Complaints Committee for the Prevention of Sexual Harassment (POSH) to provide safe and secure environment for its female employees, also working on various aspects related to awareness, training and redressed.

The Bank, through its Code of Conduct lays down standards for acceptable employee behaviour on various professional and ethical aspects. The bank maintains highest standards of ethics, integrity, accountability and transparency and provide safeguards to various stakeholders including shareholders, depositors and employees.

6. **Number of Complaints on the following made by employees and workers:**

Benefits	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	18	6	-	12	1	Investigation under process
Discrimination at workplace	0	0	0	NA	NA	NA
Child Labour	0	0	0	NA	NA	NA
Forced Labour / Involuntary Labour	0	0	0	NA	NA	NA
Wages	0	0	0	NA	NA	NA
Other human rights related issues	0	0	0	NA	NA	NA

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2025-26	FY 2024-25
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	18	13
Complaints on POSH as a % of female employees/workers	1%	0.46%
Complaints on POSH upheld	5	6

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Bank has implemented a Whistle Blower Policy and a Prevention of Sexual Harassment (POSH) Policy to provide employees with a safe and secure mechanism for reporting concerns relating to misconduct, impropriety, abuse or inappropriate behaviour. These policies enable individuals to raise concerns without fear of retaliation, victimisation or discrimination.

   Confidentiality is strictly maintained during Committee proceedings, and the identity of the complainant or whistleblower is protected to the extent permitted under applicable laws. The Bank also provides multiple reporting channels for employees, customers, suppliers and other stakeholders to raise concerns or report violations of the Bank's Code of Conduct, policies or applicable laws, including human rights-related violations. All reported cases are carefully reviewed, and appropriate actions are taken on verified violations within a defined timeframe.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    Not Applicable.

Leadership Indicator

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints:**

   None.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.:**

   The Bank has not conducted a formal human rights due diligence exercise during FY 2025-26. However, the Bank remains committed to upholding human rights principles through its policies and practices.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   The Bank is committed to fostering an inclusive, safe and equitable workplace that respects human rights and promotes ethical business practices. The Bank continues to ensure that its workplaces remain conducive to all the employees and visitors.

4. **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed)
Sexual harassment	Nil
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	
Wages	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.:**

   Not Applicable.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format**

Parameter	FY 2025-26	FY 2024-25
From renewable source		
Total electricity consumption (A)	554	593
Total fuel consumption (B)	-	-
Energy consumption through other sources (C) (Solar/Wind)	-	-
Total energy consumed from renewable resources (A+B+C)	554	593
From non-renewable source		
Total electricity consumption (D)	45006	43874
Total fuel consumption (E)	24011	23891
Energy consumption through other sources (F)	-	-
Total energy consumed from non - renewable sources (D+E+F)	69018	67766
Total energy consumed (A+B+C+D+E+F)	69571	63858
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations)	18.26 GJ per Crore of turnover	18.16 GJ per Crore of turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	37.69 GJ per MUSD*	37.51 GJ per MUSD*
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. Independent assurance has not been carried out in FY 2025-26.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Given the nature of the Bank's business operations, this is not applicable to the Bank.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	13,888.00	11,814.37
(iii) Third party water*	-	-
(iv) Seawater / desalinated water	-	-
(v) Water from municipal corporation	-	-
(v) Others – Water Bottles	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**13,888.00**	**11,814.37**

Parameter	FY 2025-26	FY 2024-25
Total volume of water consumption (in kiloliters)	**6,295**	**6,736**
Water intensity per rupee of turnover (Total water consumption / Revenue from operation)	1.7 KL/Crore of turnover	1.8 KL/Crore of turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	3.4 KL/MUSD*	3.7 KL/MUSD*
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. Independent assurance has not been carried out in FY 2025-26.

4. Provide the following details related to water discharge:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	
(iii) To Seawater	-	
- No treatment	-	
- With treatment – please specify level of treatment	-	
(iv) Sent to third-parties	-	
- No treatment	-	
- With treatment – please specify level of Treatment	-	
(v) Others	-	
- No treatment	7593	5078
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	7593	5078

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. Independent assurance has not been carried out in FY 2025-26.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Due to the nature of our operations, ZLD is not relevant.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	gm/KWh		
Sox	gm/KWh		
Particulate matter (PM)	gm/KWh		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – please specify	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. Independent assurance has not been carried out in FY 2025-26.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric ton of CO2 equivalent	1934	1925
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric ton of CO2 equivalent	8876	8860
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric ton of CO2 Equivalent / Crores of Turnover	2.84	2.86
Total Scope 1 and Scope 2 emission intensity per million USD of turnover adjusted for Purchasing Power Parity (PPP)(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric ton of CO2 Equivalent / MUSD of PPP adjusted Turnover	5.86* tCO2/MUSD	5.92* tCO2/MUSD
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Independent Assessment has been carried out by Sustainability Actions (P) Ltd.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The following initiatives have been undertaken by Utkarsh SFB:

- 140 kW solar PV system offsetting more than 11% of the annual energy demand. The reduction in percentage compared to earlier estimates is due to the commissioning and full operationalization of Phase 2 of the building. Phase 2, which was previously not in use, has been fully started since last year with employee seating completed on all floors, resulting in a significant increase in overall energy consumption.
- CO^2 sensors installed at each floor level to monitor and ensure CO^2 levels remain below the threshold of 900 ppm, helping eliminate sick building syndrome by maintaining good indoor air quality.
- Energy efficient lighting fixtures installed across the building, reducing overall lighting load.
- Building orientation and façade design optimized to reduce annual heat gain by approximately 3% compared to a conventional building.

- Use of AAC blocks instead of red clay bricks, puff insulation in the roof, double glazed units, recessed windows, high COP chillers, thermostats, BMS, cooling towers with VFDs, high efficiency motors, demand controlled ventilation, and lighting management systems, making the building around 40% more energy efficient than conventional buildings.
- Lighting management system provided to monitor and control lighting based on occupancy patterns and scheduling for interior and exterior lighting.
- Low flow plumbing fixtures installed, reducing water demand by approximately 70% compared to conventional buildings.
- 90 KLD on site STP treating 100% of wastewater generated, resulting in zero wastewater discharge from the site.
- Usage of more than 25% fly ash blended cement and 100% AAC blocks & fly ash bricks to reduce consumption of virgin construction materials.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric ton)		
Plastic waste (A)	-	-
E-waste (B)	9.30	4.60
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	2.64
Radioactive waste (F)	-	-
Other Hazardous waste. (Engine Oil)	0.40	0.28
Other non-hazardous waste generated if any. (H) - Paper	2.01	NA
Total (A+B + C + D + E + F + G + H)	11.71	7.52
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0031 tons/Crore of turnover	0.0020 tons/ Crore of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0063 tons/ MUSD*	0.0041 tons/ MUSD*
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric ton)		
Category of waste – Plastics / E-Waste / Battery / Zinc / Paper / Steel / Corrugated Box / Other Metal Waste / Glass Waste		
(i) Recycled	11.31	7.24
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**11.31**	**7.24**
For each category of waste generated, total waste disposed by nature of disposal method (in metric ton)		
Category of waste		
(i) Incineration (Bio Medical Waste / Used Oil / Wood)	0.40	0.28
(ii) Landfilling (Paint sludge / Organic Waste)	-	-
(iii) Other disposal operations	-	-
Total	**0.40**	**0.28**

*As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No. Independent assurance has not been carried out in FY 2025-26.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank has a centralised and robust waste management system that helps segregate, collect, transport and recycle all the different categories of waste generated, The Bank has undertaken several initiatives that helped reduction in waste generation, responsible waste disposal & recycling and reduce the load on landfills. In fiscal 2024, The Bank has deployed necessary systems and processes to effectively and sustainably manage e-waste/ Hazardous waste. In addition, the Bank's digitization efforts across its office and branch locations are also helping rationalise its paper requirements. The e-waste generated by the Bank primarily consists of computers, monitors, modems, switches, laptops, scanners, routers, printers, and UPS systems. In addition to this, the Bank have engaged authorised vendors empanelled with SPCB (State Pollution Control Board) and CPCB (Central Pollution Control Board) for disposal of e-waste in compliance with pertinent government regulations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No offices/branches are in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S.No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the bank is compliant with all the environmental laws and regulations.				

Leadership Indicator

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

i. Name of the area - Not Applicable

ii. Nature of operations - Not Applicable

iii. Water withdrawal, consumption and discharge in the following format - Not Applicable

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (water consumed/turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

Parameter	FY 2025-26	FY 2024-25
(ii) Into Groundwater	NA	NA
– No treatment	NA	NA
– With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
– No treatment	NA	NA
– With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	NA	NA
– No treatment	NA	NA
– With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
– No treatment	NA	NA
– With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable as the bank doesn't have operations in/around ecologically sensitive areas.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		-	

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Utkarsh Small Finance Bank has a comprehensive Business Continuity Management Framework in place, aligned with global best practices and regulatory requirements. The Bank is ISO 22301:2019 certified, demonstrating a strong commitment to operational resilience. The framework includes defined BCM policies, crisis and emergency management structures, business recovery strategies, and IT disaster recovery processes. All Critical business units/processes conduct Business Impact Analyses (BIA) and maintain updated Business Continuity Plans (BCPs) to ensure uninterrupted services during disruptions.

https://www.utkarsh.bank.in/business-continuity-plan

https://www.utkarsh.bank.in/images/Utkarsh_Small_Finance_Bank_Limited_ISO_22301_2019_Certificate.pdf

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not tracked.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Nil.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   4 (Four).

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Bank Association (IBA) – Ordinary Member	National
2	FICCI – Associate Membership	National
3	ASFBI – Association of SFBs	National
4	MFIN	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not applicable.

Leadership Indicator

1. **Details of public policy positions advocated by the entity:**

S.No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually, Half Yearly, Quarterly, Others Please specify)	Web Link, if available
Nil					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S.No.	Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PFAs in the FY (in INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Bank and its implementation partners engage with communities on a periodic basis. Any complaints or grievances raised by community members are addressed and resolved on-site, as and when required. Community members may also raise queries or complaints by writing to communications@utkarsh.bank or through the Bank's toll-free number available on the Online Dispute Resolution (ODR) platform at https://odr.utkarsh.bank.in/utkarsh-mbank/.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	Not Applicable due to the nature of the business as we are not manufacturing any physical product.	
Sourced directly from within India		

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage**

Parameter	FY 2025-26	FY 2024-25
Rural	21%	24%
Semi-Urban	22%	29%
Urban	18%	21%
Metropolitan	39%	26%

Leadership Indicator

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

S.No.	Details of negative social impact identified	Corrective actions taken
1	Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No.	State	Aspirational District	Amount spent (In INR)
1.	Uttarakhand	Haridwar	24,87,108
2.	Uttarakhand	Udham Singh Nagar	10,38,487
3.	Jharkhand	Hazaribagh	48,951
4.	Jharkhand	Giridih	3,92,745
5.	Jharkhand	Palamu	18,07,547
6.	Jharkhand	Ranchi	36,000
7.	Uttar Pradesh	Sonbhadra	7,71,663

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):**

   No

   (b) From which marginalized /vulnerable groups do you procure?

   NA

   (c) What percentage of total procurement (by value) does it constitute?

   NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

S.No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	NIL	NIL	NIL	NIL

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the case	Corrective actions taken
NIL	NIL	NIL

6. **Details of beneficiaries of CSR Projects:**

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Financial Literacy	1,07,978	90%*
2	Health Initiatives	4,61,940	90%
3	Education	16,057	90%
4	Skill, Vocational and Entrepreneurship Development	1,702	90%
5	Village Development Program	4,963	90%

* Approximately 90% of the beneficiaries from our CSR projects belong to vulnerable and marginalized groups. However, since we work in the entire village(s) some percentage of the beneficiaries would be those who do not fall under Vulnerable and marginalised groups.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Bank has Grievance Redressal Policy which aims to provide a structured mechanism for receipt/resolution of customer complaints and an efficient review mechanism to improve product/service delivery based on review/ analysis of complaints. The Bank's policy on grievance redressal strives to ensure that:

1. Customers are always treated fairly, and the Bank's employees work in good faith without prejudice to the interests of customers.
2. Complaints received from customers are dealt with courtesy and resolved efficiently.
3. Complaint resolution by the Bank is fair, consistent and in accordance with applicable rules and regulations.
4. Customers are fully informed of avenues to escalate their complaints/grievances within the organization and their rights to alternative remedy, if they are not fully satisfied with the response/ resolution provided by the Bank.

The Policy would be available on the notice board of all branches and also on the Bank's website to ensure that all customers are aware of the complaint submission and escalation process. Further, the Bank would ensure that the employees are aware about this Policy and the complaint resolution process.

- A customer has full right to register his complaint if he is not satisfied with the services provided by the Bank. He can communicate his complaint in writing, orally or over telephone. If a customer's complaint is not resolved within a reasonable/assured time frame or if he is not satisfied with the solution provided by the Bank, he may approach the Banking Ombudsman with his/her complaint or pursue other legal avenues available for grievance redressal, Detail Policy can be access through following Link- https://www.utkarsh.bank/uploads/policy/Grievance_Redressal_Policy.pdf
- In line with RBI guidelines, all customer claims pertaining to unauthorized Electronic Banking transactions will be governed by the Consumer Protection Policy of the Bank, a copy of which is available on the Bank's website.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Benefits	FY 2025-26			FY 2024-25		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Data Privacy	-	-	-	0	0	NA
Advertising	-	-	-	0	0	NA

Benefits	FY 2025-26			FY 2024-25		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Cyber Security	680	8	Out of 08 open complaints in this segment only 03 complaints are in open status as on April 15, 2026 and remaining were resolved.	388	0	NA
Delivery of essential services	-	-	-	0	0	NA
Quality of products	-	-	-	0	0	NA
Restrictive Trade Practices	-	-	-	0	0	NA
Unfair Trade Practices	-	-	-	0	0	NA
Others	7657	51	Out of 51 open complaints in this segment only 05 (Transaction Dispute related where resolution dependency on Acquirer Bank) complaints are in open status on April 15, 2026 and remain were resolved.	5411	110	Out of 110 open complaints reported to RBI by 15-04-2025. Only 25 complaints are pending for Resolution by 15-04-2025. Out of 25 complaints, 18 complaints are related to Transaction Dispute, 05 are related to Fraud & 02 are related to Utkarsh BHIM UPI pin creation(IT Production movement required).

4. **Details of instances of product recalls on account of safety issues: No product recall has happened on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	-	NA
Forced recalls	-	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. https://www.utkarsh.bank.in/uploads/policy/Data_Privacy_Policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Not Applicable

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches - 0

   b) Percentage of data breaches involving personally identifiable information of customers - NA

   c) Impact, if any, of the data breaches - NA

Leadership Indicator

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Utkarsh Small Finance Bank provides affordable banking services, including savings and current accounts, fixed deposits, recurring deposits, and various loan products such as housing loans, business loans, and loans against property. The bank adheres to stringent norms set by the Reserve Bank of India, and its representatives follow key codes, policies, and commitments toward customers, which are accessible on the bank's website https://www.utkarsh.bank/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Utkarsh Small Finance Bank consistently aims to offer seamless services. The bank actively engages with customers through Client meet and Finance literacy camp, providing valuable information for the safe and responsible use of its products and services.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Bank has adequate measures in place towards informing its customers of any risks of disruption or discontinuation of its services, which are also guided by the appropriate regulations for the Bank as per Bank's Business Continuity.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes)**

   The bank prioritizes transparency by ensuring that contracts and agreements are easily understood and well-communicated to customers. This includes providing information on product pricing, associated risks, terms and conditions, and customer responsibilities. The bank achieves this through various means, such as displaying product-related information on their website, offering clear communication channels, and training staff to provide accurate information.

Financial Statements

Independent Auditor's Report

To
The Members of
Utkarsh Small Finance Bank Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Utkarsh Small Finance Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2026, the Profit and Loss Account, and the Cash Flow Statement for the year ended on that date, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information ('the Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 ('AS') and other accounting principles generally accepted in India, of the State of Affairs of the Bank as at 31 March 2026, and its Loss and its Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act, and the Rules 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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters:

Key Audit Matter	How the matter was addressed in our audit
1. Information Technology (IT) Systems and controls over financial reporting	
As the Bank operates on core banking solution across its branches and asset centres, the reliability and security of Information Technology ("IT") systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. IT infrastructure is critical for smooth functioning and accurate accounting and financial reporting process. Due to the pervasive nature and complexity of the IT environment, we have ascertained key IT systems used in financial reporting process and its related controls as a key audit matter.	In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT control environment, IT infrastructure and IT systems. We conducted an assessment and identified key IT systems that are critical for accounting and financial reporting process and are relevant for our audit and tested their internal controls. In particular: ▪ We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit; ▪ We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the relevant IT systems that are critical to accounting and financial reporting. This included evaluation of Bank's controls for user access management, program change management, database management, network operations, incident management and other IT operations performed by the Bank during the period of audit;

Key Audit Matter	How the matter was addressed in our audit
	▪ We tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; and ▪ We also tested compensating controls and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.
2. Income Recognition, Asset Classification and Provisioning on Advances (IRAC) as per the regulatory requirements. Total Loans and Advances (Net of Provision) as at 31 March 2026: INR 18,069.59 Crore Provision for NPAs as at 31 March 2026: INR 865.85 Crore Refer Schedule 9, Schedule 17.4 (B) and Schedule 18.4.1	
The Bank is required to comply with the Master Directions issued by the Reserve Bank of India ('RBI') on 'Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the IRAC norms') and amendments thereto ("RBI guidelines") which prescribes the norms for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors. As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit due to stakeholder and regulatory focus, we have identified this as a key audit matter.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: ▪ We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines; ▪ We have analysed and understood key IT systems/ applications used and tested the design and implementation and operational effectiveness of relevant controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to RBI guidelines and provisioning pertaining to advances. » We test checked advances to examine the validity and accuracy of the recorded amounts, provision for NPAs, and compliance with IRAC norms of RBI; and » Assessed appropriateness & the adequacy of disclosures as per RBI guidelines relating to NPAs

Other Information

5. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Bank's Annual Report but does not include the Financial Statements and our auditor's report thereon. The Other Information included is expected to be made available to us after the date of this auditor's report.

6. Our opinion on the Financial Statements do not cover the other information and Basel II Disclosures and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

8. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

9. The Bank's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the State of Affairs, Loss and Cash Flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India and provisions of section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued

by the RBI from time to time ('RBI Guidelines'). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

11. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

    13.1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Financial Statements and the operating effectiveness of such controls.

    13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    13.4. Conclude on the appropriateness of the Management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

    13.5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

14. 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.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial

Statements for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. Attention is drawn to the fact that the Financial Statements of the Bank for the year ended 31 March 2025 were audited by predecessor auditors whose report dated 03 May 2025 expressed an unmodified opinion on those Financial Statements. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

18. In our opinion, the Balance Sheet and the Profit and Loss account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and relevant rules issued thereunder.

19. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, based on our audit we report that:

    19.1. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

    19.2. The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and

    19.3. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally, as all the necessary records and data required for the purposes of our audit are available therein. We have visited 29 branches to examine the records maintained at such branches for the purpose of our audit.

20. Further, as required by Section 143(3) of the Act based on our audit we report, to the extent applicable, that:

    20.1. 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.

    20.2. In our opinion, except for the matter stated in the paragraph 21.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 (as amended) ('the Rules'), proper books of account as required by law have been kept by the Bank, so far as it appears from our examination of those books of accounts.

    20.3. The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    20.4. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

    20.5. On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

    20.6. With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 20.2 above on reporting under Section 143(3)(b) and paragraph 21.8 below on reporting under Rule 11(g) of the Rules.

    20.7. With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

    20.8. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended; The Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act, do not apply.

21. 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:

    21.1. The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Schedule 12 - Contingent Liabilities to the Financial Statements.

    21.2. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    21.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

21.4. The Management has represented, to best of their knowledge and belief that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

21.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, 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.

21.6. Based on such 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 representation under sub clause (i) and (ii) of Rule 11(e), as provided under para 21.4 and 21.5 above, contain any material misstatement.

21.7. The Bank has not declared and / or paid any dividend during the year.

21.8. Based on our examination which included test checks, the Bank has used various accounting software for maintaining its books of account which have feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except the audit trail feature was not enabled throughout the year at the database level in respect of one accounting software to log any direct data changes.

Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Bank as per the statutory requirements for record retention. In respect of the aforesaid databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with and whether audit trail was retained, does not arise.

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm Registration Number: 107122W/ W100672

Navin Kumar Jain
Partner
ICAI Membership No.: 090847
UDIN: 26090847XEGYBQ2628

Place: Mumbai
Date: 09 May 2026

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah
Partner
ICAI Membership No.: 117348
UDIN: 26117348QAMNOS4407

Place: Mumbai
Date: 09 May 2026

Annexure 'A' to the Independent Auditors' report

on the Financial Statements of Utkarsh Small Finance Bank Limited for the year ended 31 March 2026

(Referred to in paragraph '20.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of Utkarsh Small Finance Bank Limited ('the Bank') as at 31 March 2026 in conjunction with our audit of the Financial Statements of the Bank for the year ended on that date.

2. In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal controls over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. 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 Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the 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.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Financial Statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

7. A bank's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls with reference to the Financial Statements include those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and Directors of the Bank; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the 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 with reference to the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm Registration Number: 107122W/ W100672

Navin Kumar Jain
Partner
ICAI Membership No.: 090847
UDIN: 26090847XEGYBQ2628

Place: Mumbai
Date: 09 May 2026

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah
Partner
ICAI Membership No.: 117348
UDIN: 26117348QAMNOS4407

Place: Mumbai
Date: 09 May 2026

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Balance Sheet as at March 31, 2026

(₹ in '000s)

	Schedule	As at March 31, 2026 Audited	As at March 31, 2025 Audited
CAPITAL and LIABILITIES			
Capital	1	1,77,95,237	1,10,16,099
Employees' Stock Option Outstanding		5,46,304	4,37,128
Reserves and Surplus	2	94,14,478	1,82,91,815
Deposits	3	21,65,39,804	21,56,56,989
Borrowings	4	2,82,94,391	2,35,47,658
Other Liabilities and Provisions	5	1,61,00,527	1,23,24,681
Total		**28,86,90,741**	**28,12,74,370**
ASSETS			
Cash and balances with Reserve Bank of India	6	1,69,21,447	2,63,82,821
Balances with banks and money at call and short notice	7	62,90,842	79,83,390
Investments	8	6,91,40,504	4,95,78,851
Advances	9	18,06,95,890	18,71,64,758
Fixed Assets	10	45,78,297	38,69,206
Other Assets	11	1,10,63,761	62,95,344
Total		**28,86,90,741**	**28,12,74,370**
Contingent Liabilities	12	7,68,019	8,94,261
Bills for Collection		-	-
Significant accounting policies	17		
Explanatory notes to audited financial statements	18		

Schedules referred to above form an integral part of the Financial statements. The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached

for **M M NISSIM & CO LLP**
Chartered Accountants
ICAI Firm RegistrationNo. 107122W/W100672

Navin Kumar Jain
Partner
Membership No. 090847

for **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm RegistrationNo. 105146W/W100621

Gautam Shah
Partner
Membership No. 117348

Place : Mumbai
Date : May 09, 2026

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

Dr. Kshatrapati Shivaji
Chairman
DIN : 01185381

Gauri Rushabh Shah
Director
DIN: 06625227

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 09, 2026

Profit and Loss Account for the year ended March 31, 2026

(₹ in '000s)

		Schedule	For the year ended March 31, 2026 Audited	For the year ended March 31, 2025 Audited
I	**INCOME**			
	Interest Earned	13	3,37,87,804	3,76,49,260
	Other Income	14	43,09,665	59,98,343
	Total		**3,80,97,469**	**4,36,47,603**
II	**EXPENDITURE**			
	Interest Expended	15	1,90,20,383	1,74,20,624
	Operating Expenses	16	1,85,13,588	1,61,57,659
	Provisions and Contingencies	18.14.5	1,20,73,282	98,32,315
	Total		**4,96,07,253**	**4,34,10,598**
III	**PROFIT/(LOSS)**			
	Net Profit/(Loss) for the year		(1,15,09,784)	2,37,005
	Balance in Profit and Loss account brought forward from previous year		87,92,430	93,66,953
	Total		**(27,17,354)**	**96,03,958**
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		-	59,251
	Transfer (from)/ to Investment Fluctuation Reserve		(2,33,796)	1,35,298
	Transfer to Capital Reserve		2,30,308	66,748
	Payment of Dividend		-	5,50,231
	Balance carried over to Balance Sheet		**(27,13,866)**	**87,92,430**
	Total		**(27,17,354)**	**96,03,958**
V	**EARNINGS PER EQUITY SHARE**	18.15		
	Basic EPS (₹)		**(8.37)**	**0.22**
	Diluted EPS (₹)		**(8.37)**	**0.22**
	Face Value per share (₹)		**10**	**10**

Schedules referred to above form an integral part of the Financial statements. The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached

for **M M NISSIM & CO LLP**
Chartered Accountants

ICAI Firm RegistrationNo. 107122W/W100672

Navin Kumar Jain
Partner
Membership No. 090847

for **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm RegistrationNo. 105146W/W100621

Gautam Shah
Partner
Membership No. 117348

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

Dr. Kshatrapati Shivaji
Chairman
DIN : 01185381

Gauri Rushabh Shah
Director
DIN: 06625227

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 09, 2026

Place : Mumbai
Date : May 09, 2026

Cash Flow Statement for the year ended March 31, 2026

(₹ in '000s)

S. No	Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
I	**Cash flow from operating activities**			
	Profit/(Loss) before taxes		(1,50,66,136)	2,76,472
	Adjustments for:-			
	Depreciation on fixed assets		7,73,300	7,65,691
	Depreciation on investments, net		10,48,945	3,61,110
	Amortization of premium on Held to Maturity (HTM) Investment		2,52,006	1,93,123
	Profit on sale & Redemption of HTM portfolio		(4,10,356)	(1,18,930)
	Write-off of non performing advances		1,08,95,967	24,61,663
	Provision for standard advances and other contingencies		(14,286)	(12,09,312)
	Provision for non performing advances (net of reversal)		(8,32,630)	68,46,383
	(Profit)/Loss on sale of fixed assets (Net)		1,893	(2,396)
	ESOP expenses		1,42,567	2,50,194
	Other Income / Operating Expenses (written back / off)		-	(11,61,163)
	Other provisions and write off		(6,785)	34,639
		(i)	**(32,15,515)**	**86,97,474**
	Adjustments for:-			
	Decrease/(Increase) in investments other than HTM securities		1,06,40,863	(71,25,993)
	(Increase) in advances		(35,94,468)	(3,28,24,714)
	Increase in deposits		8,82,814	4,09,31,009
	(Increase) in other assets		(6,73,036)	(20,77,849)
	Increase in other liabilities and provisions		37,96,916	47,485
		(ii)	**1,10,53,089**	**(10,50,062)**
	Payment of direct taxes	(iii)	**(30,659)**	**11,08,370**
	Net cash flow (used in) / generated from operating activities (A)		**78,06,915**	**87,55,782**
II	**Cash flow from/(used in) investing activities**			
	Purchase of fixed assets including capital work in progress		(14,94,625)	(15,89,615)
	Proceeds from sale of fixed assets		71,376	12,770
	Purchase of HTM securities		(6,59,80,861)	(1,10,79,163)
	Proceeds from sale of HTM investments		3,43,18,346	48,87,200
	Net cash flow (used in) investing activities (B)		**(3,30,85,764)**	**(77,68,808)**
III	**Cash flow from/(used in) Financing Activities**			
	Proceeds from issue of share capital		94,90,793	57,919
	Payment of dividend		-	(5,50,231)
	Share issue expenses		(1,12,599)	-
	Borrowings taken		33,53,44,331	1,46,07,004
	Net Proceeds / (repayments) from borrowings		(33,05,97,598)	(1,10,10,154)
	Net cash flow (used in)/generated from financing activities (C)		**1,41,24,927**	**31,04,538**

Cash Flow Statement for the year ended March 31, 2026

(₹ in '000s)

S. No	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
IV	**Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)**	(1,11,53,922)	40,91,512
V	**Cash and cash equivalents at the beginning of the year**	3,43,65,826	3,02,74,314
VI	**Cash and cash equivalents at the end of the year**	2,32,11,904	3,43,65,826
	Notes to the Cash Flow Statement:		
	Cash and cash equivalents includes the following:		
	(i) Cash in hand (Refer Schedule 6)	**9,90,362**	**7,92,732**
	(ii) Balances with Reserve Bank of India (Refer Schedule 6)	**1,59,31,085**	**2,55,90,089**
	(iii) Balance with banks and money at call and short notice (Refer Schedule 7) (Excluding balances under lien)	**62,90,457**	**79,83,005**
	Cash and cash equivalents at the end of the year	**2,32,11,904**	**3,43,65,826**

The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 - Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

As per our report of even date attached

for **M M NISSIM & CO LLP**
Chartered Accountants
ICAI Firm RegistrationNo. 107122W/W100672

Navin Kumar Jain
Partner
Membership No. 090847

for **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm RegistrationNo. 105146W/W100621

Gautam Shah
Partner
Membership No. 117348

Place : Mumbai
Date : May 09, 2026

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

Dr. Kshatrapati Shivaji
Chairman
DIN : 01185381

Gauri Rushabh Shah
Director
DIN: 06625227

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 09, 2026

Schedules forming part of the Balance Sheet

as at March 31, 2026

Schedule 1 - Capital

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised Capital		
1,80,00,00,000 Equity shares of ₹10/- each (March 31, 2025: 1,80,00,00,000 Equity shares of ₹10/- each)	1,80,00,000	1,80,00,000
20,00,00,000 Preference shares of ₹10/- each (March 31, 2025: 20,00,00,000 Preference shares of ₹10/- each)	20,00,000	20,00,000
Issued, subscribed and fully paid-up capital		
1,77,95,23,684 Equity shares of ₹10/- each (March 31, 2025: 1,10,16,09,900 Equity shares of ₹10/- each)	1,77,95,237	1,10,16,099
TOTAL	**1,77,95,237**	**1,10,16,099**

Note:

The Bank has completed the process of Right issue and raised ₹94,907.93 lakhs by issue of 67,79,13,784 equity shares which got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on November 07, 2025.

Schedule 2 - Reserves and Surplus

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Statutory Reserve		
Opening balance	34,61,432	34,02,181
Addition during the year	-	59,251
Deduction during the year	-	-
Total	**34,61,432**	**34,61,432**
2. Capital Reserve		
Opening balance	1,56,955	90,207
Addition during the year*	2,30,308	66,748
Deduction during the year	-	-
Total	**3,87,263**	**1,56,955**
3. Share Premium **		
Opening balance	56,09,284	55,42,778
Addition during the year	27,11,655	61,443
Deduction during the year	1,12,599	(5,063)
Total	**82,08,340**	**56,09,284**
4. Investment Fluctuation Reserve		
Opening balance	2,54,516	1,19,218
Addition during the year	-	1,35,298
Deduction during the year	(2,33,796)	-
Total	**20,720**	**2,54,516**
5. General Reserve		
Opening balance	17,198	-
Addition during the year	33,391	17,198
Deduction during the year	-	-
Total	**50,589**	**17,198**
6. Balance in Profit and Loss Account	(27,13,866)	87,92,430
Total (1 to 6)	**94,14,478**	**1,82,91,815**

* Refer Schedule 18.3.5

** For addition and deduction in share premium refer schedule 18.1.3

Schedules forming part of the Balance Sheet
as at March 31, 2026

Schedule 3 - Deposits

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
A. 1. Demand Deposits		
i) From banks	9,92,534	14,03,378
ii) From others	69,68,976	50,39,325
Total	**79,61,510**	**64,42,703**
2. Savings Bank Deposits	4,39,98,373	4,05,48,851
3. Term Deposits		
i) From banks	2,68,60,236	4,72,48,226
ii) From others	13,77,19,685	12,14,17,209
Total	**16,45,79,921**	**16,86,65,435**
TOTAL (1 to 3) [1]	**21,65,39,804**	**21,56,56,989**
B. i. Deposits of branches in India	21,65,39,804	21,56,56,989
ii. Deposits of branches outside India	-	-
TOTAL (i + ii) [1]	**21,65,39,804**	**21,56,56,989**

[1] Includes deposit under lien amounting to ₹1,518.93 Crore (previous Year ₹447.63 Crore)

Schedule 4 - Borrowings

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Borrowings in India		
i) Reserve Bank of India	30,00,000	-
ii) Other banks	-	-
iii) Other institutions and agencies		
a) Government of India	-	-
b) Financial institutions	1,51,83,560	1,83,37,640
iv) Capital instruments		
a) Borrowing in the form of bonds and debentures * (subordinated debt included in Tier 2 capital)	50,00,000	51,50,000
v) Other borrowings	51,10,831	60,018
Total borrowings in India	**2,82,94,391**	**2,35,47,658**
2. Borrowings outside India	-	-
TOTAL (1 + 2)	**2,82,94,391**	**2,35,47,658**
Secured borrowings included in 1 and 2 above	**30,00,000**	**-**

Refinance borrowings in India of ₹1,518.36 Crore (March 31, 2025: ₹1,833.76 Crore)

* Represents unsecured bonds and debentures eligible for classification under Tier II capital

Other borrowings for March 31, 2026 represents Market Repo

Schedule 5 – Other Liabilities and Provisions

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Bills payable	13,86,758	12,96,567
2. Inter office adjustments (net)	-	-
3. Interest accrued	1,03,24,833	73,62,018
4 General provision against standard asset	6,36,220	6,50,736
5 Others (including provisions)	37,52,716	30,15,360
TOTAL (1 to 5)	**1,61,00,527**	**1,23,24,681**

Schedules forming part of the Balance Sheet
as at March 31, 2026

Schedule 6 – Cash and balances with Reserve Bank of India

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Cash in hand	9,90,362	7,92,732
2. Balances with Reserve Bank of India		
i) In current account	65,11,085	67,50,089
ii) In other accounts	94,20,000	1,88,40,000
TOTAL (1 + 2)	**1,69,21,447**	**2,63,82,821**

Schedule 7 – Balance with banks and money at call and short notice

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. In India		
i) Balances with banks		
a) In current accounts	3,48,325	4,35,294
b) In other deposit accounts*	54,42,517	10,50,317
ii) Money at call and short notice		
a) With banks	5,00,000	12,50,000
b) With other institutions	-	52,47,779
Total (i + ii)	**62,90,842**	**79,83,390**
2. Outside India		
i) In current accounts	-	-
ii) In other deposits accounts	-	-
iii) Money at call and short notice	-	-
Total	-	-
TOTAL (1 + 2)	**62,90,842**	**79,83,390**

* includes deposit under lien ₹0.04 Crore (March 31, 2025: ₹0.04 Crore)

Schedule 8 – Investments

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Investments in India (net of provisions)		
i) Government securities *	6,81,04,527	4,22,01,075
ii) Other approved securities	-	-
iii) Shares	44,263	67,890
iv) Debentures and bonds	-	-
v) Subsidiaries / joint ventures	-	-
vi) Others (certificate of deposits and security receipts)	9,91,714	73,09,886
Total (i to vi)	**6,91,40,504**	**4,95,78,851**
2. Investments Outside India (net of provisions)		
i) Government securities	-	-
ii) Subsidiaries / joint ventures	-	-
iii) Others	-	-
Total (i to iii)	-	-
TOTAL (1 + 2)	**6,91,40,504**	**4,95,78,851**

* Includes securities of book value of ₹527.58 Crore (March 31, 2025: ₹150.22 Crore) pledged for clearing facilities and margin requirement.

Schedules forming part of the Balance Sheet

as at March 31, 2026

Schedule 9 – Advances (net of provisions)

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
A. i) Bills purchased and discounted	30,42,590	-
ii) Cash credits, overdrafts and loans repayable on demand	95,35,237	68,57,371
iii) Term loans	16,81,18,063	18,03,07,387
Total (i to iii)	**18,06,95,890**	**18,71,64,758**
B. i) Secured by tangible assets	9,70,64,636	8,40,18,747
ii) Covered by Bank/Government guarantees	2,48,59,580	2,90,828
iii) Unsecured	5,87,71,674	10,28,55,183
Total (i to iii)	**18,06,95,890**	**18,71,64,758**
C.1 Advances in India		
i) Priority sector	11,22,46,381	13,52,41,411
ii) Public sector	-	-
iii) Banks	1,70,926	-
iv) Others	6,82,78,583	5,19,23,347
Total (i to iv)	**18,06,95,890**	**18,71,64,758**
C.2 Advances Outside India		
i) Due from banks	-	-
ii) Due from others	-	-
a) Bills purchases and discounted	-	-
b) Syndicated loans	-	-
c) Others	-	-
Total (i + ii)	**-**	**-**
TOTAL (C.1 + C.2)	**18,06,95,890**	**18,71,64,758**

1. Net of IBPC of ₹397 Crore (March 31, 2025: NIL)
2. Including advances against book debts of ₹1,602.34 Crore (March 31, 2025: ₹1,337.27 Crore)

Schedule 10 – Fixed Assets

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Premises		
i) At cost at 31st March of the preceding year	11,22,502	11,22,502
ii) Additions during the year	2,01,749	-
iii) Deductions during the year	-	-
iv) Accumulated depreciation to date	70,839	50,886
Total (i + ii - iii - iv)	**12,53,412**	**10,71,616**
2. Other Fixed Assets (including furniture and fixtures)		
i) At cost at 31st March of the preceding year	48,94,798	39,91,466
ii) Additions during the year	7,32,679	9,85,284
iii) Deductions during the year	2,63,918	81,952
iv) Accumulated depreciation to date	32,89,951	27,78,014
Total (i + ii - iii - iv)	**20,73,608**	**21,16,784**

Schedules forming part of the Balance Sheet
as at March 31, 2026

Schedule 10 – Fixed Assets (Contd.)

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
3. Leased Assets		
i) At cost at 31st March of the preceding year	2,89,225	2,73,271
ii) Additions during the year	-	17,004
iii) Deductions during the year	1,23,647	1,050
iv) Accumulated depreciation to date	1,65,578	2,38,464
Total (i + ii - iii - iv)	**-**	**50,761**
4. Capital Work in Progress	12,51,277	6,30,045
TOTAL (1 to 4)	**45,78,297**	**38,69,206**

Schedule 11 – Other Assets

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Inter-office adjustment (net)	-	-
2. Interest accrued	27,46,783	19,88,954
3. Tax Paid in advance/tax deducted at source (net of provisions)	30,659	5,88,628
4. Stationery and stamps	-	-
5. Non-banking assets acquired in satisfaction of claims	-	-
6. Deferred Tax Asset (net)	47,31,626	11,73,446
7. Others	35,54,693	25,44,316
TOTAL (1 to 7)	**1,10,63,761**	**62,95,344**

Schedule 12 – Contingent Liabilities

(₹ in '000s)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Claims against the bank not acknowledged as debts	-	-
2. Liability for partly paid investment	-	-
3. Liability on account of outstanding forward exchange contracts	-	-
4. Liability on account of outstanding derivative contracts	-	-
5. Guarantees given on behalf of constituents		
i) In India	3,20,629	3,08,228
ii) Outside India	-	-
6. Acceptances, endorsements and other obligations	-	-
7. Other items for which the bank is contingently liable *	4,47,390	5,86,033
TOTAL (1 to 7)	**7,68,019**	**8,94,261**

* Includes capital commitment of ₹41.88 Crore , Tax litigation of ₹2.51 Crore and other litigation of ₹0.34 Crore (March 31, 2025: capital Commitment of ₹55.30 Crore , Tax litigation of ₹0.41 Crore and other litigation of ₹2.90 Crore)

Refer note 18.23.2

Schedules forming part of the Profit and Loss Account

for the year ended March 31, 2026

Schedule 13 – Interest Earned

(₹ in '000s)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1. Interest / discount on advances / bills	2,84,57,516	3,33,69,612
2. Income on investments	40,16,790	27,80,110
3. Interest on balance with Reserve Bank of India and Other inter bank funds	13,13,395	14,99,394
4. Others	103	144
TOTAL (1 to 4)	**3,37,87,804**	**3,76,49,260**

Schedule 14 – Other Income

(₹ in '000s)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1. Commission, exchange and brokerage	11,87,239	28,12,267
2. Profit/(Loss) on sale/redemption of Investments (net)	4,14,853	1,18,930
3. Profit/(Loss) on revaluation of investments (net)	(23,627)	(22,110)
4. Profit/(Loss) on sale of land, building and other assets (net)	(1,893)	2,396
5. Profit/(Loss) on exchange transactions (net)	-	-
6. Income earned by way of dividend etc. from subsidiaries, companies, joint ventures abroad / in India	-	-
7. Miscellaneous Income (refer note 18.14.10)	27,33,093	30,86,860
TOTAL (1 to 7)	**43,09,665**	**59,98,343**

Schedule 15 – Interest Expended

(₹ in '000s)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1. Interest on deposits	1,70,73,065	1,56,50,918
2. Interest on Reserve Bank of India / Inter-bank borrowings	27,444	45,367
3. Others	19,19,874	17,24,339
TOTAL (1 to 3)	**1,90,20,383**	**1,74,20,624**

Schedule 16 – Operating Expenses

(₹ in '000s)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1. Payments to and provisions for employees	94,79,624	84,55,955
2. Rent, taxes and lighting	9,18,007	8,21,030
3. Printing and stationery	1,47,877	1,26,835
4. Advertisement and publicity	1,42,917	1,60,038
5. Depreciation on Bank's property	7,73,300	7,65,691
6. Director's fees allowances and expenses	31,810	33,016
7. Auditors' fees and expenses	15,946	24,924
8. Law charges	3,80,203	2,97,909
9. Postage, telegrams, telephones, etc.	3,75,718	3,60,186
10. Repairs and maintenance	2,87,920	2,64,521
11. Insurance	6,59,289	2,03,795
12. Other expenditure*	53,00,977	46,43,759
TOTAL (1 to 12)	**1,85,13,588**	**1,61,57,659**

* Includes professional charges, service charges for core banking software and ATM, traveling and other expenses

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 17 – Significant accounting policies

17.1 Background

Utkarsh Small Finance Bank Limited ("Company" or "the Bank"), incorporated on April 30, 2016 in India, is a Small Finance Bank ('SFB') engaged in providing banking and financial services and governed by the Banking Regulation Act, 1949. The Bank had commenced its banking operations from January 23, 2017. Scheduled Bank status was accorded by Reserve Bank of India vide notification no. DBR.NBD. (SFB-UMFL). No.2689/16.13.216/2017-2018 dated October 04, 2017 and was published in the Gazette of India on November 07, 2017.

The Bank has completed the process of Right Issue by issue of equity shares which got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on November 07, 2025. The expenses incurred towards Right issue of equity shares has been adjusted with the Securities Premium account in accordance with Section 52 of the Companies Act, 2013.

17.2 Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting and the Accounting Standards specified under section 133 of the Companies Act, 2013 including the provisions of the Banking Regulation Act, 1949, the Master Direction on Financial Statements - Presentation and Disclosures issued by Reserve Bank of India dated on August 30, 2021, as amended from time to time and various other orders/circulars/directions issued by the RBI in this regard to the extent applicable and practices prevailing in the Banking industry in India and other accounting principles generally accepted in India.

17.3 Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that are considered in the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and reported income and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements and the management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

17.4 Significant accounting policies

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year read with Schedule 18.30.

A Revenue Recognition

a) Interest income on performing assets is recognised on accrual basis. Interest income on non-performing assets is recognised on realisation;

b) For other than Micro Finance (JLG) Loans and Relationship Management based products, recoveries in respect of all EMI based performing assets is appropriated towards interest, principal of each EMI followed by charges. For Non-performing assets, appropriation is made towards principal, interest of each EMI followed by oldest charges for the product defined;

c) For Micro Finance (JLG) Loans recoveries would be appropriated towards instalment(s) outstanding and on partial collection appropriation will be in the sequence of first Interest component of oldest EMI followed by Principal component of oldest EMI, and so on both for standard and NPA accounts;

d) Relationship Management Based products, recoveries is appropriated towards Outstanding;

e) Penal Charge or Overdue Principal and charges are recognized on collection basis except in case of Relationship Management based products where such penal charges are recognized on accrual basis;

f) Loan processing fee is accounted as income when it becomes due;

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

g) Documentation and monitoring charges collected from borrowers are accounted upfront when it becomes due;

h) Recoveries in respect of debts written off are recognized in the year in which such amounts is recovered and the same are disclosed under "Other Income";

i) Fees paid / received for priority sector lending certificates (PSLC) is recognised upfront;

j) Profit / premium arising at the time of securitization / assignment of loan portfolio is amortized over the life of the underlying loan portfolio / securities and any loss arising therefrom is recognized immediately. Income from interest strip (excess interest spread) is recognized in the profit and loss account net of any losses when redeemed in cash. Interest retained under assignment of loan receivables is recognized on realization basis over the life of the underlying loan portfolio;

k) Interest on term deposits is accrued on time proportion basis, using the underlying interest rate.

l) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis;

m) Dividend is accounted on an accrual basis when the right to receive the dividend is established;

n) Income from distribution of third party products is recognised on the basis of business booked;

o) Recoveries in respect of purchase of Direct Assignment pools are to be appropriated as per appropriation methodology followed by the originators; and

p) All other fees are accounted for as and when they become due and when service is rendered.

B Advances

a) Accounting and Classification

Advances are classified as performing and non-performing (NPA) as per RBI guidelines. Restructured assets are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines.

b) Inter Bank Participation Certificates

The Bank enters into Inter Bank Participation Certificate with Risk Sharing as issuing Bank and the aggregate amount of participation are reduced from the aggregate loan outstanding.

c) Provisioning

Provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning prescribed from time to time.

The Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines. However, provisioning rates prescribed by RBI are the regulatory minimum, and Bank makes additional provisions in respect of advances to stressed sectors of the economy as approved by the Board from time to time. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

Loans reported as fraud are classified appropriately as per relevant RBI guidelines and fully provided for immediately without considering the value of security.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

d) Floating Provision

The Bank recognises floating provision as per the Board approved policy, which is in addition to the specific, contingent and general provisions made by the Bank. The floating provision will be utilised, with the approval of Board and RBI, in case of contingencies which do not arise in the normal course of business and are exceptional and non-recurring in nature and for making specific provision for impaired loans as per the requirement of extant RBI guidelines or any regulatory guidance / instructions. Floating provisions are netted off for NNPA Ratio and is included in 'Other Liabilities and Provisions'.

e) Securitisation And Transfer Of Assets

Assets transferred through securitisation and direct assignment of cash flows are de-recognised when they are sold (true sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. For a securitisation or direct assignment transaction, the Bank recognises profit upon receipt of the funds and loss is recognised at the time of sale.

On sale of stressed assets, if the sale is at a price below the net book value (i.e., funded outstanding less specific provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of security receipts issued by SC/ RC exceeds the net book value of the loan at the time of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by the bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs, provisions held are higher of the provisions required in terms of net asset value declared by the Securitisation Company ('SC') / Reconstruction Company ('RC') and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

Direct Assignment portfolio bought by the Bank, if any, are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the tenor of the loans.

C Investments

Policies applicable for the year ended March 31, 2026

a) Classification

In accordance with Reserve Bank of India ('RBI') guidelines, the Bank classifies its entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under three categories

1. Held to Maturity ('HTM'),
2. Available for Sale ('AFS'),
3. Fair Value through Profit and Loss ('FVTPL'). Held for Trading ('HFT') is a separate investment sub-category within FVTPL.

Under each of these categories, investments are further classified under six groups –

1. Government Securities,
2. Other Approved Securities,
3. Shares,
4. Debentures and Bonds,
5. Investments in Subsidiaries / Joint Ventures, and
6. Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities, except in the case of equity shares where 'Trade Date' accounting is followed.

Basis of classification

The Bank classifies its investments as subsequently measured into the above categories based on the business model for managing the investments and the contractual cash flow characteristics of the investments.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Business model assessment

The Bank makes an assessment of the objective of a business model in which an investment is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

i) The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the investments to the duration of the liabilities that are funding those investments or realising cash flows through the sale of the investments;

ii) The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the investments is achieved and how cash flows are realised; and

iii) The risks that affect the performance of the business model, the investments held within that business model and how those risks are managed.

Assessment whether contractual cashflows are solely payments of principal and interest (SPPI)

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

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

i) Reset terms;

ii) Contingent events that would change the amount and timing of cash flows;

iii) Leverage features;

iv) Prepayment and extension terms;

v) Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and

vi) Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Investments at HTM

An investment is classified at HTM only if both of the following conditions are met:

i) It is held with the objective to collect the contractual cash flows; and

ii) The contractual terms of the investment give rise to cash flows that are Solely Payments of Principal and Interest ('SPPI' criterion) on principal outstanding on the specified dates."

Investments at AFS

An investment is classified at AFS only if both of the following conditions are met:

i) It is acquired with an objective that is achieved by both collecting contractual cash flows and selling investment; and

ii) The contractual terms of the investment meet SPPI criteria.

For equity instruments not held with the objective of trading, the Bank has an option on initial recognition to classify such instruments under AFS. The Bank makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Investments at FVTPL

Any investment, which does not meet the criteria for categorization as at HTM or as AFS, is classified at FVTPL.

Investments at HFT

HFT is a separate investment sub-category within FVTPL consisting of instruments that meet the specifications for HFT instruments or are held with the intention of trading or short-term gains is classified under HFT.

Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures are held in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

Initial Recognition

All investments are measured at fair value on initial recognition.

Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value. Situations where the presumption is tested include:

- The transaction is between related parties.
- The transaction is done outside the principal market for that class of securities.
- The transaction is taking place under duress where one party is forced to accept the price in the transaction.

Acquisition Cost:

The cost of investments is determined on "weighted average cost" ('WAC') basis. Broken period interest paid to seller is not capitalized but treated as an item of expenditure under Profit and Loss Account in respect of investment in securities. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

Day 1 Gain/ Loss on Initial Recognition

The Bank does not expect day 1 gain/ loss in case of investments which are executed through trading platforms like Recognized Stock Exchange or through online investment platforms whereby the prices are determined in an orderly transaction between market participants on the measurement date. Day 1 gain/ loss is tested when transactions are conducted outside the principal market or transactions are done with related parties.

Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, spread, etc.) any Day 1 gain/ loss is recognised in the Profit and Loss Account.

Any Day 1 loss arising from Level 3 investments is recognised immediately in the Profit and Loss Account.

Any Day 1 Gains arising from Level 3 investments is deferred. In the case of debt instruments, the day 1 gain is amortized on a straight-line basis up to the maturity date, while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised."

Subsequent Measurement

i) Investments classified as HTM

These are carried at cost and not Marked-to-Market ('MTM') after initial recognition. Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument using by straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account.

ii) Investments classified as AFS

The valuation gains and losses are aggregated, and the net appreciation or depreciation directly gets credited or debited to AFS reserve (net of effect of applicable taxes). Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument by using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account. The AFS-Reserve is reckoned as Common Equity Tier (CET) 1 capital but not available for distribution of dividend and coupon on Additional Tier I instruments.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

iii) Investments classified as FVTPL/HFT

These are fair valued and the net gain or loss arising on such valuation is directly credited/debited to the Profit and Loss Account. Securities that are classified under the FVTPL and HFT are fair valued on daily basis. Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and loss Account.

iv) Investments in subsidiaries, associates, and joint ventures

All investments in subsidiaries, associates and joint ventures are held at acquisition cost. Any discount or premium on the acquisition of debt instruments of subsidiaries and associates are amortised over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account. The Bank assesses these investments for impairment and provides for the same, in accordance with RBI Directions.

Valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

The management uses its judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible.

Fair values are categorized into different levels (Level 1, Level 2, or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. The levels are described as follows:

Level 1: The inputs used for valuation of financial instruments are quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.

Level 2: The valuation of financial instruments is based on inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: The valuation of financial instruments is based on unobservable inputs i.e. not based on observable market data.

The fair value of the quoted securities are the prices declared by the Financial Benchmarks India Private Ltd. ('FBIL'). For securities whose prices are not published by FBIL, the fair value of the quoted securities is based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorised by RBI or Securities and Exchange Board of India ('SEBI') or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA').

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.

Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:

- In case of unquoted bonds, debentures, Pass Through Certificates (PTCs) and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest balance sheet which shall not precede the date of valuation by more than 18 months In case the latest Balance Sheet is not available, the shares are valued at ₹1 per investee company;

- Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVIT') are valued at the closing price on the recognised stock exchange. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV submitted by the trust.
- Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower.
- Units of Alternate Investment Funds (AIF) are valued at the NAV published by the AIFs. If AIF fails to carry out and disclose valuation of its investments by an independent valuer as per the frequency mandated by the SEBI regulations, the value of units shall be treated as ₹1. If the AIF is not registered under the applicable SEBI regulations and the latest disclosed valuation of its investments by an independent valuer is not available for a period beyond 18 months, the investment shall be valued at ₹1 per unit. Further, the Bank provides for investments in Alternate Investments Funds (AIFs) in line with RBI circular dated 19th December, 2023 and 27th March 2024.

Non-performing investments (NPIs) are identified and depreciation / provision are made thereon based on RBI guidelines. Subsequent, MTM gains on NPIs are ignored. NPIs are segregated from rest of the portfolio and are not considered for netting valuation gains and losses. Interest on non-performing investments is not recognized in the Profit & Loss Account until received. Repurchase and reverse repurchase transactions –

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

Disposal of investments:

Investments classified as HTM

Profit on sale or redemption of investments is recognised in the Profit and Loss Account and profit if any, on sale is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale is recognised in the Profit and Loss Account.

Investments classified as AFS

i) Debt instruments: Upon sale or maturity, the accumulated gain/ loss in the AFS Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account.

ii) Equity instruments: Any gain or loss on sale is transferred from AFS Reserve to the Capital Reserve.

Investments classified as FVTPL/ HFT

Any gain or loss on sale of investments is recognised in the Profit and Loss Account.

Investments in subsidiaries, associates and joint ventures

Profit or loss on sale of investments is recognised in the Profit and Loss Account and profit, if any, is appropriated to the Capital Reserve Account after adjustments for tax and transfer to Statutory Reserve.

Classification and valuation of Bank's Investments is carried out in accordance with relevant RBI guidelines/ directions and Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark India Private Limited ('FBIL') guidelines prescribed in this regard from time to time.

Investment Fluctuation Reserve.

Out of net profits earned during the year, transfer is made to Investment Fluctuation Reserve, for an amount not less than the lower of the

(a) net profit on sale of investments during the year

(b) net profit for the year less mandatory appropriations,

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

till the balance in such Investment Fluctuation Reserve reaches a level of at least 2% of the aggregate FVTPL, HFT and AFS portfolio. Draw down from the Investment Fluctuation Reserve has been made in accordance with the applicable RBI guidelines.

D Fixed assets and depreciation / amortisation

(i) Property, Plant and Equipment (PPE) and software

Property, Plant and Equipment and software are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Profit and Loss Account when the asset is derecognized

(ii) Depreciation on Property, Plant and Equipment (PPE) and software

Depreciation is charged over the estimated useful life of the fixed asset on a straight-line basis. The management believes that the useful life of assets assessed by the Bank, pursuant to Part C of Schedule II to the Companies Act, 2013, taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use, fairly reflects its estimate of useful lives of the fixed assets. The estimated useful lives of key fixed assets are given below:

Particulars	Useful Life (Years)
Premises owned by the Bank	60
Furniture and Fixtures	10
Vehicles	5-10
Software	3
Computers, Printers, servers and other office equipment	3-6
Electrical Equipments, fittings, Generators	10

Addition to lease hold premises are charged off over the period of lease. Items individually costing up to ₹5,000/- are fully depreciated in the year of installation/purchase as the management estimates the useful life of such assets as one year.

Depreciation on assets acquired/sold during the period is recognised on a pro-rata basis to the Profit and Loss Account from/upto the date of acquisition/sale.

Profit on sale of immovable property net of Profit on sale of immovable property net of taxes and transfer to statutory reserve, are transferred to capital reserve account.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(iii) Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

(iv) Capital work-in-progress/ Software under development

Costs incurred towards acquisition of assets, including expenses incurred prior to those assets being put to use and directly attributable to bringing them to their working condition are included under "Capital Work in Progress". Capital Work in Progress including Software under development are stated at the amount incurred up to the date of Balance Sheet.

E Foreign Currency transactions

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date based on exchange rates notified by Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the Profit and Loss account.

F Derivatives

The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting dates.

Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss account.

Derivative contracts designated as hedges are not marked to market unless their underlying transaction is marked to market. In respect of derivative contracts that are marked to market, changes in the market value are recognised in the Profit and Loss account in the relevant period.

The Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. Hedge effectiveness is ascertained at the time of the inception of the hedge and periodically thereafter. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Profit and Loss account. Contingent liabilities on account of derivative contracts denominated in foreign currencies are reported at closing rates of exchange notified by FEDAI as at the balance sheet date.

G Employee benefits

a. Defined Contribution Plan –

The Bank makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Bank's contribution is recognised as an expense in Profit and loss account during the period in which the employee renders the related service.

b. Defined Benefit Plan and Compensated absences-

The Bank provides for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is covered under a scheme administered by Life Insurance Corporation of India through gratuity trust (Group Gratuity scheme) and the contributions made by the Bank to the scheme is recognised in the Profit and loss account. The liability recognised in the Balance Sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The calculation of the Bank's obligation under the plan is performed annually by qualified independent actuary using projected unit credit method. Actuarial gains and losses arising during the year is immediately recognised in the Profit & Loss account.

Compensated absence, is a long-term employee benefit, and accrued based on an actuarial valuation done as per projected unit credit method at the balance sheet date, carried out by an independent actuary. Compensated absence is covered under a scheme administered by Life Insurance Corporation of India. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period and are not deferred.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

H Share Issue Expenses

Share issue expenses are adjusted from Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

I Corporate Social Responsibility

Expenditure incurred towards corporate social responsibility are recognised as and when becomes due.

J Employee Stock Option Scheme

The holding company of the Bank has formulated Employees Stock Option Scheme. The scheme provides that subject to continued employment with the Bank, employees of the Bank are granted an option to acquire equity shares of the Holding Company that may be exercised within a specified period. The compensation cost for all options granted to employees by the Holding company is computed based on valuation of shares of Holding company as per intrinsic value method and is amortised over the period of vesting. Measurement and disclosure of the Employee Share-based Payment Schemes are done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India ('ICAI').

The Bank has formulated Employees Stock Option Schemes, and the policy will be applicable to all scheme. The Bank measures compensation cost relating to employee stock options using the Fair value method as per the Guidance Note on 'Accounting for Employee Share based Payments' issued by the ICAI and same is charged to Profit & Loss Account.

K Lease transactions

A lease is classified at the inception date as finance lease or an operating lease. Assets taken on lease where the Bank acquires substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance lease is capitalised at the commencement of the lease at an amount equal to lower of its fair value and present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve constant rate of interest on the remaining balance of the liability. The rental obligations, net of finance charges, are reflected as borrowings. Finance charges are recognised as finance costs in the profit and loss account.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as and when the payments are made over the lease terms."

L Taxation

Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability for the period (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income-tax is recognized in accordance with the provisions of the Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The current tax, deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty (supported by convincing evidence of future taxable income) of realization of such assets.

Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized."

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

M Provisions and contingencies

The Bank recognises a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

N Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

O 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.

P Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

Q Segment reporting

The disclosure relating to segment information is in accordance with Accounting Standard-17, Segment Reporting and as per the guidelines issued by RBI. Bank has classified its business into following for segment reporting:

i. Treasury includes all investment portfolios, Profit / Loss on sale of Investments, equities, income from money market operations.

ii. Corporate / Wholesale Banking includes all advances to companies and statutory bodies, which are not included under Retail Banking.

iii. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

iv. Other Banking Operations includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Unallocated includes Capital and Reserves and other unallocable assets, liabilities, income and expenses.

R Priority Sector Lending Certificates

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 07, 2016 trades in Priority Sector portfolio by selling or buying Priority Sector Lending Certificates (PSLCs). There is no transfer of risk on loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received for the sale of PSLCs is recognised upfront and is treated as 'Miscellaneous Income'.

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18

18.1.1 Regulatory Capital

The Capital Adequacy Ratio ("CAR") has been computed as per RBI Circular No. RBI/DOR/2025-26/182 DOR.CAP. REC.101/21-01-002/2025-26 (Reserve Bank of India (Small Finance Banks — Prudential Norms on Capital Adequacy) Directions, 2025) dated November 28, 2025.

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Common Equity Tier 1 (CET) capital	2,247.18	2,775.84
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	2,247.18	2,775.84
iv) Tier 2 capital	409.69	473.53
v) Total capital (Tier 1+Tier 2)	2,656.87	3,249.37
vi) Total Risk Weighted Assets (RWAs)	15,007.00	15,525.96
vii) Common Equity Tier 1 (CET) capital ratio (%)	14.98%	17.88%
viii) Tier I capital ratio (%)	14.98%	17.88%
ix) Tier II capital ratio (%)	2.73%	3.05%
x) Capital to Risk Weighted Assets Ratio (CRAR) (%)	17.71%	20.93%
xi) Leverage Ratio	7.91%	9.90%
xii) Amount of paid-up equity capital raised during the year *	949.08	5.79
xiii) Amount of additional Tier I capital raised	-	-
xiv) Amount of Tier II capital raised (Refer 18.1.2) below)	-	305.00

* includes share premium ₹271.17 Crore (March 31, 2025: ₹3.64 Crore against the fresh issue of equity shares)

18.1.2 Tier II Capital

The Bank has not acquired Basel II compliant debt capital instruments during the year ended March 31, 2026 (March 31, 2025: ₹305 Crore).

18.1.3 Capital Infusion

During the year ended March 31, 2026, the Bank has raised equity capital through Rights Issue and has allotted 67,79,13,784 equity shares of ₹10 each aggregating to ₹949.08 Crore. Accordingly, share capital increased by ₹677.91 Crore and share premium increased by ₹271.17 Crore. The expenses incurred towards Rights Issue of equity shares amounting to ₹11.26 Crore have been adjusted against the Securities Premium account in accordance with Section 52 of the Companies Act, 2013. During the year ended March 31, 2026, the Bank has not raised equity capital pursuant to the exercise of options under the Employees Stock Option Scheme.

During the year ended March 31, 2025, the Bank has not raised equity capital other than through the exercise of options under the Employees Stock Option Scheme, pursuant to which the Bank had raised ₹5.79 Crore, consisting of share capital of ₹2.15 Crore and share premium of ₹3.64 Crore.

(₹ in Crore except share data)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	1,10,16,09,900	1,101.61	1,09,94,57,460	1,099.46
Shares issued during the year*	67,79,13,784	677.91	21,52,440	2.15
Outstanding at the end of the year	1,77,95,23,684	1,779.52	1,10,16,09,900	1,101.61

* including employee stock option plan

18.1.4 Draw down from Reserves

There has been no draw down from reserves during the year ended March 31, 2026 and March 31, 2025 other than those disclosed under Schedule 2.

Schedule forming part of the Financial Statements for the year ended March 31, 2026

Schedule 18 (Contd.)

18.2.1 Asset Liability Management

a) **Maturity pattern of certain items of assets and liabilities is given below:**

(₹ in Crore)

Particulars	As at March 31, 2026											
	1 day	2 to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	187.91	469.17	226.65	472.06	554.92	359.21	1,914.87	5,509.24	8,026.90	816.21	3,116.84	**21,653.98**
Loans & Advances*	212.80	162.72	89.59	291.84	538.59	530.05	1,527.79	3,170.60	5,739.07	1,754.52	4,052.02	**18,069.59**
Investments	3,388.15	288.33	18.90	157.16	111.76	137.34	274.94	718.87	1,693.88	77.15	47.57	**6,914.05**
Borrowings	-	100.00	-	230.00	93.00	561.08	211.85	473.70	849.83	4.98	305.00	**2,829.44**
Foreign currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

(₹ in Crore)

Particulars	As at March 31, 2025											
	1 day	2 to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	120.22	1,082.35	213.04	455.10	362.74	412.75	1,671.17	4,914.53	10,632.56	1,662.48	38.76	**21,565.70**
Loans & Advances*	216.52	166.11	150.02	378.62	713.64	682.37	2,064.46	3,477.12	5,121.37	1,989.62	3,756.63	**18,716.48**
Investments	440.01	471.77	33.84	122.00	142.57	77.49	612.12	850.19	1,880.16	266.34	61.40	**4,957.89**
Borrowings	-	0.02	0.02	0.05	67.11	75.12	249.20	438.41	1,205.32	14.44	305.08	**2,354.77**
Foreign currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

* amounts disclosed are net off provision for non-performing assets

Note:

1. The Bank has compiled the data for the purpose of this disclosure from the internal MIS system / reports which has been furnished by the management and has been relied upon by the auditors.

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.2.2 Liquidity Coverage Ratio (LCR)

Qualitative disclosure around LCR

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. Liquidity Coverage Ratio (LCR) is a global minimum standard for Bank's liquidity. The ratio aims to ensure that a bank has an adequate stock of unencumbered High - Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar days of severe liquidity stress scenario.

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks. It does this by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) to total estimated net outflows over a stressed period of 30 calendar days.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, partially offset by inflows from assets maturing within 30 days.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the liquidity risk tolerance/limits and accordingly decides the strategy, policies and procedures of the Bank for managing liquidity risk.

The Board has constituted Risk Management Committee (RMC), which reports to the Board, and consisting of Chief Executive Officer (CEO) /Chairman and certain other Board members. The Committee is responsible for evaluating the overall risks faced by the Bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Bank in line with Bank's risk management objectives and risk tolerance. A dedicated desk within Treasury function of the Bank is responsible for the day-to-day / intra-day liquidity management.

ALCO of the Bank channelizes various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank.

The Bank has been maintaining HQLA (Level 1) primarily in the form of Excess CRR, excess SLR investments over and above mandatory requirement. LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30 day period. The present minimum regulatory requirement, as on March 31, 2026 is 100%.

In order to determine cash outflows, the Bank segregates its deposits into various customer segments, viz., Retail (which include deposits from individuals), Small Business Customers(those with deposits upto ₹7.5 Crore), and Wholesale (which would cover all residual deposits). Other contractual funding, including a portion of other liabilities which are expected to run down in a 30 day time frame are included in the cash outflows. These classifications, based on extant regulatory guidelines, are part of the Bank's LCR framework, and are also submitted to the RBI. The LCR is calculated by dividing a Bank's stock of HQLA by its total net cash outflows over a 30 day stress period. The present minimum requirement, as on March 31, 2026 is 100%.

In the Indian context, the run-off factors for the stressed scenarios are prescribed by the RBI, for various categories of liabilities (viz., deposits, unsecured and secured wholesale borrowings), undrawn commitments, derivative-related exposures, and offset with inflows emanating from assets maturing within the same time period. Given below is a table of run-off factors and the average LCR maintained by the Bank quarter-wise over the past two years as below:

Particulars	Run-Off Factors
Retail Deposits	5%-10%
Small Business Customers	5%-10%
Operational Deposits	5%-25%
NFC, Sovereigns, Central Banks, MDBs & PSEs	40%
Other Legal Entities (OLE)	100%

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

Quarter ended	LCR Maintained (Average)	LCR Required
March 31, 2026	163.17%	100%
December 31, 2025	202.97%	100%
September 30, 2025	240.88%	100%
June 30, 2025	219.96%	100%
March 31, 2025	168.71%	100%
December 31, 2024	172.89%	100%
September 30, 2024	184.58%	100%
June 30, 2024	187.05%	100%

The average LCR for the quarter ended March 31, 2026 was at 163.17% as against 168.71% for the quarter ended March 31, 2025, and above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2026 was ₹6,487.21 Crore as against ₹5,902.85 Crore for the quarter ended March 31, 2025.

Quantitative Disclosures

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2025, wherein the amounts are average of daily positions during the quarter:

(₹ in Crore)

Particulars			Quarter ended March 31, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
			Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)		6,487.21	6,485.21	6,894.78	6,894.78	7,052.57	7,052.57	6,736.58	6,736.58
Cash Outflows										
2	Retail deposits and deposits from small business customers, of which:		14,573.46	1,437.50	15,265.09	1,511.12	13,777.06	1,364.71	12,745.47	1,261.67
	(i)	Stable Deposits	396.92	19.85	307.86	15.39	259.90	13.00	257.62	12.88
	(ii)	Less Stable Deposits	14,176.54	1,417.65	14,957.23	1,495.72	13,517.16	1,351.72	12,487.85	1,248.79
3	Unsecured wholesale funding, of which:		3,079.89	2,884.45	2,872.79	2,640.73	3,625.01	2,639.09	3,688.55	2,784.62
	(i)	Operational deposits (all counterparties)	36.43	9.10	-	-	817.33	81.02	757.01	75.04
	(ii)	Non-operational deposits (all counterparties)	999.12	999.12	2,872.79	2,640.73	416.01	166.40	369.94	147.97
	(iii)	Unsecured debt	1,764.16	1,764.16	-	-	2,391.67	2,391.67	2,561.60	2,561.60
4	Secured wholesale funding		-	-	-	-	-	-	-	-
5	Additional requirements, of which		1,097.86	274.08			-	-	-	-
	(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii)	Credit and liquidity facilities	1,092.22	270.25	-	-	-	-	-	-
6	Other contractual funding obligations		351.77	351.77	1,015.29	299.75	795.78	163.68	822.83	181.35
7	Other contingent funding obligations		160.84	7.32	107.38	4.65	20.83	20.83	59.70	59.70
8	TOTAL CASH OUTFLOWS			4,953.68	19,260.54	4,456.24	18,218.67	4,188.31	17,316.56	4,287.33

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

(₹ in Crore)

Particulars		Quarter ended March 31, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
Cash Inflow									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,156.01	860.98	1,495.04	1,044.44	1,737.97	1,243.76	1,771.30	1,212.92
11	Other cash inflows	236.41	118.21	29.81	14.91	33.36	16.68	23.58	11.79
12	TOTAL CASH INFLOWS	1,392.42	979.18	1,524.85	1,059.35	1,771.33	1,260.44	1,794.88	1,224.71
13	TOTAL HQLA	6,487.21	6,485.21		6,894.78	-	7,052.57		6,736.58
14	Total Net Cash Outflows (8-12)		3,974.50		3,396.90	-	2,927.87		3,062.62
	Liquidity Coverage Ratio (%)	-	163.17%		202.97%		240.88%		219.96%

Note:

1) In accordance with the RBI guidelines, the average Liquidity Coverage Ratio (LCR) is disclosed as a simple daily average. Accordingly, the average LCR for Q1 FY26, Q2 FY26, Q3 FY26 and Q4 FY26 has been computed using 91, 92, 92 and 90 daily observations, respectively

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2025, wherein the amounts are average of daily positions during the quarter:

(₹ in Crore)

Particulars			Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
			Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)		5,902.85	5,902.85	5,546.83	5,546.83	5,392.68	5,392.68	5,012.05	5,012.05
Cash Outflows										
2	Retail deposits and deposits from small business customers, of which:		12,097.97	1,196.97	11,039.29	1,092.27	9,920.59	979.50	8,862.24	872.43
	(i)	Stable Deposits	256.52	12.83	233.10	11.66	251.26	12.56	275.91	13.80
	(ii)	Less Stable Deposits	11,841.45	1,184.14	10,806.18	1,080.62	9,669.33	966.93	8,586.33	858.63
3	Unsecured wholesale funding, of which:		4,121.97	3,249.78	3,787.64	2,997.76	3,658.95	2,971.70	3,450.26	2,832.61
	(i)	Operational deposits (all counterparties)	716.78	71.06	668.11	66.24	587.10	58.24	519.45	51.54
	(ii)	Non-operational deposits (all counterparties)	377.45	150.98	313.35	125.34	264.01	105.60	249.56	99.82
	(iii)	Unsecured debt	3,027.74	3,027.74	2,806.18	2,806.18	2,807.85	2,807.85	2,681.25	2,681.25
4	Secured wholesale funding		-	-	-	-	-	-	-	-
5	Additional requirements, of which		-	-	-	-	-	-	-	-
	(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations		860.23	149.42	1,029.97	154.48	868.09	135.32	828.77	170.56
7	Other contingent funding obligations		91.05	91.05	60.90	60.90	76.51	76.51	63.47	63.47
8	TOTAL CASH OUTFLOWS		17,171.22	4,687.22	15,917.80	4,305.41	14,524.14	4,163.03	13,204.74	3,939.07

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

(₹ in Crore)

Particulars		Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
Cash Inflow									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,746.61	1,177.01	1,658.91	1,085.80	1,814.63	1,232.77	1,821.99	1,251.00
11	Other cash inflows	22.84	11.42	22.68	11.34	20.45	8.60	18.95	8.60
12	TOTAL CASH INFLOWS	1,769.45	1,188.43	1,681.59	1,097.14	1,835.08	1,241.37	1,840.94	1,259.60
13	TOTAL HQLA	-	5,902.85	-	5,546.83	-	5,392.68	-	5,012.05
14	Total Net Cash Outflows (8-12)	-	3,498.79	-	3,208.27	-	2,921.66	-	2,679.47
	Liquidity Coverage Ratio (%)		168.71%		172.89%		184.58%		187.05%

Note:

1) In accordance with the RBI guidelines, the average Liquidity Coverage Ratio (LCR) is disclosed as a simple daily average. Accordingly, the average LCR for Q1 FY25, Q2 FY25, Q3 FY26 and Q4 FY25 has been computed using 91, 92, 92 and 90 daily observations, respectively

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

18.2.3 Net Stable Funding Ratio (NSFR)

Qualitative disclosure around NSFR

In the backdrop of the global financial crisis that started in 2007, the Basel Committee on Banking Supervision (BCBS) proposed certain reforms to strengthen global capital and liquidity regulations with the objective of promoting a more resilient banking sector. In this regard, comes into picture – “Basel III: International framework for liquidity risk measurement, standards and monitoring” which presented two minimum standards, viz., Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for funding liquidity.

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. “Available stable funding” (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon of one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

Minimum Requirement: ASF(Available Stable Funding)/RSF(Require Stable Funding)>=100. The Bank is required to maintain the NSFR on an ongoing basis on a standalone basis. The minimum NSFR requirement set out in the RBI guideline effective October 1, 2021 is 100%.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the liquidity risk tolerance/limits and accordingly decides the strategy, policies and procedures of the Bank for managing liquidity risk.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Bank in line with Bank’s risk management objectives and risk tolerance. A dedicated desk within Treasury function of the Bank is responsible for the day-to-day / intra-day liquidity management.

In accordance with the Reserve Bank of India (RBI) guidelines under the New Capital Adequacy Framework (NCAF) (Basel II framework), Banks are required to make Pillar III disclosures. Further, under relevant instructions of Basel III framework, Banks are required to disclose Leverage Ratio and Net Stable Funding Ratio (NSFR).

These disclosures have not been subjected to audit or review by the Joint Statutory Auditors.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended March 31, 2026: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	2,647.56	-	-	156.00	2,803.56
2	Regulatory capital	2,647.56	-	-	-	2,647.56
3	Other capital instruments	-	-	-	156.00	156.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**4,416.84**	**2,049.70**	**3,035.84**	**6,363.11**	**15,270.10**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	4,416.84	2,049.70	3,035.84	6,363.11	15,270.10
7	**Wholesale funding: (8+9)**	**764.24**	**1,519.75**	**3,018.36**	**2,004.49**	**4,239.72**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	764.24	1,519.75	3,018.36	2,004.49	4,239.72
10	**Other liabilities: (11+12)**	**4,188.65**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	4,188.65	-	-	-	-
13	**Total ASF (1+4+7+10)**	**12,017.29**	**3,569.45**	**6,054.20**	**8,523.60**	**22,313.38**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	1,041.04	-	-	2,849.39	142.47
15	Deposits held at other financial institutions for operational purposes	685.94	590.06	0.05	4.14	297.04
16	**Performing loans and securities: (17 to 22)**	-	**3,353.36**	**3,170.59**	**10,951.58**	**12,361.01**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	434.64	308.99	552.76	772.45
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	2,899.18	2,842.51	9,439.34	10,894.29
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	4.56	4.02	256.50	222.31
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	14.98	15.07	702.98	471.96
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	94.60	-	-	47.30
24	**Other assets: (sum of rows 25 to 29)**	**1,532.83**	-	-	**4,555.11**	**6,087.94**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,532.83	-	-	4,555.11	6,087.94
30	Off-balance sheet items	-	1,126.58	-	-	57.29
31	**Total RSF**					**18,993.05**
32	**Net Stable Funding Ratio (%)**					**117.48%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management..

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)
Quantitative Disclosures
Following is the quantitative disclosures relating to NSFR for the year ended December 31, 2025: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	2,860.79	-	-	156.00	3,016.79
2	Regulatory capital	2,860.79	-	-	-	2,860.79
3	Other capital instruments	-	-	-	156.00	156.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,926.83**	**1,645.23**	**2,689.69**	**7,013.88**	**14,768.94**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,926.83	1,645.23	2,689.69	7,013.88	14,768.94
7	**Wholesale funding: (8+9)**	**665.35**	**3,166.96**	**1,121.83**	**2,081.47**	**3,402.23**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	665.35	3,166.96	1,121.83	2,081.47	3,402.23
10	**Other liabilities: (11+12)**	**5,760.97**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	5,760.97	-	-	-	-
13	**Total ASF (1+4+7+10)**	**13,213.94**	**4,812.19**	**3,811.52**	**9,251.35**	**21,187.96**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	645.25	-	-	2,782.62	139.13
15	Deposits held at other financial institutions for operational purposes	613.88	1,065.11	40.00	4.14	515.66
16	**Performing loans and securities: (17 to 22)**	-	**3,349.49**	**2,688.89**	**9,952.81**	**11,278.53**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	379.25	257.22	471.82	657.31
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	2,950.54	2,413.36	8,541.14	9,941.92
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	4.65	3.88	247.01	214.22
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	15.05	14.43	692.84	465.08
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	1,019.56	-	-	509.78
24	**Other assets: (sum of rows 25 to 29)**	**1,494.53**	-	-	**4,623.31**	**6,117.84**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,494.53	-	-	4,623.31	6,117.84
30	Off-balance sheet items	-	1,171.25	-	-	57.85
31	**Total RSF**					**18,618.79**
32	**Net Stable Funding Ratio (%)**					**113.80%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended September 30, 2025: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	2,408.69	-	-	156.00	2,564.69
2	Regulatory capital	2,408.69	-	-	-	2,408.69
3	Other capital instruments	-	-	-	156.00	156.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,779.18**	**1,452.88**	**2,128.84**	**7,496.32**	**14,429.22**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,779.18	1,452.88	2,128.84	7,496.32	14,429.22
7	**Wholesale funding: (8+9)**	**705.03**	**3,794.97**	**1,498.23**	**2,049.52**	**3,646.92**
8	Operational deposits	39.91	-	-	-	19.96
9	Other wholesale funding	665.12	3,794.97	1,498.23	2,049.52	3,626.96
10	**Other liabilities: (11+12)**	**5,215.13**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	5,215.13	-	-	-	-
13	**Total ASF (1+4+7+10)**	**12,108.03**	**5,247.85**	**3,627.07**	**9,701.84**	**20,640.83**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	2,130.47	145.40	80.72	5,118.78	4,128.63
15	Deposits held at other financial institutions for operational purposes	747.78	680.46	270.06	3.93	332.95
16	**Performing loans and securities: (17 to 22)**	-	**3,832.57**	**2,733.14**	**9,483.85**	**11,139.57**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	349.06	230.21	357.85	525.32
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	3,463.62	2,484.52	8,199.84	9,943.93
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	4.74	3.99	245.83	213.32
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	15.15	14.42	680.33	457.00
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	-	-	-	-
24	**Other assets: (sum of rows 25 to 29)**	**1,309.03**	-	-	**847.91**	**2,156.93**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,309.03	-	-	847.91	2,156.93
30	Off-balance sheet items	-	978.17	-	-	48.19
31	**Total RSF**					**17,806.27**
32	**Net Stable Funding Ratio (%)**					**115.92%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended June 30, 2025: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	2,897.90	-	-	156.00	3,053.90
2	Regulatory capital	2,897.90	-	-	-	2,897.90
3	Other capital instruments	-	-	-	156.00	156.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,608.91**	**1,201.75**	**1,710.58**	**7,748.52**	**13,912.84**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,608.91	1,201.75	1,710.58	7,748.52	13,912.84
7	**Wholesale funding: (8+9)**	**625.08**	**2,682.50**	**3,264.57**	**2,357.52**	**4,793.16**
8	Operational deposits	45.95	-	-	-	22.97
9	Other wholesale funding	579.13	2,682.50	3,264.57	2,357.52	4,770.19
10	**Other liabilities: (11+12)**	**3,666.55**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,666.55	-	-	-	-
13	**Total ASF (1+4+7+10)**	**10,798.44**	**3,884.25**	**4,975.15**	**10,262.04**	**21,759.90**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	2,092.12	129.92	95.61	4,500.61	4,201.41
15	Deposits held at other financial institutions for operational purposes	758.54	670.41	50.11	3.93	190.94
16	**Performing loans and securities: (17 to 22)**	-	**4,199.92**	**3,087.27**	**9,740.62**	**11,719.76**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	353.53	236.13	355.77	526.87
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	3,829.96	2,833.57	8,514.98	10,569.50
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	3.55	3.87	204.84	177.83
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	12.88	13.70	665.03	445.56
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	412.28	-	-	206.14
24	**Other assets: (sum of rows 25 to 29)**	**1,155.99**	-	-	**897.12**	**2,053.11**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,155.99	-	-	897.12	2,053.11
30	Off-balance sheet items	-	781.49	-	-	38.39
31	**Total RSF**					**18,409.75**
32	**Net Stable Funding Ratio (%)**					**118.20%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended March 31, 2025: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	2,775.84	-	-	590.53	3,366.37
2	Regulatory capital	2,775.84	-	-	473.53	3,249.37
3	Other capital instruments	-	-	-	117.00	117.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,795.69**	**1,049.02**	**1,519.78**	**7,132.31**	**13,172.40**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,795.69	1,049.02	1,519.78	7,132.31	13,172.40
7	**Wholesale funding: (8+9)**	**893.47**	**2,542.44**	**3,963.74**	**2,524.01**	**5,369.29**
8	Operational deposits	98.76	-	-	-	49.38
9	Other wholesale funding	794.71	2,542.44	3,963.74	2,524.01	5,319.91
10	**Other liabilities: (11+12)**	**3,591.50**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	3,591.50	-	-	-	-
13	**Total ASF (1+4+7+10)**	**11,056.50**	**3,591.46**	**5,483.52**	**10,246.85**	**21,908.06**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	2,488.05	600.00	146.18	3,473.93	3,521.95
15	Deposits held at other financial institutions for operational purposes	718.54	175.65	50.46	3.92	93.03
16	**Performing loans and securities: (17 to 22)**	-	**4,371.73**	**3,477.12**	**9,962.35**	**12,195.71**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	344.94	229.83	365.00	531.66
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	4,011.60	3,230.56	8,737.14	11,047.65
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	3.25	3.65	206.53	179.00
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	11.94	13.08	653.68	437.40
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	730.99	-	-	365.49
24	**Other assets: (sum of rows 25 to 29)**	**1,023.24**	-	-	**905.27**	**1,928.52**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,023.24	-	-	905.27	1,928.52
30	Off-balance sheet items	-	758.95	-	-	37.33
31	**Total RSF**					**18,142.03**
32	**Net Stable Funding Ratio (%)**					**120.76%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended December 31, 2024: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	2,964.97	-	-	-	2,964.97
2	Regulatory capital	2,964.97	-	-	-	2,964.97
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,358.63**	**1,821.73**	**1,269.61**	**6,174.50**	**12,256.83**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,358.63	1,821.73	1,269.61	6,174.50	12,256.83
7	**Wholesale funding: (8+9)**	**613.47**	**3,860.32**	**2,380.25**	**2,460.53**	**4,493.32**
8	Operational deposits	62.21	-	-	-	31.10
9	Other wholesale funding	551.26	3,860.32	2,380.25	2,460.53	4,462.22
10	**Other liabilities: (11+12)**	**4,891.91**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	4,891.91	-	-	-	-
13	**Total ASF (1+4+7+10)**	**11,828.98**	**5,682.05**	**3,649.86**	**8,635.03**	**19,715.12**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	908.69	1,383.39	80.49	3,680.54	3,776.45
15	Deposits held at other financial institutions for operational purposes	85.16	395.72	53.17	3.92	148.23
16	**Performing loans and securities: (17 to 22)**	-	**4,569.08**	**3,876.16**	**9,434.93**	**12,049.40**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	412.40	336.45	548.58	778.66
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	4,139.90	3,525.48	8,092.58	10,711.38
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	5.14	2.12	139.51	122.21
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	11.64	12.11	654.26	437.15
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	444.48	-	-	222.24
24	**Other assets: (sum of rows 25 to 29)**	**1,043.23**	-	-	**647.65**	**1,690.88**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,043.23	-	-	647.65	1,690.88
30	Off-balance sheet items	-	1,253.16	-	-	62.06
31	**Total RSF**					**17,949.26**
32	**Net Stable Funding Ratio (%)**					**109.84%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

Quantitative Disclosures

Following is the quantitative disclosures relating to NSFR for the year ended September 30, 2024: (₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	3,125.01	-	-	-	3,125.01
2	Regulatory capital	3,125.01	-	-	-	3,125.01
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (5+6)**	**3,172.00**	**2,458.78**	**1,083.40**	**5,193.27**	**11,498.27**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	3,172.00	2,458.78	1,083.40	5,193.27	11,498.27
7	**Wholesale funding: (8+9)**	**649.37**	**4,383.79**	**2,272.66**	**2,280.60**	**4,301.57**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	649.37	4,383.79	2,272.66	2,280.60	4,301.57
10	**Other liabilities: (11+12)**	**1,687.44**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	1,687.44	-	-	-	-
13	**Total ASF (1+4+7+10)**	**8,633.82**	**6,842.57**	**3,356.06**	**7,473.87**	**18,924.85**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	96.82	2,311.05	65.77	3,618.42	3,720.78
15	Deposits held at other financial institutions for operational purposes	754.72	128.50	4.11	4.10	54.10
16	**Performing loans and securities: (17 to 22)**	-	**4,483.30**	**3,927.68**	**9,370.99**	**12,102.82**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	355.30	273.89	428.31	618.55
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	4,112.58	3,629.47	8,861.99	11,403.72
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	14.36	20.18	41.13	52.23
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1.06	4.14	39.56	28.32
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	298.43	-	-	149.22
24	**Other assets: (sum of rows 25 to 29)**	**896.76**	-	-	**349.71**	**1,246.46**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	896.76	-	-	349.71	1,246.46
30	Off-balance sheet items	-	897.58	-	-	44.29
31	**Total RSF**					**17,317.67**
32	**Net Stable Funding Ratio (%)**					**109.28%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management..

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

Following is the quantitative disclosures relating to NSFR for the year ended June 30, 2024:

(₹ in Crore)

		NSFR Disclosure				Weighted value
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	3,119.31	-	-	-	3,119.31
2	Regulatory capital	3,119.31	-	-	-	3,119.31
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (5+6)**	**2,795.33**	**1,955.66**	**1,872.65**	**4,238.89**	**10,431.43**
5	Stable deposits	-	-	-	-	-
6	Less: stable deposits	2,795.33	1,955.66	1,872.65	4,238.89	10,431.43
7	**Wholesale funding: (8+9)**	**660.19**	**2,999.68**	**3,327.72**	**2,425.13**	**4,934.34**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	660.19	2,999.68	3,327.72	2,425.13	4,934.34
10	**Other liabilities: (11+12)**	**1,496.76**	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	1,496.76	-	-	-	-
13	**Total ASF (1+4+7+10)**	**8,071.59**	**4,955.34**	**5,200.37**	**6,664.02**	**18,485.08**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)	2,281.97	109.61	45.89	3,307.46	3,496.12
15	Deposits held at other financial institutions for operational purposes	696.84	510.88	0.56	0.48	105.57
16	**Performing loans and securities: (17 to 22)**	-	**4,171.73**	**3,545.98**	**8,904.72**	**11,170.01**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	334.89	247.96	370.60	489.23
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	3,824.16	3,285.73	7,830.83	10,211.15
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	12.68	12.29	703.29	469.63
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	297.57	-	-	148.79
24	**Other assets: (sum of rows 25 to 29)**	**806.43**	-	-	**211.62**	**1,018.05**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	806.43	-	-	211.62	1,018.05
30	Off-balance sheet items	-	849.76	-	-	41.94
31	**Total RSF**					**15,980.48**
32	**Net Stable Funding Ratio (%)**					**115.67%**

Note: In computing the above information, certain estimates and assumptions have been made by the Bank's Management..

Schedule forming part of the Financial Statements for the year ended March 31, 2026

Schedule 18 (Contd.)

18.3 Investments

18.3.1 Composition of Investments portfolio

(₹ in Crore)

	As at March 31, 2026							As at March 31, 2025						
	HTM		AFS	FVTPL		Associates & JVs		HTM		AFS	FVTPL		Associates & JVs	
	At cost	Fair Value		HFT	Non-HFT	At cost	Fair Value	At cost	Fair Value		HFT	Non-HFT	At cost	Fair Value
I. Investments in India														
(i) Government securities	6,810.45	6,621.44	-	-	-			3,685.31	3,734.71	-	-	534.80		
(ii) Other approved securities	-	-	-	-	-			-	-	-	-			
(iii) Shares	-	-	-	-	4.43			-	-	-	-	6.79		
(iv) Debentures and Bonds	-	-	-	-	-			-	-	-	-			
(v) Associates and joint ventures						-	-						-	-
(vi) Others*	-	-	-	-	99.17							730.99		
Total	**6,810.45**	**6,621.44**	-	-	**103.60**	-	-	**3,685.31**	**3,734.71**	-	-	**1,272.58**	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	**6,810.45**	**6,621.44**	-	-	**103.60**	-	-	**3,685.31**	**3,734.71**	-	-	**1,272.58**	-	-
II. Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-			-	-	-	-	-		
(ii) Associates and joint ventures						-	-						-	-
(iii) Other investments	-	-	-	-	-			-	-	-	-	-		
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments (I+II)	**6,810.45**	**6,621.44**	-	-	**103.60**	-	-	**3,685.31**	**3,734.71**	-	-	**1,272.58**	-	-

* Other investments comprises of security receipts, net of provisions (Refer schedule 18.4.8) and Certificate of Deposits (CD)

Figures of the previous year have been regrouped / reclassified, wherever necessary to confirm current period classification.

Schedule forming part of the Financial Statements for the year ended March 31, 2026

Schedule 18 (Contd.)

18.3.2 Fair value hierarchy of investment portfolio measured at fair value on Balance sheet

(₹ in Crore)

	As at March 31, 2026								As at March 31, 2025							
	AFS				FVTPL				AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India																
(i) Government securities	-	-	-	-	-	-	-	-	-	-	-	-	534.80	-	-	534.80
(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	-	4.43	4.43	-	-	-	-	-	-	6.79	6.79
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others*	-	-	-	-	99.17	-	-	99.17	-	-	-	-	730.99	-	-	730.99
Total	-	-	-	-	**99.17**	-	**4.43**	**103.60**	-	-	-	-	**1,265.79**	-	**6.79**	**1,272.58**
II. Investments outside India																
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Associates and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments (I+II)	-	-	-	-	**99.17**	-	**4.43**	**103.60**	-	-	-	-	**1,265.79**	-	**6.79**	**1,272.58**

* Other investments comprises of security receipts, net of provisions (Refer schedule 18.4.8) and Certificate of Deposits (CD)

1. Level 1 securities include treasury bills and CDs that are valued at cost as per RBI guidelines.

18.3.3 Net gains/(losses) on level 3 financial instruments recognised in AFS-Reserve and Profit and Loss account

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Recognised in AFS-Reserve	-	-
b) Recognised in Profit and Loss Account *	(2.36)	(2.21)

* Represents unrealized gains / (losses) recognized during the year on level 3 financial instruments (gross of tax)

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.3.4 Movement of Provisions for non performing Investments (NPIs) and Investment Fluctuation Reserve

(₹ in Crore)

Particulars			As at March 31, 2026	As at March 31, 2025
i)	**Movement of provisions held towards NPIs**			
	a)	Opening balance	-	-
	b)	Add: Provisions made during the year	-	-
	c)	Less: Write off/write back of excess provisions during the year	-	-
	d)	Closing balance	-	-
ii)	**Movement of Investment Fluctuation Reserve**			
	a)	Opening balance	25.45	11.92
	b)	Add: Amount transferred during the year	-	13.53
	c)	Less: drawdown during the year	(23.38)	-
	d)	Closing balance	2.07	25.45
iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and FVPTL (including HFT) category		2.00%	2.00%

18.3.5 Sale and transfers to/from HTM category

During the years ended March 31, 2026 and March 31, 2025, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO)/Government Securities Acquisition Programme (GSAP)/Conversion/Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

(₹ in Crore)

Particulars		As at March 31, 2026	As at March 31, 2025
A	Opening carrying value of securities in HTM	3,685.31	3,083.37
B	Carrying value of all HTM securities sold during the year	1,909.43	418.72
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	1,728.76	266.71
D	Carrying value of securities sold (D=B-C)	180.67	152.01
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	4.90%	4.93%
	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain (net of taxes and necessary appropriations)	23.03	6.67

18.3.6 Non-SLR investment portfolio

The Bank does not have any Non performing Non-SLR investment as on March 31, 2026 and March 31, 2025

18.3.7 Issuer Composition of Non-SLR investments:

Issuer composition as at March 31, 2026 of non-SLR investments

(₹ in Crore)

Sl. No. (1)	Issuer (2)	Amount (3)	Extent of Private Placement (4)	Extent of 'Below Investment Grade' Securities (5)	Extent of 'Unrated' Securities (6)	Extent of 'Unlisted' Securities (7)
1	PSUs	-	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	99.17	99.17	-	-	99.17
4	Private Corporates	-	-	-	-	-
5	Subsidiaries/ Joint ventures	-	-	-	-	-
6	Others	4.43	4.43	-	4.43	1.95
7	Provisions held towards NPI	-	-	-	-	-
Total		**103.60**	**103.60**	**-**	**4.43**	**101.12**

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

Issuer composition as at March 31, 2025 of non-SLR investments

(₹ in Crore)

Sl. No. (1)	Issuer (2)	Amount (3)	Extent of Private Placement (4)	Extent of 'Below Investment Grade' Securities (5)	Extent of 'Unrated' Securities (6)	Extent of 'Unlisted' Securities (7)
1	PSUs	-	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	730.99	113.59	-	-	-
4	Private Corporates	-	-	-	-	-
5	Subsidiaries/ Joint ventures	-	-	-	-	-
6	Others	6.79	6.79	-	6.79	2.79
7	Provisions held towards NPI	-	-	-	-	-
Total		**737.78**	**120.38**	-	**6.79**	**2.79**

The amount reported under column (4), (5), (6) and (7) are not mutually exclusive.

18.3.8 Repo/Reverse Repo/MSF Transactions for the year ended March 31, 2026 (In Face Value & Market Value Terms)

(₹ in Crore)

Sl. No.	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March, 31 2026	
		Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
A	Securities sold under repo/MSF								
	i. Government securities	151.34	151.45	464.98	458.90	225.84	223.35	309.15	305.62
	ii. Corporate debt securities	-	-	-	-	-	-	-	-
	iii. Any other securities	-	-	-	-	-	-	-	-
B	Securities purchased under reverse repo								
	i. Government securities	82.63	86.75	1,860.50	1,954.85	1,044.66	1,054.62	-	-
	ii. Corporate debt securities	-	-	-	-	-	-	-	-
	iii. Any other securities	-	-	-	-	-	-	-	-

(₹ in Crore)

Sl. No.	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on March, 31 2026	
		Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
A	Securities sold under repo/MSF								
	Government securities	144.53	152.70	144.53	152.70	144.53	152.70	-	-
	Corporate debt securities	-	-	-	-	-	-	-	-
	Any other securities	-	-	-	-	-	-	-	-
B	Securities purchased under reverse repo								
	Government securities	207.88	195.78	1,692.58	1,684.65	791.28	762.79	-	-
	Corporate debt securities	-	-	-	-	-	-	-	-
	Any other securities	-	-	-	-	-	-	-	-

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

(i) The days on which there were Nil outstanding have been ignored while arriving at the amount of minimum outstanding during the year.

(ii) Actual number of days of transactions have been considered in computation of daily average outstanding during the year.

(iii) In respect of triparty repo and triparty reverse repo transactions, amount of funds borrowed or lent have been disclosed in the tables above.

18.3.9 Government Security Lending (GSL) transactions

In reference to the RBI Notification No: FMRD.DIRD.No.06/14.03.061/2023-2024 dated December 27, 2023 with respect to the disclosure related to Government securities lending and borrowing transactions undertaken Over-the-Counter markets, the bank has not entered into any such type of transactions in the current year.

18.4 Asset Quality

18.4.1 Classification of advances and provisions held

(₹ in Crore)

Sl. No.	Particulars	As at March 31, 2026					Total
		Standard Advances	Non-performing Advances				
			Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(i)	**Gross Standard Advances and NPAs**						
	Opening balance	17,811.21	1,788.48	65.90	-	1,854.38	19,665.59
	Add: Additions during the year					1,724.31	
	Less: Reductions during the year *					2,118.79	
	Closing balance #	17,475.54	1,347.11	100.43	12.36	1,459.90	18,935.44
	* Reductions in Gross NPAs due to						
	(i) Up – gradations					252.33	
	(ii) Recoveries (excluding recoveries made from up-graded accounts)					123.16	
	(iii) Technical/ Prudential Write-offs during the year					1,013.39	
	(iv) Sale of NPA to Asset Reconstruction company (ARC) (Refer schedule 18.4.6)					653.70	
	(v) Write-offs / Waiver other than those under (iii) above					76.21	
(ii)	**Provisions (excluding Floating Provisions)**						
	Opening balance of provisions held	65.07	892.69	56.42	-	949.11	1,014.18
	Add: Fresh provisions made during the year					1,751.59	
	Less: Excess provision reversed/ Write-off loans **					1,834.85	
	Closing balance of provisions held	63.62	787.76	65.73	12.36	865.85	929.47
(iii)	**Net NPAs (after adjusting floating provisions)**						
	Opening balance		895.79	9.48	-	905.27	
	Add: Fresh additions during the year					(27.28)	
	Less: Reductions during the year					283.94	
	Closing balance		559.35	34.70	-	594.05	

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.4.1 Classification of advances and provisions held

(₹ in Crore)

Sl. No.	Particulars	As at March 31, 2026					Total
		Standard Advances	Non-performing Advances				
			Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(iv)	**Floating Provision**						
	Opening balance						-
	Add: Additional provision made during the year						-
	Less: Amount drawdown during the year (Refer schedule 18.26)						-
	Closing balance of floating provision						-
(v)	**Technical write-offs and the recoveries made thereon**						
	(a) Opening balance Technical/ Prudential written-off accounts						1,036.46
	(b) Add: Technical/ Prudential write-offs during the year						1,013.39
	(c) Less: Recoveries made from previously technical/ prudential written-off accounts during the year						95.57
	(d) Less: Sale of Technical/ prudential written off accounts to Asset Reconstruction company (ARC) (Refer schedule 18.4.6)						861.29
	(e) Closing balance						1,092.99

(₹ in Crore)

Sl. No.	Particulars	As at March 31, 2025					Total
		Standard Advances	Non-performing Advances				
			Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(i)	**Gross Standard Advances and NPAs**						
	Opening balance	16,211.70	341.28	76.30	-	417.58	16,629.28
	Add: Additions during the year					2,108.16	
	Less: Reductions during the year *					671.36	
	Closing balance #	17,811.21	1,788.48	65.90	-	1,854.38	19,665.59
	* Reductions in Gross NPAs due to						
	(i) Up – gradations					158.44	
	(ii) Recoveries (excluding recoveries made from up-graded accounts)					42.62	
	(iii) Technical/ Prudential Write-offs during the year					237.69	
	(iv) Sale of NPA to Asset Reconstruction company (ARC) (Refer schedule 18.4.6)					224.13	
	(v) Write-offs / Waiver other than those under (iii) above					8.48	

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

(₹ in Crore)

Sl. No.	Particulars	As at March 31, 2025					Total
		Standard Advances	Non-performing Advances				
			Sub-standard	Doubtful	Loss	Total Non-performing Advances	
(ii)	**Provisions (excluding Floating Provisions)**						
	Opening balance of provisions held	78.33	192.19	72.28	-	264.47	342.80
	Add: Fresh provisions made during the year					1,229.78	
	Less: Excess provision reversed/ Write-off loans **					545.14	
	Closing balance of provisions held	65.07	892.69	56.42	-	949.11	1,014.18
(iii)	**Net NPAs (after adjusting floating provisions)**						
	Opening balance		149.09	4.02	-	4.49	
	Add: Fresh additions during the year					837.03	
	Less: Reductions during the year					(63.75)	
	Closing balance		895.79	9.48	-	905.27	
(iv)	**Floating Provision**						
	Opening balance						148.62
	Add: Additional provision made during the year						41.35
	Less: Amount drawdown during the year						189.97
	Closing balance of floating provision						-
(v)	**Technical write-offs and the recoveries made thereon**						
	(a) Opening balance Technical/ Prudential written-off accounts						992.96
	(b) Add: Technical/ Prudential write-offs during the year						237.69
	(c) Less: Recoveries made from previously technical/ prudential written-off accounts during the year						63.79
	(d) Less: Sale of Technical/ prudential written off accounts to Asset Reconstruction company (ARC) (Refer schedule 18.4.6)						130.40
	(e) Closing balance						1,036.46

** Write back includes excess provision ₹91.55 Crore and Reversal on account of write off ₹1,743.30 Crore (including NPA portfolio sale to ARC of ₹653.70 Crore) (March 31, 2025: Write back includes excess provision ₹74.84 Crore and Reversal on account of write off ₹470.30 Crore (including NPA portfolio sale to ARC of ₹224.13 Crore))

Closing balance is net of IBPC of ₹397 Crore as on March 31, 2026 (March 31, 2025: NIL)

Ratios (in %)	As at March 31, 2026	As at March 31, 2025
Gross NPA to Gross Advances	7.71%	9.43%
Net NPA to Net Advances	3.29%	4.84%
Provision coverage ratio (PCR)	59.31%	51.18%

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.4.2 Sector Wise Advances and Gross NPAs:

(₹ in Crore)

Sl. No.		Sector	As at March 31, 2026		
			Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A		**Priority Sector****			
	1	Agriculture and allied activities	4,847.08	636.78	13.14%
	2	Advances to industries sector eligible as priority sector lending	1,609.65	61.73	3.83%
		Other Industries	1,465.03	54.49	3.72%
	3	Services	3,992.08	203.44	5.10%
		Trade	1,924.97	98.44	5.11%
		Other Services	1,871.80	101.44	5.42%
	4	Personal loans & Others	1,493.62	297.74	19.93%
		Housing	318.03	15.38	4.84%
		Others	1,175.59	282.36	24.02%
		Sub-total (A)	**11,942.43**	**1,199.69**	**10.05%**
B		**Non Priority Sector**			
	1	Agriculture and allied activities	-	-	-
	2	Industry	-	-	-
	3	Services	1,865.06	13.25	0.71%
		Trade	0.46	0.01	2.17%
		Other Services	242.70	4.79	1.97%
		Other NBFC	1,318.14	7.16	0.54%
	4	Personal loans & Others	5,127.95	246.96	4.82%
		Housing	687.07	29.43	4.28%
		Personal loans	1,062.93	32.71	3.08%
		Loans against Properties	825.54	15.93	1.93%
		Others retail loans	1,887.15	159.66	8.46%
		Sub-total (B)	**6,993.01**	**260.21**	**3.72%**
Total (A+B)			**18,935.44**	**1,459.90**	**7.71%**

(₹ in Crore)

Sl. No.		Sector	As at March 31, 2025		
			Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A		**Priority Sector****			
	1	Agriculture and allied activities	6,299.29	1,020.18	16.20%
	2	Advances to industries sector eligible as priority sector lending	1,341.08	26.44	1.97%
		Other Industries	1,166.27	25.72	2.21%
	3	Services	3,719.77	107.38	2.89%
		Trade	1,839.21	57.93	3.15%

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

(₹ in Crore)

Sl. No.	Sector	As at March 31, 2025		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
	Other Services	1,735.30	49.01	2.82%
4	Personal loans & Others	2,971.75	446.46	15.02%
	Housing	285.57	10.46	3.66%
	Others	2,686.18	436.00	16.23%
	Sub-total (A)	**14,331.89**	**1,600.46**	**11.17%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	-	-	-
2	Industry	-	-	-
3	Services	1,568.71	24.21	1.54%
	Other NBFC	1,337.27	24.00	1.79%
4	Personal loans & Others	3,764.99	229.71	6.10%
	Housing	648.85	17.79	2.74%
	Loans against Properties	635.74	12.05	1.90%
	Others retail loans	1,225.76	189.36	15.45%
	Sub-total (B)	**5,333.70**	**253.92**	**4.76%**
Total (A+B)		**19,665.59**	**1,854.38**	**9.43%**

For loans disbursed prior to July 01, 2020, the existing circular before the below mentioned revised circular was considered for classification of loan under Priority Sector Lending.

The Bank has classified loan under Priority Sector Lending (PSL) across various categories based on Master Directions FIDD.CO.PSD.BC.13/04.09.001/2024-25 dated March 24, 2025.

* Represent Gross Advances

** This includes underlying advances of Priority Sector Lending Certificates sold and does not include underlying advances of Priority Sector Lending Certificates purchased during the year. Refer Schedule 18.14.4

Classification of advances under the different sectors and sub-sectors is based on the internal MIS and same is used for compiling the return submitted to the RBI, which has been relied upon by the joint statutory auditors.

18.4.3 Overseas Assets, NPAs and Revenue

During the year ended March 31, 2026 and March 31, 2025, there are no overseas assets, NPAs and revenue.

18.4.4 Particulars of Restructured Accounts:

During the year ended March 31, 2026 and March 31, 2025, the Bank has not implemented Resolution Plan for any of the borrowers in accordance with the RBI Circular dated June 7, 2019 on Prudential Revised Framework for Resolution of Stressed Assets ("Framework").

18.4.5 Divergence in asset classification and provisioning:

RBI vide circular no. DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022, has directed that banks shall make suitable disclosures, wherever (a) the additional provisioning requirement assessed by RBI exceeds 5 percent of the reported profit before provisions and contingencies for the reference period, or (b) the additional Gross NPA identified by RBI exceeds 5 percent of the published incremental Gross NPA for the reference period, or both. Based on the annual inspection conducted with respect to the Bank's position as at March 31, 2024 and the Supervisory Risk Assessment (Select Scope) for the position as at March 31, 2025 there are no reportable matters under (a) and (b) of the above-mentioned circular.

18.4.6 Transfer of loans exposures

Details of loans transferred / acquired during the year ended March 31, 2026 under the RBI Master Direction is given below:

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

(i) The Bank has not acquired/transferred any loans not in default to other entities during the year ended March 31, 2026 and March 31, 2025.

(ii) Details of Stressed Loans transferred to Asset Reconstruction Company (ARC) is given below: (₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
No. of accounts *	4,28,864	1,24,728
Aggregate principal outstanding of loans transferred * (on the date of transfer)	1,515.00	354.54
Weighted average residual tenor of the loans transferred (in months)#	5.88	6.86
Net book value of loans transferred (at the time of transfer)	92.05	66.66
Aggregate Consideration	206.69	52.00
Additional consideration realized in respect of accounts transferred in earlier years	-	-

* includes transfer of 2 accounts having principal outstanding as on September 30, 2025 ₹24.00 Crore for which consideration received was ₹11.40 Crore and transfer of 428862 accounts having principal outstanding as on December 31, 2025 ₹1,491.00 Crore for which consideration received was ₹195.29 Crore.

\# not applicable to technically written off pool

Details on recovery ratings assigned to Security Receipts as on 31st March, 2026:

	Recovery ratings	Anticipated recovery as per recovery rating (%)	Net Book Value *	Outstanding Redemption *
PARAS	BWR RR1	More than 100% and upto 150%	-	33.52
SHRIRAM	Unrated	-	-	32.77
ARCIL	Unrated	-	-	70.14

* The same has been fully provided for in the books

The recovery ratings of the unrated SRs would be obtained within 6 months as per relevant RBI guidelines

(iii) During the year ended March 31, 2026 and March 31, 2025, the Bank has not acquired stressed loans (Non Performing Assets).

(iv) During the year ended March 31, 2026 and March 31, 2025, the Bank has not acquired/transferred stressed loans (Special Mention Accounts).

18.4.7 Non-Fund (NFB) Credit facilities

During the year ended March 31, 2026, RBI has issued directions with regard to Non Fund Based(NFB) Credit Facilities (Master Direction in Commercial Banks - Credit Facilities, 2025), which shall come into force for the Bank from April 01, 2026. Accordingly, the disclosure is not applicable for FY 2025-26.

18.4.8 Security Receipts (SR)

The Bank has investments held as security receipts received by sale of stressed assets to Assets Reconstruction Company (ARC) amounting to ₹102.92 Crore against which has been fully provided for as at March 31, 2026 (March 31, 2025: ₹33.90 Crore).

18.4.9 Details of provisioning pertaining to fraud accounts

(₹in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Number of frauds reported	76*	105
Amount involved in frauds	2.67	4.44
Amount of provision made for such frauds (net of recoveries)	2.05	3.51
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

Amount of recoveries during the current year is ₹0.62 Crore (March 31, 2025: ₹0.93 Crore) and balance amount of fraud as at the year-end of ₹2.05 Crore (previous year : ₹3.51 Crore) is fully provided.

* Number of Cases reported here included the total cases reported as Staff Fraud as well as Robbery / Theft incidents during the FY 25-26.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.4.10 Disclosure related to Project Finance

During the year ended March 31, 2026 and March 31, 2025, the Bank has not entered into Project Finance.

18.4.11 Disclosure under Resolution Framework for COVID-19-related Stress:

For the year ended March 31, 2026

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) during the half year ended September 30, 2025:

(₹ in Crore except number of accounts)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at March 31, 2025	Of (A), aggregate debt that slipped into NPA during H1 FY26	Of (A) amount written off during H1 FY26	Of (A) amount paid by the borrowers during H1 FY26	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2025
Personal Loans	4.18	-		0.51	3.67
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	0.16	0.02		0.08	0.06
Total	**4.34**	**0.02**	**-**	**0.59**	**3.73**

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) during the half year ended March 31, 2026:

(₹ in Crore except number of accounts)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at September 30, 2025	Of (A), aggregate debt that slipped into NPA during H2 FY26	Of (A) amount written off during H2 FY26	Of (A) amount paid by the borrowers during H2 FY26	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2026
Personal Loans	3.67	0.02		0.24	3.41
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	0.06	-		0.06	0.00**
Total	**3.73**	**0.02**	**-**	**0.30**	**3.41**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** Amount less than ₹50,000 is shown as Nil

Amount paid by the borrower during the half year is net of additions in the borrower amount due to fresh disbursements made.

18.4.11 Disclosure under Resolution Framework for COVID-19-related Stress:

For the year ended March 31, 2025

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) during the half year ended September 30, 2024:

Schedule forming part of the Financial Statements
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Schedule 18 (Contd.)

(₹ in Crore except number of accounts)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at March 31, 2024	"Of (A), aggregate debt that slipped into NPA during H1 FY25"	"Of (A) amount written off during H1 FY25"	"Of (A) amount paid by the borrowers during H1 FY25"	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2024
Personal Loans	7.84	2.66	-	1.28	3.90
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	3.27	0.68	-	1.86	0.73
Total	**11.11**	**3.34**	**-**	**3.14**	**4.63**

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) during the half year ended March 31, 2025:

(₹ in Crore except number of accounts)

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at September 30, 2024	"Of (A), aggregate debt that slipped into NPA during H2 FY25"	"Of (A) amount written off during H2 FY25"	"Of (A) amount paid by the borrowers during H2 FY25"	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2025
Personal Loans	3.90	0.04		0.45	3.41
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	0.73	0.12		0.45	0.16
Total	**4.63**	**0.16**	**-**	**0.90**	**3.57**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
\# Amount paid by the borrower during the half year is net of additions in the borrower amount due to fresh disbursements made.

18.5 Exposure

18.5.1 Exposure to Real Estate Sector

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
1) Direct exposure		
(a) Residential Mortgages -	5,438.91	4,763.12
of which housing loans eligible for inclusion in priority sector advance	341.51	282.94
(b) Commercial Real Estate (CRE)*	161.92	175.46
(c) Investments in Mortgage Backed Securities (MBS) and other securitized expo	-	-
(I) Residential Mortgages	-	-
(I) Commercial Real Estate	-	-

Schedule forming part of the Financial Statements
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Schedule 18 (Contd.)

18.5.1 Exposure to Real Estate Sector
(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	197.18	172.26
Total Exposure to Real Estate Sector	**5,798.02**	**5,110.84**

*The Bank considers only lease rent discounting (LRD) loans as CRE exposures.

18.5.2 Exposure to Capital Market:
(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Direct investment in equity shares*, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1.95	2.79
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading;	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**1.95**	**2.79**

* Net of provision amounting to ₹3.05 Crore (March 31, 2025 ₹2.21 Crore)

18.5.3 Risk Category wise Country Exposure:
The Bank's exposures are concentrated in India, hence country risk exposure as at March 31, 2026 is ₹Nil (March 31, 2025: ₹Nil).

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.5.4 Unsecured Advances

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Total unsecured advances of the bank	5,877.17	10,285.52
ii) Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
iii) Estimated value of such intangible securities	-	-

18.5.5 Advances secured by book debts
Advances secured by book debts as at March 31, 2026 is ₹1,602.34 Crore (March 31, 2025: ₹1,337.27 Crore)

18.5.6 Factoring exposures
As on March 31, 2026, exposures under factoring stood at ₹304.26 Crore (March 31, 2025: Nil)

18.5.7 Intra-Group exposures
There are no intra group exposures as at March 31, 2026 and March 31, 2025.

18.5.8 Unhedged Foreign Currency Exposure (UFCE) of Bank's Customer
The Bank has five borrowers having Unhedged Foreign Currency Exposure of ₹48.72 Crore as at March 31, 2026 (March 31, 2025 - ₹16.57 Crore). The Bank made ₹0.33 Crore provision during the year ended March 31, 2026 (March 31, 2025: NIL). The Bank held incremental capital of ₹10.22 Crore on advance to borrowers with Unhedged Foreign Currency Exposure (March 31, 2025: NIL).

18.5.9 Loan against gold and silver collateral
During the year ended March 31, 2026, RBI has issued directions with regard to circular (Master Direction in Commercial Banks - Credit Facilities, 2025), which shall come into force for the Bank from April 01, 2026. Accordingly, the disclosure is not applicable for FY 2025-26.

18.5.10 Details of Single / Group Borrower limit
The Bank has complied with the limits prescribed under extant guidelines with regards to exposure to single borrower and group of the borrower during the year ended March 31, 2026 and March 31, 2025.

18.6 Concentration of Deposits, Advances, Exposures and NPAs

18.6.1 Concentration of Deposits

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Deposits of twenty largest depositors *	2,940.85	3,354.37
Percentage of deposits of twenty largest depositors to total deposits of the Bank	13.58%	15.55%

* Includes certificate of deposits

18.6.2 Concentration of Advances

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Advances to twenty largest borrowers *	749.61	754.83
Percentage of advances to twenty largest borrowers to total advances	3.95%	3.84%

* excluding advances which are 100% cash backed.

Exposures comprise of credit exposure (funded and non-funded credit limits)

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Schedule 18 (Contd.)

18.6.3 Concentration of Exposures

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to twenty largest borrowers / customers	788.78	1,056.84
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	4.13%	5.18%

Credit Exposure excludes the exposures which are 100% cash backed

Exposures comprise of credit exposure (funded and non-funded credit limits) and investment exposure excluding other exposure of security placed with CCIL on account of limit for market repo transaction under CROMS of ₹511.08 Crore (March 31, 2025: ₹524.78 Crore).

18.6.4 Concentration of NPA's

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to the top twenty NPA accounts	55.56	59.45
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	3.81%	3.21%

18.7 Derivatives :

18.7.1 Forward Rate Agreement/ Interest Rate Swap/ Cross currency swap :
There are no forward rate agreement / interest rate swap / cross currency swap interest into and outstanding during the year ended March 31, 2026 and March 31, 2025.

18.7.2 Exchange Traded Interest Rate Derivatives
There are no exchange traded interest rate derivative entered into and outstanding during the year ended March 31, 2026 and March 31, 2025.

18.7.3 Risk Exposure in Derivatives:
Qualitative disclosure on risk exposure in derivatives

The Bank has not engaged in any derivatives contracts during the year ended March 31, 2026 and March 31, 2025.

Quantitative disclosure on risk exposure in derivatives

The bank has not entered into any derivative instruments for trading / speculative purposes either in Foreign Exchange or domestic treasury operations during the year ended March 31, 2026 and March 31, 2025.

18.7.4 Credit Default Swap
The Bank has not entered into Credit Default Swap during the year ended March 31, 2026 and March 31, 2025.

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18.8. Disclosures relating to Securitization

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
1. No of SPEs holding assets for securitisation transactions originated by the originator	-	-
2. Total amount of securitised assets as per books of the SPEs	-	-
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
4. Amount of exposures to securitisation transactions other than MRR	-	-
a) Off-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures	-	-
i) Exposure to own securitizations	-	-
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations	-	-
* First loss	-	-
* Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6. Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc.	-	-
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount	-	-
8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	-	-
9. Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	-	-
10. Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding"	-	-

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Schedule 18 (Contd.)

18.9 Off- Balance Sheet Special Purpose Vehicle sponsored

There are no off balance sheet Special Purpose Vehicle sponsored by the Bank, which needs to be consolidated as per accounting norms.

18.10 Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance of amounts transferred to DEA Fund	-	-
Add: Amounts transferred to DEA Fund during the year	-	-
Less: Amounts reimbursed by DEA Fund towards claims	-	-
Closing balance of amounts transferred to DEA Fund	-	-

* The above balances represent amounts pertaining to the period subsequent to commencement of banking operations as a Small Finance Bank.

18.11 Disclosure of complaints:

18.11.1 Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Complaints received by the bank from its customers	As at March 31, 2026	As at March 31, 2025
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	110	72
2	Number of complaints received during the year *	8,337	5,799
3	Number of complaints disposed during the year *	8,388	5,761
	3.1 Of which, number of complaints rejected by the bank	756	399
4	Number of complaints pending at the end of the year	59	110
	Maintainable complaints received by the bank from Office of Ombudsman	-	
5	Number of maintainable complaints received by the bank from Office of Ombudsman **	919	413
	5.1 Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	643	222
	5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	238	158
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme,2006) and covered within the ambit of the Scheme.

* The above information does not include complaints redressed within 1 working day.

** Out of 919 BO complaints, in 38 complaints decision are not given by RBI yet (March 31, 2025: Out of 413 BO complaints, 33 complaints decision are not given by RBI yet).

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18.11.2 Top five grounds of complaints received by the bank from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2026					
Ground - 1 (Credit Card)	26	1,993	322%	6	-
Ground - 2 (ATM/Debit Cards)	26	1,557	8%	21	-
Ground - 3 (Internet/Mobile/Electronic Banking)	34	1,297	(3%)	9	-
Ground - 4 (Account opening/difficulty in operation of accounts)	-	833	178%	-	-
Ground - 5 (Loans and advances)	-	222	(27%)	-	-
Others	24	2,435	25%	23	-
Total	**110**	**8,337**	**44%**	**59**	**-**
As at March 31, 2025					
Ground - 1 (ATM/Debit Cards)	18	1,438	(51%)	26	2
Ground - 2 (Internet/Mobile/Electronic Banking)	38	1,334	(26%)	34	-
Ground - 3 (Credit Card)	-	472	0%	26.00	-
Ground - 4 (Loans and advances)	-	305	33%	-	-
Ground - 5 (Account opening/difficulty in operation of accounts)	-	300	0%	-	-
Others	16	1,950	9%	24	-
Total	**72**	**5,799**	**(19%)**	**110**	**2**

18.12 Penalties imposed by the Reserve Bank of India

No penalty was imposed by RBI on the Bank during the year ended March 31, 2026 and March 31, 2025.

18.13 Disclosure on Remuneration

Qualitative Disclosure

A. Information relating to the bodies that oversee remuneration

a) Name, composition and mandate of the main body overseeing remuneration

The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As on March 31, 2026, The NRC comprised of two independent directors viz. Mr. Praveen Kumar Gupta (Chairman) and Dr. Kshatrapati Shivaji, one non-independent director viz. Dr. Ram Jass Yadav.

The NRC oversees the framing, review and implementation of the Bank's compensation and remuneration framework in line with applicable RBI guidelines and the Bank's risk management objectives.

Role and functions of the Committee related to Nomination

A. Appointment criteria and qualifications

i) To identify and approve appointment of persons who are qualified to become directors in the bank and who may be appointed as KMPs or SMPs in the bank, who possess integrity, independence, adequate knowledge, skill, qualification, experience in the field of his/her specialisation commensurate with the proposed role and responsibility as Director, KMP or SMP and shall have the ability to manage the responsibility assigned to him/her.

ii) To ensure that the Bank appoints or continues the employment of any person as Managing Director / Whole-time Director subject to the conditions laid down under Part I of Schedule V of the Companies Act, 2013 and in line with extant RBI guidelines and relevant provisions of the Banking Regulation Act 1949.

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iii) To ensure that the Bank shall appoint or continue the service of any person as Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Banking Regulation Act 1949.

iv) Appointment of Senior Management Personnel (executives one level below the MD & CEO) shall be reviewed and approved by the NRC in accordance with the Bank's internal governance framework.

B. Following are the functions of Nomination and Remuneration Committee:

1. Review the structure, size, composition, diversity of the Board and make necessary recommendations to the Board with regard to any changes as necessary and formulation of policy thereon.
2. Evaluate the skills that exist, and those that are absent but needed at the Board level, and search for appropriate candidates who have the profile to provide such skill sets.
3. To evaluate the performance of the members of the Board and provide necessary report to the Board
4. Advise criteria for evaluation of Independent Directors and the Board & its Committees and carry out evaluation of every directors' performance.
5. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. To recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel, Senior Management Personnel and other employees.
7. To formulate criteria for payment to Key Managerial Personnel and Senior Management Personnel performance based incentives / rewards based on Bank's performance.
8. Examine vacancies that will come up at the Board on account of retirement or otherwise and suggest course of action.
9. Undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto.
10. Review the composition of Committees of the Board, and identify and recommend to the Board the Directors who can best serve as members of each Board Committee.
11. Review and recommend to the Board for approval the appointment of Managing Director & CEO and other whole-time Directors and the overall remuneration framework and associated policy of the Bank (including remuneration policy for directors and key managerial personnel) the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO, other Whole-time Directors and senior managers one level below the Board.
12. Review and recommend to the Board for approval the total increase in manpower cost budget of the Bank as a whole, at an aggregate level, for the next year.
13. Recommend to the Board the compensation payable to the Non-Executive Chairman of the Bank.
14. Review the Code of Conduct and HR strategy, policy and performance appraisal process within the Bank, as well as any material changes in the organization structure which could have wide ranging implications.
15. Review and recommend to the Board for approval of various other HR related policies including the Talent Management Policy and Succession Policy in the Bank for ensuring business continuity, especially at the level of Board, MD & CEO, other Whole Time Directors, Senior Management Personnel (one level below the MD & CEO and other key roles).
16. Review and recommend to the Board for approval:
    1. The creation of new positions one level below MD & CEO, wherever required
    2. Appointments, promotions and exits of senior managers one level below the MD & CEO
    3. Review key appointments, promotions and exits for senior management positions (SMP) in line with the Bank's governance framework.

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b) **External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process**

No external consultant has been engaged in the current year.

c) **Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches**

The Compensation and Remuneration Policy of the Bank has been approved by the Board of Directors pursuant to the guidelines issued by RBI, to cover all employees of the Bank.

The revised remuneration payable to the MD & CEO, as approved by the Board, has been approved by the Reserve Bank of India vide its letter dated March 17, 2026.

The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO, WTD and employees in Risk Control and Compliance Department which is approved by the Board of Directors on March 08, 2025.

The Bank's remuneration framework is designed to align compensation with prudent risk-taking and incorporates both financial and non-financial performance parameters.

Variable remuneration, wherever applicable, is aligned with the Bank's risk management framework and subject to appropriate governance and review mechanisms.

d) **Type of employees covered and number of such employees**

All the employees of the Bank are covered. The total number of employees of the Bank as at March 31, 2026 were 18,400 (March 31, 2025: 19,779)

B. Information relating to the design and structure of remuneration processes.

Key features and objectives of remuneration policy: The Bank has, under the guidance of the Nomination and Remuneration Committee ("NRC") and the Board, followed remuneration practices intended to drive meritocracy and performance based on a prudent risk management framework.

Effective governance of compensation:

The NRC has oversight over compensation to senior management personnel and also provides overall guidance to the compensation paid to other employees.

Alignment of compensation philosophy with prudent risk taking:

While the Bank seeks to achieve a mix of fixed and variable remuneration that is prudent, it currently has predominantly a fixed remuneration structure with no guaranteed bonuses. Further, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their performance.

The Bank seeks to align remuneration practices with prudent risk-taking and long-term value creation through a combination of financial and non-financial performance indicators.

The Bank has appropriate governance mechanisms in place for review of compensation outcomes to ensure consistency with the Bank's risk profile and regulatory expectations.

Whether the remuneration committee reviewed the Bank's remuneration policy during the past year, and if so, an overview of any changes that were made:

There has been no material change in the Bank's remuneration policy during the past year.

Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:

The remuneration of employees in control functions such as Risk and Compliance depends solely on their individual and overall functional performance and is not linked to any business outcomes. The same is also reflected in their KRA's and performance evaluation framework. The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO and Risk and Compliance.

C. Description of the ways in which current and future risks are taken into account in the remuneration processes.

Overview of the key risks that the Bank takes into account when implementing remuneration measures:

The Board approves the overall risk management policy including the risk management framework, risk appetite, risk limits and related governance mechanisms. The Bank conducts all its business activities within this framework.

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While assessing the performance of the Bank and senior management personnel, the NRC takes into account adherence to the Bank's risk management framework, regulatory compliance, governance standards and long-term sustainability objectives while making its recommendations to the Board.

Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure: The evaluation process shall incorporate both qualitative and quantitative parameters including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management.

Discussion of the ways in which these measures affect remuneration:
In order to ensure alignment of remuneration with prudent practices, the NRC takes into account adherence to the risk framework in addition to business performance.

Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:
There has been no material change in the nature and type of measures over the past year.

D. Description of the ways in which the Bank seeks to link performance during a performance measurement year with levels of remuneration.

Overview of main performance metrics for the Bank, top level business lines and individuals:
The main performance metrics include profitability, business growth, asset quality, compliance, and customer service.

Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:
The assessment of employees is based on achievement against individual Key Result Areas ("KRAs"), functional objectives and overall Bank performance, including the metrics mentioned above.

Both financial and non-financial performance indicators are considered while determining performance outcomes and remuneration.

Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics:
In the event of weak performance metrics or adverse risk outcomes, the NRC and the Board may review remuneration outcomes and take appropriate corrective actions in line with the Bank's compensation framework and applicable regulatory guidelines.

E. Description of the ways in which the Bank seeks to link performance during a performance measurement year with levels of remuneration.

As part of the performance management process, the Bank rolls out individual KRAs to employees at the beginning of each financial year. The KRAs are aligned with the strategic objectives, business/functional plans and budgets approved by the Board. In addition to periodic feedback provided by reporting managers, the Bank has a formal Mid-Year Review and Year-End Review process to assess employee performance. Based on organizational, functional and individual performance assessments, the Bank determines compensation increments and variable pay, wherever applicable.

Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

The various deferral arrangement of variable remuneration in the bank broadly are as follows –

a) For MD & CEO and Whole Time Directors (WTD)– The variable remuneration of the MD & CEO and WTD is approved by the Reserve Bank of India which includes deferral arrangement for the cash and non cash part of the variable pay which is implemented by the bank as per the advice of the RBI.

b) All ESOP 's which are granted across all levels in the organization have deferral arrangement in them

c) Monthly / Quarterly Variable Pay - Based on the nature of the scheme , deferral arrangements are made in the same which differ from channel to channel.

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The fraction of deferral to be considered is dependent upon –

a) Guidelines issued by the Regulator from time to time

b) Approval as per the overall performance framework approved by the NRC and the Board

c) Driving right behaviours via the various incentive schemes.

Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:

The Bank also has in place a Policy on Risk Alignment of Compensation applicable for MD & CEO, WTD and Risk Control and Compliance. This policy deals with the deferred payment of variable pay and claw back guidelines.

F. Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms.

The Bank has variable pay that is paid based on the performance that is applicable to all levels. The ESOP options of the Holding Company and the Bank are currently given granted to eligible employees in Chief Manager grade and above grade, subject to performance and applicable policy guidelines. Employees in sales function do have incentives based on monthly business performance.

The Bank identifies employees whose roles may have a material impact on the Bank's risk profile and applies appropriate governance and risk alignment principles while determining their remuneration.

The Bank does not provide guaranteed bonuses except as permitted under applicable regulatory guidelines.

Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance

The variable remuneration is offered in the form of annual performance bonus. The same is determined on the basis of comprehensive performance appraisal system wherein the performance of each employee is evaluated on the basis of defined Goal Sheet and KRA at the beginning of year and achievement against them.

The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors (WTD) and Material Risk Takers (MRT) for the year ended March 31, 2026 are given below

(₹ in Crore, except numbers)

Particulars			As at March 31, 2026
a.	i)	Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	5
	ii)	Remuneration paid to its members (sitting fees)	0.09
b.	Number of employees having received a variable remuneration award during the financial year		4
c.	Number and total amount of sign-on/joining bonus made during the financial year		-
	-	Share-linked instruments (number of stock options granted)	-
	-	Fair value of share linked instruments	-
	-	Cash	-
d.	Details of severance pay, in addition to accrued benefits, if any		-

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Schedule 18 (Contd.)

(₹ in Crore, except numbers)

Particulars		As at March 31, 2026
e.	**Total amount of outstanding deferred remuneration, split into:**	**4.67**
	- Cash	0.33
	- Shares	-
	- Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	₹4.34 Crore[1] fair value of 50,31,895 shares unvested during the year
f.	**Total amount of deferred remuneration paid out in the financial year:**	**2.40**
	- Cash	0.28
	- Share-linked instruments (number of stock options vested during the year and fair value of the same)	₹2.11 Crore[1] fair value of 15.41.679 shares vested during the year
g.	**Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:**	
	- Fixed[2]	6.33
	- Variable	2.42
	- Deferred	2.15
	- of which, cash	0.28
	- of which, share-linked instrument	₹1.86 Crore[1] fair value of 36,33,942 shares granted during the year
	- Non-deferred[3]	0.27
h.	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	-
i.	Total amount of reductions during the financial year due to ex- post explicit adjustments	-
j.	Total amount of reductions during the financial year due to ex- post implicit adjustments	-
k.	No. of MRTs identified	4
l.	Number of cases where - malus has been exercised - clawback has been exercised - both malus and clawback have been exercised	-
m.	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean Mean pay of the Bank[4] Deviation of the pay of WTDs from the mean pay for the Bank - MD & CEO - WTD	 822.47 MD & CEO 819.62 ED: 613.07

1 Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date.

2 Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank

3 Non-deferred includes Long Term Incentive Plan

4 Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales and overseas employess) as on March 31, 2026. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank. Mean has been proprated for WTD.

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The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors (WTD) and Material Risk Takers (MRT) for the year ended March 31, 2025 are given below

(₹ in Crore, except numbers)

Sr. No.	Particulars	As at March 31, 2025
1(i)	Number of meetings held by the Nomination and Remuneration Committee during the financial year.	7
1(ii)	Remuneration paid to its members during the financial year (sitting fees)	0.13
2(i)	Number of employees having received a variable remuneration award during the financial year.	5
2(ii)	Number and total amount of sign-on awards made during the financial year.	-
2(iii)	Details of Joining bonus, if any, paid as joining / sign on bonus	-
2(iv)	Details of severance pay, in addition to accrued benefits, if any.	-
3(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	RBI vide its letter dated September 16, 2024 approved pay to MD & CEO in the following manner: i. Grant of ₹2.57 Crore as fixed pay, including perquisite w.e.f. April 1, 2024. ii. Grant of ₹1.76 Crore (cash ₹0.70 Crore and non-cash ₹1.06 Crore) as variable pay for the FY 2023-24, with deferred arrangement as below: - Cash Variable Compensation - 40% of the total variable compensation would be payable in cash, which would be ₹0.70 Crore of which ₹0.35 Crore would be paid up front and the payment of balance ₹0.35 Crore would be deferred for the next 3 years, to be paid in equal instalments. - Non-Cash Variable Compensation, - 60% of the total variable compensation would be payable in non-cash instruments which would be in the form of USFBL -ESOPs as such ₹1.06 Crore worth of ESOPs would be granted to the MD & CEO. Grant of these ESOPs would be deferred in 3 equal instalments. Bank shall apply the Black Scholes model, which would be certified by an authorized valuer appointed by the bank, for arriving at the quantum of number of shares to be allotted to the MD & CEO.
3(ii)	Total amount of deferred remuneration paid out in the year.	-
4	Breakdown of amount of remuneration awards for the year *	
	Fixed	9.23
	Variable	1.42
	Deferred	0.22
	Non-deferred	10.65

Schedule forming part of the Financial Statements

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Schedule 18 (Contd.)

(₹ in Crore, except numbers)

Sr. No.	Particulars	As at March 31, 2025
5(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	-
5(ii)	Total amount of reductions during the year due to ex- post explicit adjustments.	-
5(iii)	Total amount of reductions during the year due to ex- post implicit adjustments	-
6	Number of MRTs identified**	5 MRTs & 2 WTDs (including MD & CEO)
7(i)	Number of cases where malus has been exercised.	-
7(ii)	Number of cases where clawback has been exercised.	-
7(iii)	Number of cases where both malus and clawback have been exercised.	-
8	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	0.04 Crore & 60 times

*Remuneration excludes the cost accounted under Employee Stock Option Plan of the Holding Company and Gratuity & Leave encashment related costs which is accounted at entity level based on actuarial valuation.

** As per RBI Circular No.23/29.67.001/2019-20 dtd November 04, 2019 effective from FY 20-21.

The bonus paid to MD & CEO during the year pertains to previous financial years.

Variable pay amounting to ₹1.76 Crore has been approved by RBI for MD & CEO for FY 2023-24. Cash component of ₹0.35 Crore of the same has been paid to MD & CEO in the month of Sep'24, rest ₹0.35 Crore would be paid next 3 years in deferred manner. Non-cash component of ₹1.05 Crore is deferred in the form of USFBL - ESOPs as per RBI approval.

18.14.1 Business Ratios:

(₹ in Crore except percentages and ratio)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Interest income as a % to Working funds[1]	12.22%	14.59%
(ii) Non-Interest income as a % to Working funds[1]	1.57%	2.32%
(iii) Cost of deposits[6]	8.02%	8.10%
(iv) Net interest margin[7]	5.45%	8.17%
(v) Operating profit[2] as a % to Working funds[1]	0.21%	3.90%
(vi) Return on Assets[4] (Working funds[1])	(4.16%)	0.09%
(vii) Business[3] (Deposit plus Net Advance) per employee[5]	1.91	1.91
(viii) Profit/(Loss) per employee[5]	(0.06)	0.00*

Notes

1. Working funds represents the monthly average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
2. Operating profit is net profit/ (loss) for the year before provisions and contingencies.
3. “Business” is the total of net advances and deposits (net of inter-bank deposits).
4. Return on Assets is net profit/ (loss) after tax divided by working funds.
5. Productivity ratios are based on average employee number.
6. Cost of deposit as % to average deposit
7. Net interest income as % to sum of average portfolio and average investments

* Amount less than ₹50,000

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.14.2 Disclosure of Fees / Remuneration Received in respect of Bancassurance Business

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Fee / Remuneration from Life Insurance Business	29.65	37.98
ii) Fee / Remuneration from General Insurance Business	2.23	3.44

18.14.3 Disclosure of Fees / Remuneration Received in respect of Marketing and distribution

The Bank has received ₹Nil towards marketing & distribution during the year ended March 31, 2026. (March 31, 2025: Nil)

18.14.4 Details of Priority Sector Lending Certificates (PSLC)

Following are the details of PSLC sold by the Bank.

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
General category	-	-
Micro enterprises	700.00	1,000.00
Agriculture	-	-
Small/marginal farmers	3,500.00	6,900.00
Total	**4,200.00**	**7,900.00**

Following are the details of PSLC purchased by the Bank.

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
General category	-	-
Micro enterprises	-	-
Agriculture	-	-
Small/marginal farmers	-	-
Total	-	-

18.14.5 Break up of Provisions and Contingencies debited to Profit & Loss Account

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Provisions for NPI	-	-
ii) Provision towards NPA	478.40	708.16
iii) Provision made towards Income tax	0.18	16.19
iv) Other Provisions and Contingencies	728.74	258.88
a Technical write off	1,013.39	237.69
b Provision for standard assets	(1.45)	(13.25)
c Provision on restructured assets	0.02	(0.41)
d Floating provision	-	-
e Provisions made towards deferred tax (Net)	(355.82)	(12.24)
f Provision against fraud	(0.68)	3.46
g Contingency provision	-	-
h Provision on security receipt	102.53	33.90
i Others	(29.25)	9.73
Total provisions	**1,207.33**	**983.23**

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.14.6 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

As per the RBI circular RBI/2015-16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016 Implementation of Indian Accounting Standards (Ind AS), The banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the Reserve Bank in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard. In FY 2023, Reserve Bank of India, through its discussion paper on "Introduction of Expected Credit Loss framework for provisioning by banks" has proposed to adopt an expected credit loss framework based on the approach as per Indian Accounting Standard (Ind AS) 109, supplemented by regulatory backstops wherever necessary. Further, in FY2024, the Reserve Bank of India (RBI) issued a master direction on classification, valuation and operation of investment portfolio of commercial banks (Directions), 2023, which became effective from April 1, 2024. The revised master direction brings the classification and accounting of investments closer to Ind AS. The Bank has implemented the required changes as per the master direction with effect from April 1, 2024.

18.14.7 Payment of DICGC Insurance Premium (including GST)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Payment of DICGC Insurance Premium	23.28	19.00
ii) Arrears in payment of DICGC premium	-	-

18.14.8 Investor Education and Protection Fund

There are no amounts which are due to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2026 and March 31, 2025.

18.14.9 Details of item under Other expenditure head exceeds one per cent of the total income

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i Banking software charges	-	94.99
ii Commission on business correspondent	137.29	114.21*
iii DSA Payout	43.14	57.72*
iv Manpower Outsourcing Expense	39.61	-

* Refer Schedule 18.30

18.14.10 Details of item under Miscellaneous income head exceeds one per cent of the total income

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Income from sale of priority sector lending certificate	87.04	115.07
ii) Recovery in written off account	65.77	88.14

18.14.11 Details of item of Others under Other Assets head exceeds one per cent of the total Asset

There are no item of Others under Other Assets head exceeds one per cent of the total asset during the year ended March 31, 2026 and March 31, 2025.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.14.12 Details of item of Others including provisions under Other Liabilities and Provisions head exceeds one per cent of the total Assets

There are no item of Others including provisions under Other Liabilities and Provisions head exceeds one per cent of the total assets during the year ended March 31, 2026 and March 31, 2025.

18.14.13 Portfolio-level information on the use of funds raised from green deposits

In reference to the RBI Notification No: DOR.ACC.REC.No117/21.04.018/2025-26 dated April 01, 2026 with respect to the disclosure related to acceptance of green deposits, the bank has not raised any funds from green deposits in the current year.

18.15 Earnings Per Share (EPS)

(₹ in Crore except percentages and ratio)

Particulars	As at March 31, 2026	As at March 31, 2025
Basic		
Weighted average number of equity shares - Basic	1,374,632,712	1,100,959,853
Net profit after tax available for equity shareholders (₹)	(1,150.98)	23.70
Basic earnings per share	(8.37)	0.22
Diluted		
Weighted average number of equity shares - Basic	1,374,632,712	1,100,959,853
Add: Weighted average number of potential equity shares on account of employee stock options	-	-
Weighted average number of equity shares - Diluted	1,374,632,712	1,100,959,853
Net profit after tax available for equity shareholders (₹)	(1,150.98)	23.70
Diluted earnings per share	(8.37)	0.22
Face value per share	10	10

18.16 Employee Stock Option Plan (“ESOP”)

A. Options granted by Bank

Over the period till March 31, 2026, pursuant to the approval of the shareholders the Bank has framed the Utkarsh Small Finance Bank Limited (USFBL) Employee Stock Option Plan 2020 (“ESOP Plans”) for options aggregating 11,58,00,893 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within two years from the date of the vesting.

7,00,79,183 options have been granted under the Schemes till the previous year ended March 31, 2025. During the year ended March 31, 2026, pursuant to the approval of the Nomination and Remuneration Committee, the Bank has granted 2,99,60,058 options (March 31, 2025: 1,92,87,909 options) under the ESOP Plans, to MD & CEO and other employees as under :-

(₹ in Crore except share data)

Date of Grant	As at March 31, 2026		As at March 31, 2025	
	Number of Options	Exercise Price	Number of Options	Exercise Price
September 03, 2024	-	-	18,233,265	44.00
September 20, 2024	-	-	1,054,644	44.19
November 14, 2025*	29,960,058	14.00	-	-

Shares vested to the employees have an exercise period of two years.

*This includes 26,05,765 ESOPs granted to MD & CEO at Fair value of ₹5.03 and at exercise price of ₹14.00 per share during the year. The bank received approval for remuneration to MD & CEO for financial year 2025-26 from RBI on March 17, 2026 with fixed pay of ₹2.57 Crore including perquisites & variable pay of ₹1.31 Crore non-cash component with deferral over three years.

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

These options are vested on graded basis as follows:

Vesting details	Grant to employees	Grant to WTD	Grant to MD & CEO		
			Grant dated December 28, 2020	Grant dated January 12, 2022	Other grant
On completion of 1 year	25%	10%	25.00%	69.00%	33.33%
On completion of 2 years	25%	20%	25.00%	31.00%	33.33%
On completion of 3 years	25%	30%	25.00%	-	33.33%
On completion of 4 years	25%	40%	25.00%	-	-

Stock option activity under ESOP Plan of the Bank for the year ended March 31, 2026

Particulars	Number of options	Exercise Price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Number of equity shares:				
Outstanding at the beginning of the year	50,386,253	27 to 44.14	38.27	3.06
Granted during the year	29,960,058	14	14.00	-
Lapsed/Cancelled during the year	(11,668,370)	27 to 44.19	36.13	-
Exercised during the year	-		-	-
Previous year adjustments			-	-
Outstanding at the end of year	**68,677,955**	**14 to 44.14**	**28.05**	**3.00**
Exercisable at the end of year	19,550,724	27 to 44.14	36.02	1.11

There were no options exercised during the year March 31, 2026

Stock option activity under ESOP Plan of the Bank for the year ended March 31, 2025

Particulars	Number of options	Exercise Price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Number of equity shares:				
Outstanding at the beginning of the year	38,413,892	27 to 44.14	34.54	4.84
Granted during the year	19,287,909	44 to 44.19	44.01	-
Lapsed/Cancelled during the year	(5,163,108)	27 to 44.14	36.69	-
Exercised during the year	(2,152,440)	14.01 to 31.8	26.91	-
Previous year adjustments	-			-
Outstanding at the end of year	**50,386,253**	**27 to 44.14**	**38.27**	**3.06**
Exercisable at the end of year	12,409,946	27 to 44.14	32.14	1.23

The weighted average share price in respect of units exercised during the year March 31, 2025 was ₹50.06

The compensation cost is calculated based on the fair value of the options under black scholes model and amortised over the grant period.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

The following assumptions are used for calculation of fair value of grants issued to employees other than MD & CEO and WTD:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend yield	3.07%	1.00%
Risk free interest rate	5.76% to 6.20%	6.64% to 6.72%
Expected life in years	2 to 5	2 to 5
Expected volatility	35.43% to 42.19%	33.1% to 42.7%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended March 31, 2026 is ₹5.35 (March 31, 2025 ₹18.43).

B. Options granted by Holding Company

Employees of the Bank are covered under the Employee Stock Option Schemes ("ESOP Schemes") formulated by the Holding Company. During the year ended March 31, 2026, the Holding Company granted 1,64,500 options to the employees of the Bank (March 31, 2025: Nil options). Consequently, the Bank has recognised employee compensation expense of ₹(0.37) Crore under Schedule 16 – Operating Expenses (March 31, 2025: ₹(0.23) Crore). The compensation cost is recognised on a graded vesting basis over the vesting period of the respective options granted under the ESOP Schemes.

The compensation cost is calculated based on the intrinsic value method, wherein the excess of fair value of underlying equity shares as on the date of grant over the exercise price of the options granted to employees of the Bank under the ESOP Schemes is recognised as compensation cost and amortised over the vesting period. The Holding Company cross charges the compensation cost to the Bank to the extent attributable to the employees of the Bank.

The options granted by the Holding Company are equity-settled share-based payments

Impact of Fair Value Method on Net Profit/(Loss) and EPS

Had the compensation cost for the Holding company's stock option plans outstanding been determined based on the fair value by using Black Scholes model, the Bank's net profit/loss and earnings/loss per share would have been as per the proforma amounts indicated below:

(₹ in Crore, except per share data)

Particulars	As at March 31, 2026	As at March 31, 2025
Profit/(loss)after tax		
- As reported	(1,150.98)	23.70
- Proforma	(1,151.41)	23.27
(Loss)/Earnings per share		
Basic		
Weighted average number of shares	1,374,632,712	1,100,959,853
EPS as reported (₹)	(8.37)	0.22
Proforma EPS (₹)	(8.38)	0.21
Diluted		
Weighted average number of shares	1,374,632,712	1,100,959,853
EPS as reported (₹)	(8.37)	0.22
Proforma EPS (₹)	(8.38)	0.21

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.17 Disclosures under AS -15 on employee benefits

Defined Contribution Plans:

Employer's contribution recognized and charged off for the year with respect to defined contribution plans are as under:

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Provident Fund	49.69	46.61
ESI	5.83	5.78

Defined Benefit Plans:

The Bank has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days' salary (last drawn salary) for each completed year of service subject to limit of ₹20 lacs as per the Payment of Gratuity Act, 1972 as amended from time to time. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table sets out the status of the defined benefit gratuity plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	29.53	27.22
Current service cost	6.81	7.08
Past service costs	6.13	-
Interest cost	2.06	1.93
Actuarial losses/ (gains)	1.29	(3.25)
Benefits paid	(5.42)	(3.45)
Closing defined benefit obligation	**40.40**	**29.53**

Change in the plan assets

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening fair value of plan asset	32.98	25.58
Expected return on plan assets	1.36	1.82
Employers Contributions	9.20	8.89
Benefit paid	(5.42)	(3.45)
Actuarial gains / (losses) on plan assets	0.17	0.14
Closing fair value of plan assets	**38.29**	**32.98**

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

Net liability / (asset) recognized in the balance sheet

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded obligation	40.40	29.53
Fair value of plan assets	38.29	32.98
Deficit/ (Surplus)	2.11	(3.45)
Net liability / (asset) recognized in the balance sheet	**2.11**	**(3.45)**

Net cost recognised in the profit and loss account

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	6.81	7.08
Past service costs	6.13	-
Interest cost	2.06	1.93
Expected return on plan assets	(1.36)	(1.82)
Net actuarial losses / (gains)	1.12	(3.39)
Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees	**14.76**	**3.80**

Reconciliation of opening and closing net liability / (asset) recognised in the balance sheet

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening net liability	(3.45)	1.64
Expenses as recognised in profit & Loss account	14.76	3.80
Employers contribution	(9.20)	(8.89)
Net liability / (asset) recognised in balance sheet	**2.11**	**(3.45)**

Experience adjustment and details of obligations and assets

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation	40.40	29.53	27.22	23.16	19.47
Fair value of plan assets	38.29	32.98	25.58	22.06	18.84
Deficit / (Surplus)	2.11	(3.45)	1.64	1.10	0.63
On Plan Liabilities (gains) / losses	1.29	(3.25)	(1.40)	(0.53)	(0.43)
On Plan Assets (losses) / gains	0.17	0.14	(0.02)	0.03	(0.08)

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

A breakup of Investments under plan assets of gratuity fund is as follows:

Category of assets	As at March 31, 2026	As at March 31, 2025
Funds with LIC(through gratuity trust)	100%	100%

Key Actuarial Assumptions

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	6.50%	6.50%
Expected rate of return on plan asset	6.50%	6.50%
Salary escalation	3.00%	3.00%
Attrition rate	14.89% to 40.51%	14.89% to 40.51%
Mortality Rate	100% of IALM 2012-14	100% of IALM 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 taking into account the inflation, seniority, promotion and other relevant factors.

Expected rate of return: The overall expected rate of return on assets is determined based on the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

18.18 (A) Business Segments:

In terms of AS-17 (Segment Reporting) issued by ICAI and RBI circular Ref. DBOD.No. BP.BC.81/21.04.018/2006-07 dated April 18, 2007 read with DBR.BP. BC No.23/21.04.018/2015-16 dated July 01, 2015 and amendments thereto, the following business segments have been disclosed:

Corporate/ Wholesale Banking: Includes lending, deposits and other banking services provided to corporate customers of the Bank.

Retail Banking: Includes lending, deposits and other banking services provided to retail customers of the Bank through branch network.

Treasury: Includes dealings in SLR and Non SLR investments, maintenance of reserve requirements and resource mobilization from other Banks and financial Institutions.

Other Banking Operations: Includes other activities which are not covered under wholesale, retail or treasury activity.

Geographical segments: The business operations of the Bank are concentrated in India hence the Bank is considered to operate in domestic segment only.

Schedule forming part of the Financial Statements for the year ended March 31, 2026

Schedule 18 (Contd.)

The following table sets forth the business segment results:

(₹ in Crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Revenue	572.14	437.63	289.35	266.34	2,948.26	3,660.79	-	-	3,809.75	4,364.76
Result	(65.81)	68.09	24.49	18.97	(1,465.30)	(59.41)	-	-	(1,506.62)	27.65
Unallocated expenses									-	-
Operating Profit/(Loss)									**(1,506.62)**	**27.65**
Income Tax expense (including deferred tax)									(355.64)	3.95
Extraordinary profit / (loss)									-	-
Net Profit									(1,150.98)	23.70
Other Informations:										
Segment Assets	9,370.34	8,462.37	3,085.79	2,532.58	15,374.76	16,506.88	-	-	27,830.89	27,501.83
Unallocated Assets									1,038.18	625.61
Total Assets									**28,869.07**	**28,127.44**
Segment Liabilities	2,843.71	2,368.10	4,826.16	7,450.53	18,401.70	15,312.92	-	-	26,071.57	25,131.55
Unallocated Liabilities									2,797.50	2,995.89
Total Liabilities									**28,869.07**	**28,127.44**

Schedules forming part of the Balance Sheet as at March 31, 2026

Schedule 18 (Contd.)

The following table sets forth the business segment results:

(₹ in Crore)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Revenue	437.63	298.33	266.34	218.30	3,660.79	3,062.18	-	-	4,364.76	3,578.81
Result	68.09	62.40	18.97	(51.11)	(59.41)	648.10	-	-	27.65	659.39
Unallocated expenses									-	-
Operating Profit/(Loss)									**27.65**	**659.39**
Income Tax expense (including deferred tax)									3.95	161.76
Extraordinary profit / (loss)									-	-
Net Profit									23.70	497.63
Other Informations:										
Segment Assets	8,462.37	6,764.47	2,532.58	1,958.43	16,506.88	14,672.14	-	-	27,501.83	23,395.04
Unallocated Assets									625.61	507.64
Total Assets									**28,127.44**	**23,902.68**
Segment Liabilities	2,368.10	2,021.28	7,450.53	6,961.81	15,312.92	11,927.92	-	-	25,131.55	20,911.01
Unallocated Liabilities									2,995.89	2,991.67
Total Liabilities									**28,127.44**	**23,902.68**

Notes:

- Business segments have been identified and reported taking into account the target customer profile, nature of products and services, the differential risks and returns, the organization structure, internal business reporting system and guidelines prescribed by RBI.
- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.
- Unallocated items include Fixed Assets, Capital expenditure, realized gains/losses on their sale, income tax expense, deferred income tax assets/liabilities and advance tax.
- In computing the above information, certain estimates and assumptions have been made by the management.
- The RBI vide its circular dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank has not setup any DBU so far and hence DBU has not been disclosed as a separate segment as per Accounting Standard 17 (Segment Reporting).

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.18 (B) Geographic Segments

The business of the Bank is in India only. Accordingly, geographical segment is not applicable.

18.19 Related Party Transactions

The Bank's related parties with whom transactions entered during the year ended March 31, 2026 are disclosed below:

1. **Holding Company**
   Utkarsh CoreInvest Limited (erstwhile Utkarsh Micro Finance Limited)

3. **Key Management Personnel ('KMP')**
   Mr. Govind Singh- Managing Director and CEO
   Mr. Pramod Dubey- Whole Time Director (till December 31, 2025)
   Mr. Sarjukumar Pravin Simaria - Chief Financial Officer
   Mr. Muthiah Ganapathy - Company Secretary

4. **Enterprise where KMP exercise significant influence**
   RAAG Family Private Trust
   Utkarsh Welfare Foundation

5. **Post-employment benefit plan**
   Utkarsh Small Finance Bank Employees' Gratuity Trust

6. **Relatives of Key Management Personnel**

Name of KMP	Name of Relative	Relation
Mr. Govind Singh	Parvati Devi	Mother
	Revati Govind Singh	Spouse
	Ankur Singh	Son
	Achin Singh	Son
	Ramesh Chandra Singh	Brother
Mr. Pramod Dubey(till December 31, 2025)	Janak Dulari	Mother
	Anita Dubey	Spouse
	Apoorva Dubey	Son
	Aditya Dubey	Son
	Neelam Tiwari	Sister
	Pushpa Tiwari	Sister
	Arun Kumar Dubey	Brother
	Nirmal Kumar Dubey	Brother
Mr. Sarjukumar Pravin Simaria	Pravin V. Simaria	Father
	Nirmala P. Simaria	Mother
	Karuna S. Simaria	Spouse
	Malav S. Simaria	Son
	Bhakti S. Simaria	Daughter
	Bharat P. Simaria	Brother
Mr. Muthiah Ganapathy	Lakshmi Devi	Spouse
	Aarna Muthiah	Daughter
	Arshini Muthiah	Daughter
	Mukesh Ganapathy	Brother

Schedule forming part of the Financial Statements for the year ended March 31, 2026

Schedule 18 (Contd.)

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2026.

(₹ in Crore)

Items / Related Party	Utkarsh CoreInvest Ltd (Holding Company)	Enterprise where KMP exercise significant influence: Utkarsh Welfare Foundation	Utkarsh Small Finance Bank Employees' Gratuity Trust	KMP: Govind Singh (MD & CEO)	KMP: Pramod Kumar Dubey (WTD)#	KMP: Sarjukumar Pravin Simaria (CFO)	KMP: Muthiah Ganapathy (CS)	Enterprise where KMP exercise significant influence: RAAG Family Private Trust	KMP Relative - Revati Govind Singh	KMP Relative -Ankur Singh	KMP Relative - Achin Singh	KMP Relative -Ramesh Chandra Singh	KMP Relative - Parvati Devi	KMP Relative - Nirmala Simaria	Total
Deposits Outstanding as on March 31, 2026	60.54	2.97	1.04	1.01	3.14	1.74	0.19	0.37	0.50	1.62	1.81	0.10	0.13	0.09	75.25
Amount deposited during the year (excluding CASA deposit)	15.27	-	-	0.00*	-	-	-	-	-	-	-	-	-	-	15.27
Amount repaid during the year (excluding CASA deposit)	7.47	-	-	0.00*	-	-	0.05	4.70	-	-	0.05	0.04	-	0.05	12.36
Maximum deposit outstanding during the year	61.09	4.31	6.75	1.29	3.14	3.14	0.29	4.80	0.53	2.60	2.53	0.18	0.12	0.14	90.91
Interest paid	4.75	0.17	-	0.07	0.02	0.19	0.02	0.15	0.04	0.10	0.11	0.01	0.01	0.01	5.65
Service charges collected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	2.64**	1.17	1.62	0.56	-	-	-	-	-	-	-	5.99
Consultancy Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Gratuity Trust	-	-	9.20	-	-	-	-	-	-	-	-	-	-	-	9.20
Withdrawal from Gratuity Trust	-	-	5.42	-	-	-	-	-	-	-	-	-	-	-	5.42
Contribution towards CSR & CER	-	8.16	-	-	-	-	-	-	-	-	-	-	-	-	8.16
ESOP cost cross charged (Refer Schedule 17.1)	(0.37)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.37)
Service charge for collections	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03
Rent for office space	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	0.08
ESOP granted##	-	-	-	1.31	-	0.31	0.08	-	-	-	-	-	-	-	1.70
Transactions (collection and payment) carried out on behalf of Bank	3.28	-	-	-	-	-	-	-	-	-	-	-	-	-	3.28
Amount Payable/(Recoverable)	0.59	-	-	-	-	-	-	-	-	-	-	-	-	-	0.59

* Amount less than ₹50,000 is shown as Nil

** Includes cash portion of bonus for FY 2023-24 , FY 2022-23 and FY 2021-22 of ₹28.20 lakh

*** Unspent CSR fund of ₹73,000 for FY 2023-24 and ₹92,22,000 for FY 2024-25 are lying with Bank and will be paid to UWF when request will be raised.

\# Mr Pramod Kumar Dubey cease to be Whole time director w.e.f closing business hours of 31st December 2025, therefore transactions presented above are till period of December 31, 2025

\## Refer Schedule 18.16 on ESOP grant

Note:

1. As the provisions for gratuity and leave benefits are made for the Bank as a whole, the amounts pertaining to the Key Management Personnel are not specifically identified and included above.

Schedule forming part of the Financial Statements for the year ended March 31, 2026

Schedule 18 (Contd.)

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2025.

(₹ in Crore)

Items / Related Party	Utkarsh CoreInvest Ltd (Holding Company)	Enterprise where KMP exercise significant influence: Utkarsh Welfare Foundation	Utkarsh Small Finance Bank Employees' Gratuity Trust	KMP: Govind Singh (MD & CEO)	KMP: Pramod Kumar Dubey (WTD)	KMP: Sarjukumar Pravin Simaria (CFO)	KMP: Muthiah Ganapathy (CS)	Enterprise where KMP exercise significant influence: RAAG Family Private Trust	KMP Relative - Revati Govind Singh	KMP Relative -Ankur Singh	KMP Relative - Achin Singh	KMP Relative -Ramesh Chandra Singh	KMP Relative - Parvati Devi	KMP Relative - Nirmala Simaria	Total
Deposits Outstanding as on March 31, 2025	52.81	2.56	0.49	1.19	0.41	2.86	0.18	4.80	0.53	0.35	0.50	0.15	0.12	0.14	67.09
Amount deposited during the year (excluding CASA deposit)	58.94	-	-	-	0.01	-	-	25.15	1.00	1.00	1.05	-	0.12	-	87.27
Amount repaid during the year (excluding CASA deposit)	52.11	-	-	-	0.01	-	-	20.45	0.75	0.75	0.75	0.06	0.11	0.02	75.01
Maximum deposit outstanding during the year	54.82	6.42	3.19	1.37	0.60	3.32	0.24	24.95	1.27	8.30	7.40	0.41	0.12	0.16	112.57
Interest paid	4.06	0.21	-	0.06	0.01	0.12	0.01	0.33	0.07	0.29	0.27	0.02	0.01	0.01	5.47
Service charges collected	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	**3.02	***0.95	1.73	0.59	-	-	-	-	-	-	-	6.29
Consultancy Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	37.96	-	-	0.02	-	*0.00	-	-	*0.00	-	*0.00	*0.00	-	-	37.98
Contribution to Gratuity Trust	-	-	8.89	-	-	-	-	-	-	-	-	-	-	-	8.89
Withdrawal from Gratuity Trust	-	-	4.02	-	-	-	-	-	-	-	-	-	-	-	4.02
Contribution towards CSR & CER	-	8.50	-	-	-	-	-	-	-	-	-	-	-	-	8.50
ESOP cost cross charged #	(0.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.23)
Service charge for collections	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Rent for office space	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
ESOP granted	-	-	-	#1.06	#1.93	0.87	0.09	-	-	-	-	-	-	-	3.95
Transactions (collection and payment) carried out on behalf of Bank	1.27	-	-	-	-	-	-	-	-	-	-	-	-	-	1.27
Amount Payable/(Recoverable)	0.58	-	-	-	-	-	-	-	-	-	-	-	-	-	0.58

* Amount less than ₹50,000 is shown as Nil

** Includes 50% of the cash portion of bonus for FY 2023-24 at ₹35.20 lakh as per approval by RBI vide letter dated September 16, 2024

*** Appointment of WTD alongwith his salary was approved by RBI vide letter dated September 19, 2024

\# Refer Schedule 18.16 on ESOP grant

"Note:

1. As the provisions for gratuity and leave benefits are made for the Bank as a whole, the amounts pertaining to the Key Management Personnel are not specifically identified and included above.
2. In the Annual General Meeting of the Bank on July 22, 2024, Shareholders approved dividend at ₹0.50 per share.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.20 Leases

Operating Lease

Lease payments made under cancellable operating lease amounting to ₹91.80 Crore (March 31, 2025: ₹82.10 Crore) disclosed as rent under Schedule 16 and the same have been recognized as an expense in the Profit and Loss Account. There are one sublease agreement with Utkarsh CoreInvest Limited ("the Holding Company").

Minimum lease payments (MLP) outstanding in respect of leased assets are as follows: (₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Due within one year	75.16	86.29
Due later than one year and not later than five years	224.39	296.60
Due later than five years	63.29	61.05
Total	**362.84**	**443.94**

Finance Lease

The Bank had acquired certain ATM machines under finance lease. Lease term of such assets were 7 years & 5 years however, the leases were subsequently cancelled with the vendor and accordingly, there is no further obligation remaining towards the said finance leases as at March 31, 2026

(₹ in Crore)

Particulars	Future MLP	Interest not due	Present Value of MLP
Due within one year	-	-	-
Due later than one year and not later than five years	-	-	-
Due later than five years	-	-	-
Total	-	-	-

Minimum lease payments (MLP) outstanding in respect of leased assets as at March 31, 2025 are as follows:

(₹ in Crore)

Particulars	Future MLP	Interest not due	Present Value of MLP
Due within one year	2.57	1.17	1.40
Due later than one year and not later than five years	6.56	2.01	4.55
Due later than five years	0.08	0.00*	0.08
Total	**9.21**	**3.18**	**6.03**

*The value represents sum of ₹46,620/- on account of Interest not due after the period of 5 years from the date of Installation of ATM.

18.21 Current Tax and Deferred Tax

a. Current Tax (₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Income tax	0.18	16.19
Provision for Deferred tax	(355.82)	(12.24)
Total	**(355.64)**	**3.95**

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

b. Deferred Tax

Major components of deferred tax assets and deferred tax liabilities are as under: (₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets:		
Provision for assets	123.22	91.72
Unamortised processing fees on advances	-	-
Finance lease	-	1.51
Provision against Lease Equalisation	6.59	6.31
Provision on Leave	1.68	1.96
Provision on stressed Asset	-	8.53
Depreciation on fixed assets	7.78	5.24
Deferred tax on Losses	331.86	-
Others	2.03	2.07
	473.16	**117.34**
Deferred tax liabilities:		
Unamortised processing fee on borrowings	-	-
Net deferred tax assets / (liability)	**473.16**	**117.34**

The Bank has assessed the reasonable / virtual certainty of adjusting timing differences and tax losses / depreciation against future taxable profits. During the year, the Bank has recognised deferred tax asset of ₹355.82 Crore based on such assessment and backed by independent expert's opinion.

18.22 Disclosure Under The Micro, Small And Medium Enterprises Development Act, 2006

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
a. Principal amount due to suppliers under MSMED Act, 2006	26.33	10.08
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	5.95	18.39
d. Interest paid to suppliers under MSMED Act (Section 16)	-	-
e. Interest due and payable towards suppliers under MSMED Act for payments already made	0.07	0.20
f. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	0.07	0.20

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.23.1 Payment to statutory Auditors (including GST)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory audit fees, Certification and other services	1.36	1.99
Reimbursement of expenses	0.23	0.50
Total	**1.59**	**2.49**

18.23.2 Contingent liabilities

1. Description of nature of contingent liabilities is set out below:

a) Claims against the Bank not acknowledged as debts
These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Bank.

b) Guarantees given on behalf of constituents
As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

c) Other items for which the Bank is contingently liable
Other items represent unpaid commitments towards purchase order raised for revenue and capital expenditure

Refer Schedule 12 for amounts relating to contingent liabilities.

18.23.3 Letter of comfort

Bank has not issued any letters of comfort during the year ended March 31, 2026 and March 31, 2025. Further, there are no outstanding comfort letters as at March 31, 2026 and March 31, 2025.

18.24 The Board of Directors in their meeting dated May 31, 2025 decided to contribute towards corporate social responsibility up to ₹8.16 Crore (March 31, 2025: ₹8.50 Crore) as required to be spent by Section 135 of the Companies Act, 2013.

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
a) Gross amount required to be spent by the Bank during the year *	8.16	8.50
b) Amount spent during the year		
(i) Construction / acquisition of any asset	-	-
(ii) Other projects	6.58	7.58
c) Amount unspent **	1.58	0.92

* Refer Schedule 18.19 for details of related part transactions in relation to CSR expenditure.

** Pursuant to Section 135 (5) & (6) of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (Amended), Bank needs to transfer ₹1.58 Crore in "Unspent CSR Account FY2025-26 within period of 30 days from the end of the financial year for the CSR Ongoing projects for spending over the following 3 years period on ongoing CSR sub Committee projects and accordingly bank has transferred ₹1.58 Crore in "Unspent CSR Account FY 2025-26 subsequent to balance sheet date"

Unspent amount during the previous year ended March 31, 2025 ₹0.92 Crore has not been spent in the current year.

Schedule forming part of the Financial Statements

for the year ended March 31, 2026

Schedule 18 (Contd.)

18.25 The following table sets forth, for the years indicated, the movement in software acquired by the Bank, as included in fixed assets.

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
At cost at March 31 of preceding year	95.67	82.91
Additions during the year	19.49	12.76
Deductions during the year	-	-
Gross Block	115.16	95.67
Depreciation	(91.00)	(74.63)
Net block	**24.16**	**21.04**

18.26 The Bank was carrying floating asset provision of ₹148.62 Crore as at year ended March 31, 2024. During the previous Financial Year pursuant to the approval from Reserve Bank of India (RBI) , the Bank had fully utilized the floating asset provision as per relevant RBI regulations. Consequently, the provision for NPA ("Provisions and Contingencies") has been adjusted by ₹148.62 Crore for the year ended March 31, 2025.

Floating Asset provision as at year ended March 31, 2026 is Nil.

18.27 The Board of Directors of the Bank and Utkarsh Core Invest Limited (UCL), the Promoter Company, have approved a draft scheme of amalgamation of the latter with the former in terms of Section 230 to 232 of the Companies Act, 2013 on September 20, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority. The Bank has already received no objection/observation letters from RBI, BSE & NSE .

The filing of petition with NCLT is completed on December 26, 2025. During the quarter the matter was taken up on multiple occasions by the NCLT, viz., January 05, 2026, January 15, 2026 and February 11, 2026 and vide order dated February 11, 2026 (as received on February 13, 2026) disposed-off the first motion application and ordered convening meetings of unsecured creditors and equity shareholders of the Bank and equity shareholders of the UCL (all the three meetings) on March 28, 2026 through Video Conferencing.

After conclusion of both the meetings, the Bank submitted proceedings of the meetings to stock exchanges on March 28, 2026.The scrutinizer issued his report with e-voting results w.r.t. equity shareholders meetings on March 30, 2026 and w.r.t. unsecured creditors on March 31, 2026. Both the said reports were submitted with exchanges on April 01, 2026.

After the declaration of the voting results, the second motion petition was filed with the NCLT on April 05, 2026 for the Scheme of Amalgamation of UCL with and into the Bank. A stock exchange intimation was filed in this respect on April 05, 2026 and The Management is awaiting the opportunity for the NCLT to take up the second motion petition.

18.28 The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees, to and accepts deposits and borrowings from its customers and borrowing from entities. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements and banks internal policies as applicable.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities (""Intermediaries"") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has not received any fund from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party (""Ultimate Beneficiaries"") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Schedule forming part of the Financial Statements
for the year ended March 31, 2026

Schedule 18 (Contd.)

18.29 During the year ended March 31, 2025 SEBI has determined the settlement amount of ₹1.24 Crore which was paid by the bank, pursuant to suo-moto settlement application filed by the Bank with respect to certain non-compliances in filings with SEBI which were subsequently mitigated by the Bank. The matter has been fully settled.

18.30 During the year ended March 31, 2025, the Bank had changed its accounting policy with effect from April 01, 2024 on recognition of loan processing fees collected from the borrowers and allied expenses for more appropriate presentation of the financial statement and alignment with industry practice. Hitherto, the Bank was recognizing the income/expense over the tenure of the loan which is now recognized as income when it becomes due. Figures for the previous year ended March 31, 2025 are not comparable to that extent.

Increase in Other Income, Other Operating Expenses and the Net Profit (Before Tax) of the Bank due to change in the aforesaid accounting policy for the year ended March 31, 2025 is ₹164.66 Crore, ₹70.09 Crore and 94.57 Crore respectively.

18.31 Accounting Software Used for maintenance of Books of Accounts

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled, tampered with during the year except the audit trail feature was not enabled throughout the year at the database level in respect of one accounting software.

Further, there was no instance of audit trail feature being tampered with during the year.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

As per our report of even date attached

for **M M NISSIM & CO LLP**
Chartered Accountants

ICAI Firm RegistrationNo. 107122W/W100672

Navin Kumar Jain
Partner
Membership No. 090847

for **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm RegistrationNo. 105146W/W100621

Gautam Shah
Partner
Membership No. 117348

Place : Mumbai
Date : May 09, 2026

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

Dr. Kshatrapati Shivaji
Chairman
DIN : 01185381

Gauri Rushabh Shah
Director
DIN: 06625227

Govind Singh
Managing Director & CEO
DIN: 02470880

Sarju Simaria
Chief Financial Officer
FCA : 046998

Muthiah Ganapathy
Company Secretary
FCS 5674

Place : Mumbai
Date : May 09, 2026

Notice

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

UTKARSH SMALL FINANCE BANK LIMITED

CIN: L65992UP2016PLC082804

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

Tel No.: 0542-6605555 | **Website:** www.utkarsh.bank.in | **Email:** shareholders@utkarsh.bank.in

NOTICE is hereby given that the Tenth (10th) Annual General Meeting of the Members of Utkarsh Small Finance Bank Limited ("USFBL" or "the Bank") will be held on Tuesday, August 04, 2026 at 2.30 p.m, Indian Standard Time ("IST") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") in compliance with the relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circulars issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") in this regard, to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Bank for the financial year ended March 31, 2026 together with the reports of the Board of Directors and the Auditors thereon.**

2. **To appoint a Director in place of Dr. Ram Jass Yadav (DIN: 08911900), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. **To appoint Mr. Anjani Srivastava (DIN: 07594445) as an Non-Executive Non-Independent Director of the Bank.**

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

   "RESOLVED THAT pursuant to sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Section 10A (2)(a) and such other applicable provisions, if any, of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force, and in accordance with the Articles of Association and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval by the Board of Directors of the Bank ('Board'), Mr. Anjani Srivastava (DIN: 07594445) who was appointed as an Additional Director in the category of Non-Executive Non-Independent Director, with effect from May 09, 2026 and who holds office till the ensuing Annual General Meeting of the Bank under Section 161(1) of the Act and in respect of whom the Bank has received from Member a notice in writing under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Bank, liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from May 09, 2026 to May 08, 2031 (both days inclusive).

   "RESOLVED FURTHER THAT the Board of Directors of the Bank (which term shall include any Committee authorized by the Board or any other person(s) authorized by the Board or the Committee of the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters, things and to execute any agreements, documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise, to give effect to this resolution."

4. **To re-appoint Mr. Parveen Kumar Gupta (DIN: 02895343) as an Independent Director of the Bank.**

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

   "RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors), Rules, 2014, regulations 17, 25 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 10A (2)(a) and applicable provisions of the Banking Regulation Act, 1949 and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force, the Articles of Association and pursuant to the recommendations of Nomination and Remuneration Committee and approval of the Board of Directors of the Bank, Mr. Parveen Kumar Gupta (DIN: 02895343), whose first term as an Independent Director of the Bank is expiring on August 31, 2026 and in respect of whom the Bank has received from member a notice in writing proposing his candidature under Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Bank , not liable to retire by rotation, for second term of 3 (Three) consecutive years with effect from September 01, 2026 to August 31, 2029 (both days inclusive)."

"**RESOLVED FURTHER THAT** the Board of Directors of the Bank (which term shall include any Committee authorized by the Board or any other person(s) authorized by the Board or the Committee of the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things including payment of remuneration, and to execute any agreements, documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise, to give effect to this resolution."

5. **To appoint Mr. Sarjukumar Pravin Simaria (DIN: 02436025) as Whole-time Director of the Bank and payment of remuneration to him.**

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

"**RESOLVED THAT** pursuant to Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 and the rules, guidelines and circulars issued by the Reserve Bank of India (the "RBI") in this regard from time to time and section 152, 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules and schedule made thereunder ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) and / or re-enactment(s) thereto, for the time being in force), and in accordance with the Articles of Association and in terms of approval of RBI vide its letter dated April 15, 2026 and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval by the Board of Directors of the Bank ('Board'), consent of the Members of the Bank be and is hereby accorded for the appointment of Mr. Sarjukumar Pravin Simaria (DIN: 02436025) as Whole-time Director of the Bank, liable to retire by rotation, for a period of 3 (Three) consecutive years with effect from June 22, 2026 to June 21, 2029, on the following terms and conditions of remuneration:

Remuneration:	
Fixed Compensation	up to ₹2,00,00,000 per annum (inclusive of perquisites)
Target Variable Compensation	up to ₹2,00,00,000 per annum

The other terms and conditions as applicable to employees would apply to him.

"**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits in any financial year during the tenure, remuneration approved by the Committee, the Board and the RBI shall be the minimum remuneration payable to Mr. Simaria."

"**RESOLVED FURTHER THAT** the Board of Directors of the Bank (which term shall include any Committee authorized by the Board or any other person(s) authorized by the Board or the Committee of the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters, things, and to execute any agreements, documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise, to give effect to this resolution."

By Order of the Board of Directors
For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary & Compliance Officer
ICSI Membership No.: FCS5674

Date: June 20,2026
Place: Mumbai

Notes:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its Circular No. 3/2025 dated September 22, 2025 (in continuation with the Circulars issued earlier in this regard) ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide various circulars issued in this regard ("SEBI Circulars") has permitted companies to hold Annual General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue.
2. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars, the Members can attend and participate the 10th (Tenth) Annual General Meeting ("AGM") of the Bank VC/ OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Bank which shall be the deemed Venue of the AGM.
3. In compliance with the MCA Circulars and SEBI Circulars, the Notice of AGM and Annual Report of the Bank for the Financial Year 2025-26 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Bank/ Registrar and Transfer Agent ("RTA") i.e. KFin Technologies Limited ("KFIN") or with the Depository Participant ("DP").

   The Members will be entitled to get a physical copy of the Annual Report for the F.Y. 2025-26, free of cost, upon sending a request to the Bank on shareholders@utkarsh.bank.in. The Members may note that the Notice of the AGM and the Annual Report are also available on the Bank's website at www.utkarsh.bank.in and on the websites of Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of the AGM and the Annual Report is also available on website of e-Voting agency i.e., National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.

   Additionally, as per Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the weblink of the Annual Report for FY 2025-26, will be sent to those shareholder(s) who have not registered their email address with the Bank/ Depositories /DP / KFin.
4. The Bank has enabled the Members to participate at the AGM through the VC/OAVM facility provided by NSDL. The instructions for participation by Members are given in the subsequent paragraphs.
5. **PROXIES:**

   Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Bank. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including the route map are not annexed to this Notice.
6. The Explanatory Statement pursuant to Section 102 of the Act in respect of the business under Item Nos. 3 - 5 set out above and the relevant details in respect of the Directors seeking appointment / re-appointment at this AGM as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto. Requisite declarations have been received from the Directors seeking appointment / reappointment.
7. The Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) intending their authorized representatives to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-Voting are requested to send scanned certified true copy (PDF/JPEG Format) of the Board Resolution/ Authority Letter etc. to the Scrutinizer by e-mail through its registered e-mail address at support@bnpassociates.in with a copy marked to shareholders@utkarsh.bank.in.

   The Institutional / Corporate Members can also upload the aforesaid documents by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.
8. In case of joint holders, only such joint holder who is higher in the order of names as per the Register of Members of the Bank will be entitled to vote at the AGM.
9. The Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. All relevant documents referred to in this Notice requiring the approval at the AGM will be available for inspection by the Members and those who wish to inspect the documents are requested to send an e-mail to shareholders@utkarsh.bank.in mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the e-mail.
11. Members are requested to note that dividends, which are not claimed within seven years from the date of transfer to the Bank's Unpaid Dividend Account, shall as per the provisions of Section 124 of the Act read with the rules made thereunder, be transferred to

the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), all shares in respect of which dividend has not been claimed for seven consecutive years shall also be transferred to the demat account of the Investor Education and Protection Fund authority ("IEPF Authority"). In view of this, information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account as referred to in Section 125(2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Bank on its website: www.utkarsh.bank.in and on the website of the IEPF Authority.

The concerned Members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Bank's R&T agent i.e. KFIN before the unclaimed dividends are transferred to the IEPF.

12. Members are requested to update their details such as name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details viz. name of the bank, branch, bank account number, MICR code, IFSC code etc. with their DPs. Members may contact their respective DPs to avail the nomination facility.
13. As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination as the case may be, he/she can download said forms from the RTA's website https://www.kfintech.com. Members are requested to submit the said details to their DP for the shares held by them in dematerialised form.
14. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission, transposition shall be processed only in dematerialized form. The shares of the Bank are in dematerialized form.
15. Members who have not registered their e-mail IDs, are requested to kindly register the same by contacting DP and register e-mail ID and mobile number in demat account, as physical copies of this Notice and Annual Report will not be sent to them in physical mode and will be sent only by e-mail, in accordance with the applicable Circulars.
16. **Procedure & Instructions for e-Voting and joining the AGM through VC/ OAVM are as follows:-**

A. VOTING THROUGH ELECTRONIC MEANS:

a. In terms of Section 108 and other applicable provisions, if any, of the Act, read with the Companies (Management and Administration) Rules, 2014 and other relevant rules made thereunder, as amended, Regulation 44 of the SEBI Listing Regulations and MCA Circulars read with SEBI Circulars, the Bank is pleased to provide the facility of remote e-Voting and e-Voting during the AGM to its Members holding shares as on Tuesday, July 28, 2026 ("cut-off date"), to exercise their right to vote through electronic means on any or all of the businesses specified in this Notice. The Bank has engaged the services and made necessary arrangements with NSDL for facilitating voting through electronic means, as authorized e-Voting agency

b. The Remote e-Voting commences on Saturday, August 01, 2026 at 9:00 a.m. (IST) and ends on Monday, August 03, 2026 at 5:00 p.m. (IST). The e-Voting module shall be disabled by NSDL for voting thereafter.

c. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

   Those Members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through Remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

d. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

e. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date, subject to the provisions of the Banking Regulation Act, 1949, as amended from time to time and RBI (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 dated January 16, 2023.

f. Only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA of Bank as on the cut-off date, shall be entitled to avail the facility of Remote e-Voting or casting vote through e-voting system during the AGM.

g. The Members are strongly advised to use the e-voting procedure by themselves and not through any other person.

h. The Board of Directors of the Bank has appointed Mr. Avinash Bagul (FCS: 5578, COP:19862) and in his absence, Mr. K Venkataraman (ACS:8897, COP:12459) of M/s. BNP & Associates, Company Secretaries, as the Scrutinizer for conducting the voting process for Remote e-Voting and e-Voting during the AGM in a fair and transparent manner.

The details of the process and the way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository

Login type	Login Method
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.\

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to

      you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/ Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

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

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

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Utkarsh Small Finance Bank Limited i.e. 139979.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

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

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for members for e-Voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

General guidelines for Members

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022- 48867000 or send a request at evoting@nsdl.com.
3. In case of any grievances connected with the facility of e-voting, please contact Ms. Pallavi Mhatre, Sr. Manager, NSDL, 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051 or write on evoting@nsdl.com

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Members, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to shareholders@utkarsh.bank.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self -attested scanned copy of Aadhar Card) to shareholders@utkarsh.bank.in. If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual Members holding securities in demat mode.
3. Alternatively, Members/Members may send a request to evoting@nsdl.com in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. The Members may access by following the steps mentioned above for 'Access to NSDL e-voting system'. After successful login, you can see link of **"VC/OAVM link"** placed under **"Join meeting"** menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

ii. In accordance with the MCA Circulars, the VC/ OAVM will have a capacity to allow at least 1000 Members to participate in the AGM and such participation shall be on a first-come-first served basis. However, please note that pursuant to the MCA Circulars, large Shareholders (i.e. Shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the

Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. may be allowed to attend the AGM without restriction on account of first-come- first-served principle.

iii. The link for joining the AGM through VC/ OAVM will be activated 30 minutes before the time scheduled for commencement of the AGM and will be closed 30 minutes after commencement of the AGM. The Members may join the AGM by following the procedure mentioned in this Notice.

iv. The Members are encouraged to join the Meeting through Laptops for better experience. Further, the Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

v. Members who would like to express their views or ask questions during the AGM may register themselves as speaker shareholders by sending request from their registered e-mail ID mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at shareholders@utkarsh.bank.in from Wednesday, July 29, 2026 (09:00 A.M. IST) to Friday, July 31, 2026 (05:00 P.M. IST). Only those Members who have registered themselves as speakers will be allowed to express their views / ask questions during the AGM. Members intending to speak at the AGM would require microphone and speakersbuilt-in or USB plug-in or wireless Bluetooth. The Bank reserves the right to restrict the number of questions and number of speakers as appropriate, to ensure smooth conduct of the AGM.

17. A person, who acquire shares of the Bank and become member of the Bank after the date of sending of this Notice and hold shares as on the cut-off date i.e. Tuesday, July 28, 2026 can cast the vote by following instructions as mentioned in this Notice under "Access to NSDL e-voting system".

18. In line with "Green Initiative" the Members whose email addresses are not registered with the Bank/RTA or with their respective DP are requested to register and update their email address through respective DP.

19. Members are requested to address all correspondence, to Registrar and Transfer Agent ("RTA") of the Bank at evoting@kfintech.com or or call KFin on 1800 309 4001 (toll free).

20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM thereafter unblock the votes cast through remote e-Voting and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Managing Director & CEO or Company Secretary who shall countersign the same, in accordance with the applicable provisions of law. The results of voting will be announced within 2 (two) working days of the conclusion of AGM and same along with the Scrutinizer's Report will be available on the Bank's website at www.utkarsh.bank.in and on the e-Voting agency's website i.e. NSDL at https://www. evoting.nsdl.com and communication of the same will be sent to BSE Limited and National Stock Exchange of India Limited. The Bank will also display the results of the AGM on the notice board at its Registered Office.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013 and other applicable provisions

Item No. 3

The Bank has received a letter dated March 06, 2026 from Small Industries Development Bank of India ("SIDBI"), nominating Mr. Anjani Kumar Srivastava (DIN: 07594445) to be appointed as a Director (representative of SIDBI) on the Board of the Bank, in place of Mr. Chandra Shekhar Thanvi, who ceased to be a Director of the Bank upon his superannuation from SIDBI.

In view of above, the Board of Directors ("Board") of the Bank, based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, had appointed Mr. Anjani Kumar Srivastava (DIN: 07594445) as an Additional Director of the Bank in the capacity of Non-Executive Non-Independent Director, liable to retire by rotation, for a period of five (5) consecutive years commencing from May 09, 2026 to May 08, 2031 (both days inclusive).

Pursuant to regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), approval of the Members for the appointment or re-appointment of a person on the Board of directors has to be obtained at the next general meeting or within a time period of three months from the date of appointment/re-appointment whichever is earlier. In view of the above, consent of the Members for the appointment is being sought within three months from the date of appointment by the Board.

The Bank has received a declaration from Mr. Anjani Kumar Srivastava to the effect that he meets the fit and proper criteria prescribed by the Reserve Bank of India ("RBI") and other applicable guidelines / circulars issued from time to time. Mr. Anjani Kumar Srivastava has given his consent to act as Non-Executive Non-Independent Director and confirmed that he is qualified to be appointed as a Director in terms of section 164 of the Act and has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority. In the opinion of the Board, Mr. Anjani Kumar Srivastava is a person of integrity, possesses relevant expertise/experience and fulfils the conditions specified in the Act, BR Act and the rules made thereunder read with the provisions of the SEBI Listing Regulations, as amended, from time to time.

Mr. Anjani Kumar Srivastava shall not be entitled to any sitting fees, fixed remuneration or any other form of compensation for attending meetings of the Board or its Committees.

Given his experience, the Board considers it desirable and in the interest of the Bank and accordingly recommends for approval of the Members, the appointment of Mr. Anjani Kumar Srivastava as Non-Executive Non-Independent Director, as proposed in the Ordinary Resolution set out at Item No. 3.

A brief profile of Mr. Anjani Kumar Srivastava along with the required information, in terms of regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, has been provided in the Annexure A, attached to the Notice.

Except Mr. Anjani Kumar Srivastava and/or his relatives, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, financially or otherwise, concerned or interested, in the resolution mentioned at Item No. 3 of the notice

Item no. 4

The Members of the Bank at the Extraordinary General Meeting held on August 23, 2021 had appointed Mr. Parveen Kumar Gupta (DIN: 02895343) as an Independent Director of the Bank for a term of 5 (Five) consecutive years commencing from September 1, 2021 till August 31, 2026 and ending on August 31, 2026.

Pursuant to the performance evaluation and considering the valuable contributions made by Mr. Parveen Kumar Gupta and based on recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board") at its meeting held on May 09, 2026 subject to approval of Members, had re-appointed Mr. Parveen Kumar Gupta as an Independent Director of the Bank, not liable to retire by rotation, for the second term of 3 (Three) consecutive years effective from September 01, 2026 to August 31, 2029 (both days inclusive).

The Bank has received a notice in writing under Section 160 of the Companies Act, 2013 ("Act") from a member proposing his candidature for re-appointment as Independent Director of the Bank.

The Bank has received a declaration from Mr. Parveen Kumar Gupta to the effect that he fulfils all criteria for independence stipulated under section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and meets the fit and proper criteria prescribed by the Reserve Bank of India ("RBI") and other applicable guidelines / circulars issued from time to time. He has further confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties, in terms of Regulation 25(8) of SEBI Listing Regulations.

Mr. Parveen Kumar Gupta has given his consent for re-appointment as Independent Director and confirmed that he is qualified to be re-appointed as a Director in terms of section 164 of the Act and has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority.

Mr. Parveen Kumar Gupta shall be entitled to sitting fees and expenses for attending the meetings of the Board and Committees, as may be permissible under law from time to time, as well as compensation in the form of fixed remuneration payable to Non-executive Directors in accordance with the resolution passed by the Members of the Bank on June 13, 2024 and the limits prescribed under the Act, SEBI Listing Regulations, and the Banking Regulation Act, 1949 and directions issued by the RBI, from time to time.

It may be noted that Section 149 of the Act allows independent directors to be appointed for 2 (Two) consecutive terms of maximum 5 (Five) years each. However, as per Section 10A (2A) of the Banking Regulation Act, 1949 ("BR Act"), no director of a banking company, other than its Chairman or Whole-Time Director, can hold office continuously for a period exceeding 8 (Eight) years.

In the opinion of the Board, Mr. Parveen Kumar Gupta is a person of integrity, possesses relevant expertise/experience and fulfils the conditions specified in the Act, BR Act and the Rules made thereunder read with the provisions of the SEBI Listing Regulations, each as amended, and is independent of the Management of the Bank.

Given his experience, the Board considers it desirable and in the interest of the Bank and accordingly recommends to the Members for approval, the re-appointment of Mr. Parveen Kumar Gupta as an Independent Director as proposed in the special resolution set out at Item No. 4.

A brief profile of Mr. Parveen Kumar Gupta along with the required information, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, has been provided in the Annexure A, attached to the Notice.

Except Mr. Parveen Kumar Gupta and/or his relatives, none of the Directors, Key Managerial Personnel and/or their relatives are, in any way, financially or otherwise, concerned or interested, in the resolution mentioned at Item No. 4 of the Notice.

Item No. 5

The Reserve Bank of India ("RBI") vide its circular RBI/2023-24/70 DOR.HGG. GOV.REC.46/29.67.001/2023-24 dated October 25, 2023 on appointment of Whole-Time Director(s) (WTD) had advised Banks to ensure presence of at least two WTD, including MD & CEO on their Boards. In this regard, the Bank after considering the recommendations of the Nomination and Remuneration Committee and the Board of Directors had applied to RBI for considering the candidature of Mr. Sarjukumar Parvin Simaria as Whole-time Director of the Bank in accordance with section 35B of the Banking Regulation Act, 1949.

RBI, vide its letter dated April 15, 2026, conveyed their approval for the appointment of Mr. Sarjukumar Parvin Simaria (DIN: 02436025) as Whole-time Director (designated as Executive Director) of the Bank for a period of 3 (three) years subject to him stepping down as Chief Financial Officer of the Bank before taking the charge as Whole-time Director.

Accordingly, the Board of Directors ("Board") of the Bank, based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, had appointed Mr. Sarjukumar Parvin Simaria as Additional Director – Whole-time Director (Executive Director), liable to retire by rotation, on the terms and conditions as given below:

1. Fixed Compensation – Not exceeding ₹2 Crore p.a. including perquisites
2. Variable Pay will be decided post finalization of the financial statements and completion of the annual appraisal cycle for FY2026-27.
3. Period: for a period of 3 years from June 22, 2026 to June 21, 2029.

The payment of variable pay in each financial year is subject to the specific prior approval of the RBI in terms of Section 35B of the Banking Regulation Act, 1949 and Nomination and Remuneration Policy of the Bank.

In terms of Section 161(1) of the Companies Act, 2013, and Regulation 17(1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Mr. Sarjukumar Parvin Simaria shall hold office up to the date of next General Meeting or for a period of three months from the date of appointment, whichever is earlier.

While considering the appointment of Mr. Sarjukumar Parvin Simaria as a Whole-time Director, the Committee and the Board reviewed that:

1. He is a fit and proper person to be appointed as a Director of the Bank in accordance with the norms prescribed by the RBI.
2. He is not disqualified from being appointed as a Whole-time Director (designated as Executive Director) in terms of Section 164 of the Act, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 and other applicable Acts, Rules and Regulations and he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 and other guidelines issued by the RBI, from time to time.
3. He is not debarred from holding office by virtue of any order of Securities and Exchange Board of India or any other such authority.
4. He has the requisite qualifications, skills, experience and expertise in functional areas.

The Board recommends the resolution in relation to the appointment of Mr. Sarjukumar Parvin Simaria as a Whole-time Director of the Bank and also the terms and conditions of his appointment as set out in Item No. 5 of the notice for approval of the Shareholders by way of an Special Resolution in terms of Section 152, 196, 197 and other applicable provisions of the Act and Regulation 17 (1C) of the SEBI Listing Regulations.

A brief profile of Mr. Sarjukumar Parvin Simaria along with the required information, in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, has been provided in the Annexure A, attached to the Notice.

Except Mr. Sarjukumar Parvin Simaria or his relatives, none of the Directors or Key Managerial Personnel(s) of the Bank and/ or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 of this notice.

By Order of the Board of Directors
For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Company Secretary & Compliance Officer
ICSI Membership No.: FCS5674

Date: June 20, 2026
Place: Mumbai

ANNEXURE A

Details of Director seeking re-appointment/appointment in terms of the regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India

Item Nos. 2 to 5

Name of the Director	Dr. Ram Jass Yadav	Mr. Parveen Kumar Gupta	Mr. Anjani Kumar Srivastava	Mr. Sarjukumar Parvin Simaria
DIN	08911900	02895343	07594445	02436025
Age	61 years	66 years	57 years	58 years
Date of first appointment on the Board	January 03, 2026	September 01, 2021	May 09, 2026	June 22, 2026
Qualifications	Ph.D in Banking and Finance, M.Com, CAIIB, MBA, FCMA (ICWA, now CMA) and Company Secretary.	Bcom, Associate Company Secretary and CAIIB	BTech (Civil Engineer)	B.Com. and Chartered Accountant
Brief Resume including experience	Dr. Ram Jass Yadav is an Non-Executive Non-Independent Director of our Bank. He is an enterprising banking leader with over 40 years of diversified experience and expertise across all spheres of banking viz. retail, corporate, treasury, credit, risk management, compliance, and governance, operational experience in rural, metro, and international banking environment. He is known for driving digital transformation, strategic planning,	Mr. Parveen Kumar Gupta is the Independent Director of our Bank. He holds a bachelor's degree of commerce from Guru Nanak Dev University. He has been an associate member of The Institute of Company Secretaries of India since 1986. He is also a certified associate of the Indian Institute of Bankers. He superannuated as a Managing Director of State Bank of India, after working for 38 years in India and abroad. He was also associated with Bank of Baroda as a Senior Advisor.	Mr. Anjani Kumar Srivastava is the Chief General Manager of SIDBI. He is a Civil Engineer from the University of Delhi, and has 32 years of experience in development banking in SIDBI. He has extensive exposure in the areas of Credit & Receivable Financing to MSMEs, Infrastructure Financing, Stressed Asset Management & NPA Management and Human Resources across various branches, regions and Head Office at New Delhi, Ahmedabad, Lucknow, Mumbai and Pune. He has also headed SIDBI's Pune Regional Office with jurisdiction across Maharashtra, Madhya Pradesh and Daman. He was a key member of the team setting up India SME Asset Reconstruction Company Limited, an RBI registered NBFC (ARC). He has also been the Chief Financial Officer at MUDRA (Micro Units Development & Refinance Agency Limited), a subsidiary of SIDBI. Currently, he is looking after Premises Vertical of SIDBI.	Mr. Sarjukumar Pravin Simaria is a seasoned finance professional with over three decades of post-qualification experience, having served as Chief Financial Officer across diverse segments of the financial services sector. His extensive career spans leadership roles in regulated entities, including Banking, Insurance, NBFCs, and Asset Management (Mutual Funds). In addition, in his capacity at the helm of a holding company, he has overseen businesses in Broking, Wealth Management, Asset Reconstruction, and Investment Banking, reflecting his versatility across the BFSI landscape. Mr. Simaria is a Chartered Accountant (1992) and holds a degree in Commerce from Sydenham College of Commerce & Economics, University of Mumbai.

Name of the Director	Dr. Ram Jass Yadav	Mr. Parveen Kumar Gupta	Mr. Anjani Kumar Srivastava	Mr. Sarjukumar Parvin Simaria
				Over the past 3.5 years, he has played a pivotal role in strengthening the Bank's financial architecture and capital strategy. As Chief Financial Officer, he successfully steered the Bank through its Initial Public Offering (IPO), which witnessed significant investor participation with a subscription of over 100 times. More recently, he led the Bank's ₹950 Crore capital raise, further reinforcing the balance sheet and supporting its long-term growth trajectory.
Nature of expertise in specific functional areas	Banking, Finance, Law and Technology	Banking, Finance, Risk Management and Treasury	Finance, Development Banking, MSME and HR	Accountancy, Business Strategy, Banking, Taxation and Finance
Directorships held in other companies	Nil	Unlisted Companies: 1. Bank of India Investment Managers Private Limited 2. Generali Central Insurance Company Limited 3. Protium Finance Limited 4. Midland Microfin Limited Listed Companies: 5. India Shelter Finance Corporation Limited 6. NationalSecurities Depository Limited	Nil	Nil
Listed entities from which the person has resigned from the directorship in the past three years	Nil	Nil	Nil	Nil

Name of the Director	Dr. Ram Jass Yadav	Mr. Parveen Kumar Gupta	Mr. Anjani Kumar Srivastava	Mr. Sarjukumar Parvin Simaria
Shareholding in the Bank as on date	Nil	Nil	Nil	80,769 equity shares
No. of Board meetings attended during the year till date	Refer Corporate Governance Report FY26 for the details of the number of meetings attended by the Directors.		NA	NA
Terms and conditions of appointment or reappointment including details of remuneration sought to be paid	Appointed for a period of 5 (five) years, liable to retire by rotation.	Re-appointment of Mr. Parveen Kumar Gupta for a period of 3 (three) years with effect from September 01, 2026 to August 31, 2029 (both days inclusive), not liable to retire by rotation. He shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for attending Board and Committee meetings and fixed remuneration as proposed in Item No. 04 of this Notice.	Appointed for a period of 5 (five) years, liable to retire by rotation.	As detailed in Item No. 5 of the explanatory statement to this Notice.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Bank	None	None	None	None
Remuneration last drawn	Refer Corporate Governance Report FY2025-26 for remuneration details		NA	NA
Memberships/ Chairperson ships of Committees of other Boards as on date	Nil	Refer Annexure B	Nil	NA

Annexure B

Name of the Company	Name of the Committee	Member/Chairman
Bank of India Investment Managers Private Limited	Audit Committee	Chairman
	Risk Committee	Member
	Unitholders' Protection Committee	Member
	Nomination & Remuneration Committee	Chairman
Protium Finance Limited	Audit Committee	Chairman
	IT Strategy Committee	Member
	Customer Service Committee	Member
	Share Allotment Committee	Member
	Risk Management Committee	Member
Midland Microfin Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
Generali Central Insurance Company Limited	Nomination & Remuneration Committee	Member
	Investment Committee	Member
	Policyholders Protection Committee	Chairman
	Ethics & Compliance Committee	Member
	Risk Management Committee	Chairman
	Corporate Social Responsibility	Member
National Securities Depository Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Members Committee	Member
	Standing Committee on Technology	Member
	Regulatory Oversight Committee	Member
	Risk Management Committee	Chairman
India Shelter Finance Corporation Limited	Audit Committee	Member
	Risk Management Committee	Chairman
	IT Strategy Committee	Member

Social Drives and Engagement

Branch Baithak




Community initiatives



Moments of celebration

PO programe

Utkarsh Samvaad - Apni Baat...Apno Ke Saath

Other activities and programmes

NEWS PAPER COVERAGE

DAINIK BHASKAR

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड उत्तर प्रदेश के गोमती नगर लखनऊ में नए बैंकिंग आउटलेट के साथ मजबूत हुआ

SAMACHAR JYOTI

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने भरौली खास, बलिया में नए बैंकिंग आउटलेट के साथ उत्तर प्रदेश में नेटवर्क बढ़ाया

भरौली खास। उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने भरौली खास, बलिया में एक नए बैंकिंग आउटलेट के उद्घाटन के साथ उत्तर प्रदेश में अपनी पहुंच बढ़ाई है। इस बढ़ोतरी से उत्तर प्रदेश में बैंक की मौजूदगी 228 आउटलेट तक पहुंच गई है, जो फाइनेंशियल इनक्लूजन को बढ़ावा देने और पूरे राज्य में भरोसेमंद, सस्ते बैंकिंग सॉल्यूशन देने के अपने कमिटमेंट को पक्का करता है। नया आउटलेट सेविंग्स अकाउंट, करंट अकाउंट, फिक्स्ड डिपॉजिट, रेकरिंग डिपॉजिट समेत बैंकिंग सर्विसेज की पूरी रेंज देगा, और हाउसिंग लोन, बिजनेस लोन, प्रॉपर्टी पर लोन जैसे लोन प्रोडक्ट्स का एक बड़ा पोर्टफोलियो, साथ ही इंश्योरेंस और इन्वेस्टमेंट सर्विसेज भी देगा। बैंक के सुरक्षित और एडवांस्ड डिजिटल प्लेटफॉर्म यह पक्का करते हैं कि कस्टमर्स को एक आसान बैंकिंग एक्सपीरियंस मिले। इस विस्तार के बारे में बात करते हुए, उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड के एमडी और सीईओ, श्री गोविंद सिंह ने कहा- "भरौली खास में हमारा विस्तार

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड उत्तर प्रदेश के गोमती नगर लखनऊ में नए बैंकिंग आउटलेट के साथ मजबूत हुआ

JEEVAN EXPRESS

Utkarsh Small Finance Bank and Kotak Life Announce Strategic Partnership to Drive Life Insurance Penetration

CNBC TV18

Home > Market News > Utkarsh Small Finance Bank ₹950 Crore Rights Issue: Check Entitlement, Price, And C

Utkarsh Small Finance Bank ₹950 crore Rights Issue: Check entitlement, price, and other details

Utkarsh Small Finance Bank's board has approved the issue of 67.79 crore equity shares to eligible investors, as part of this ₹950 crore rights issue.

The Uttarakhand Tribune

Utkarsh Small Finance Bank and Kotak Life Announce Strategic Partnership to Drive Life Insurance Penetration

THE PARTNERSHIP STRENGTHENS THE BANK'S COMMITMENT TO PROVIDING CUSTOMERS WITH DIVERSE AND COMPREHENSIVE FINANCIAL PROTECTION SOLUTIONS OFFERED BY KOTAK LIFE

Punjab Kesari

SUN, 26 JANUARY 2025
EDITION: KARNAL KESARI, PAGE NO. 5

उत्कर्ष स्मॉल फाइनेंस बैंक ने 8वीं वर्षगांठ पर 15 नए बैंकिंग आउटलेट्स खोले

NAGPUR METRO SAMACHAR

उत्कर्ष स्मॉल फाइनेंस बैंक बना मुंबई इंडियंस का आधिकारिक बैंकिंग पार्टनर

Active Times

Utkarsh Small Finance Bank Limited Opens New outlet in Kaleyanpur, East Champaran, Bihar

Jan Vishesh

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने हरियाणा के पंचकूला सेक्टर 16 में नए बैंकिंग आउटलेट के साथ अपनी उपस्थिति का विस्तार किया

VIDARBHA KI BAAT

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड बना मुंबई इंडियंस का अधिकारिक बैंकिंग पार्टनर

टी20 लीग 2026 के लिए की साझेदारी

मुंबई। उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड (उत्कर्ष एसएफबीएल) को यह घोषणा करते हुए प्रसन्नता हो रही है कि उसने टी20 लीग 2026 के लिए मुंबई इंडियंस के साथ ऑफिशियल बैंकिंग पार्टनर के रूप में साझेदारी की है। यह रणनीतिक साझेदारी बैंक के लिए एक महत्वपूर्ण मील का पत्थर है, क्योंकि इसके माध्यम से बैंक अपनी राष्ट्रीय पहचान को और गहरा कर रहा है और पूरे देश में लाखों क्रिकेट फैंस के साथ अपने जुड़ाव को मजबूत बना रहा है। इस अवसर पर श्री गोविंद सिंह, प्रबंध निदेशक एवं मुख्य कार्यकारी अधिकारी, उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड; श्री सरजुकुमार प्रवीण सिमारिया, मुख्य वित्तीय अधिकारी और श्री सौरभ घोष, हेड कंज्यूमर बैंकिंग, उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड, सहित मुंबई इंडियंस फ्रेंचाइज़ी के वरिष्ठ अधिकारी उपस्थित रहे। श्री गोविंद सिंह, एमडी एवं सीईओ, उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने इस महत्वपूर्ण साझेदारी पर कहा, हमें मुंबई इंडियंस के साथ साझेदारी करके बेहद खुशी हो रही है क्योंकि यह एक ऐसी टीम है जिसने प्रदर्शन, नेतृत्व और फैंस के साथ जुड़ाव के मामले में लगातार नए कीर्तिमान स्थापित किए हैं।

ANGELONE

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Utkarsh Small Finance Bank Board Clears ₹950 Crore Rights Issue to Boost Capital

Utkarsh Small Finance Bank approves ₹950 crore rights issue; board to decide issue price, ratio & record date on October 8, 2025.

SANYAM BHARAT

Utkarsh Small Finance Bank and Kotak Life Announce Strategic Partnership to Drive Life Insurance Penetration

The partnership strengthens the Bank's commitment to providing customers with diverse and comprehensive financial protection solutions offered by Kotak Life

Mumbai: Utkarsh Small Finance Bank Limited ("Utkarsh SFBL") today announced a strategic partnership with Kotak Mahindra Life Insurance Company Ltd ("Kotak Life"), marking a significant milestone in the Bank's product expansion strategy. This collaboration significantly strengthens Utkarsh SFBL's life insurance vertical, integrating Kotak Life's comprehensive suite of products across the Bank's 1105banking outlets spanning 27states and union territories.

The tie-up plans to benefit

Life Insurance, we are creating a robust platform that offers access to a wide array of Life Insurance products from leading insurers. This enables our customers to choose solutions that

are best suited to their individual needs, preferences and life

ET BUREAU

Utkarsh SFB attracts marquee investors in Rs 949 crore rights issue

AI Briefing | Listen

Utkarsh Small Finance Bank is set to allot shares to a clutch of investors, including a fund house run by Madhusudan Kela, the Massachusetts Institute of Technology and HDFC Life, through a Rs 949-crore rights issue, the lender said Friday.

Among the other investors are FLC Investor, Kotak Mahindra Life Insurance and ICICI Prudential Life Insurance.

Most Searched Stocks

DAINIK BHASKAR

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने अपने नए बैंकिंग आउटलेट के उद्घाटन की घोषणा की

वाराणसी। उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड (उत्कर्ष एसएफबीएल) इस लॉन्च के साथ अपने नए बैंकिंग आउटलेट के उद्घाटन की घोषणा करते हुए प्रसन्न है। यह विस्तार वित्तीय समावेशन को बढ़ाने और गोमती नगर, लखनऊ के निवासियों को आवश्यक बैंकिंग सेवाएँ प्रदान करने के लिए बैंक की प्रतिबद्धता को रेखांकित करता है। इस लॉन्च के साथ, बैंक देश भर में 1043 बैंकिंग आउटलेट और उत्तर प्रदेश राज्य में 215 तक पहुँच गया है।विस्तार पर टिप्पणी करते हुए, उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड के एमडी और सीईओ, श्री गोविंद सिंह ने कहा, "लखनऊ के गोमती नगर में हमारे नए बैंकिंग आउटलेट का उद्घाटन, उत्तर प्रदेश में वित्तीय समावेशन के विस्तार की दिशा में हमारी यात्रा में एक रोमांचक अध्याय है। अपने ऐतिहासिक महत्व और तेजी से हो रहे शहरी विकास के साथ, गोमती नगर, व्यापार और संस्कृति का एक संपन्न केंद्र है। सुलभ और किफायती बैंकिंग समाधान प्रदान करके, हमारा लक्ष्य पारंपरिक वित्तीय प्रणालियों और समुदाय की उभरती जरूरतों के बीच की खाई को पाटना है, जिससे अधिक समावेशी और वित्तीय रूप से सुरक्षित भविष्य का मार्ग प्रशस्त हो सके।

INDORE SAMSACHAR

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने वर्षगांठ मनाई

NAMADHU MURASU

நாடு முழுவதும் 1,043 வங்கிக்கிளை-அந்தும் உத்கர்ஷ் ஸ்மால் ஃபைனான்ஸ் வங்கி

SAMRIDH JHARKHAND

उत्कर्ष स्मॉल फाइनेंस बैंक लिमिटेड ने अपनी 8वीं वर्षगांठ मनाई

देश में 15 नई बैंकिंग आउटलेट्स का किया उद्घाटन

UTKARSH
UTKARSH SMALL FINANCE BANK

JAGRUKH EXPRESS

उत्कर्ष स्मॉल फाइनेंस बैंक की 3-इन-1 खाते के लिए ट्रेजिक्स निवेश के साथ साझेदारी

MAHARASHTRA JANMUDRA

उत्कर्ष स्मॉल फायनान्स बँकचा महाराष्ट्रात नवीन शाखांसह विस्तार

महाराष्ट्रातील ८२ शाखा आणि देशभरात १०४३ शाखांसह बँकेचे जाळे अधिक मजबूत

EVENING SATTAPATH

उत्कर्ष स्मॉल फाइनेंस बैंक ने देहरादून रोड, ऋषिकेश, उत्तराखंड में एक नए बैंकिंग आउटलेट के साथ अपनी पहुंच का विस्तार किया

GANDHINAGAR METRO

ઉત્કર્ષ સ્મોલ ફાઈનાન્સ બેન્ક લિમિટેડે ગુજરાતના રાજકોટમાં માવડી ખાતે નવું બેન્કિંગ આઉટલેટ લોન્ચ કરીને પહોંચ વિસ્તારી

PUNJAB KESARI

SUN 26 JANUARY 2025
EDITION: KARNAL KESARI, PAGE NO. 5

उत्कर्ष स्मॉल फाइनेंस बैंक ने 8वीं वर्षगांठ पर 15 नए बैंकिंग आउटलेट्स खोले

Corporate Information

BOARD OF DIRECTORS

Dr Kshatrapati Shivaji
Part-time Non-Executive Chairman and Independent Director

Mr. Ajay Kumar Kapur
Non-Executive Independent Director

Mr. Anjani Kumar Srivastava
Additional Director (Non-Executive and Non-Independent)

Ms. Gauri Rushabh Shah
Non-Executive Independent Director

Ms. Kalpana Prakash Pandey
Non-Executive Independent Director

Mr. Parveen Kumar Gupta
Non-Executive Independent Director

Dr Ram Jass Yadav
Non-Executive Non-Independent Director

Mr. Govind Singh
Managing Director and Chief Executive Officer

KEY MANAGERIAL PERSONNEL

Mr. Govind Singh
Managing Director & CEO

Mr. Sarju Simaria
Chief Financial Officer

Mr. Muthiah Ganapathy
Company Secretary

SECRETARIAL AUDITORS

M/s BNP & Associates. Company Secretaries l 101, 1st Floor, Bholanath Chogle Residency, Babhai Naka, Opp Bhargav Medical Centre, Near Ram mandir, Borivali West, Mumbai - 400092

REGISTRAR & SHARE TRANSFER AGENT

For Equity Shares

M/s. KFIN Technologies Limited 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, 400 070, Maharashtra

For Listed Debentures

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

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited

901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W) – 400013, Maharashtra

IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai – 400 001

REGISTERED & CORPORATE OFFICE

Utkarsh Tower, NH - 37 (Airport Road). Sehmalpur. Kazi Sarai, Harhua. Varanasi, Uttar Pradesh - 221105

CIN: L65992UP20l 6PLC082804
Website: www.utkarsh.bank.in
E-mail: shareholders@utkarsh.bank

JOINT STATUTORY AUDITORS

M/s M M NISIM & Co LLP

Chartered Accountants BARODAWALA MANSION, B WING, 3RD FLOOR, 81 DR, ANNIE BESANT ROAD,WORLI Mumbai- 400018, Maharashtra.

M/s KKC & Associates LLP

Chartered Accountants 601, SUNSHINE TOWER LEVEL 19 SENAPATI, BAPAT MARG, ELPHINSTONE ROAD, Delisle Road, Mumbai- 400013, Maharashtra

Utkarsh Small Finance Bank
Aapki Ummeed Ka Khaata

Registered & Corporate Office
Utkarsh Small Finance Bank Limited
Utkarsh Tower, NH - 31 (Airport), Sehmalpur, Kazi Sarai,
Harhua, Varanasi, Uttar Pradesh - 221105

www.utkarsh.bank.in | Toll Free : 1800-123-9878 |

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UTKARSH SMALL FINANCE BANK LIMITED

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

CIN: L65992UP2016PLC082804 | Email: shareholders@utkarsh.bank.in

Website: www.utkarsh.bank.in | **Tel No.**: 0542-6605555

Date: July 10, 2026

Dear Shareholder,

Subject: Intimation of web link to access the Annual Report for financial year 2025-26 and Notice of the Tenth Annual General Meeting of the Bank.

We are pleased to inform you that the Tenth (10th) Annual General Meeting ("AGM") of Utkarsh Small Finance Bank Limited ("Bank") is scheduled to be held on Tuesday, August 04, 2026 at 02:30 p.m. (IST) through Video Conference ("VC")/Other Audio Visual Means ("OVAM").

Pursuant to Regulation 36(1) of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015, the Bank has circulated soft copies of the Notice of AGM along with the Annual Report 2025-26 of the Bank, by email, to the members whose e-mail address is registered with the Bank / its Registrar & Share Transfer Agent ("RTA") / their Depository Participant ("DP"). Since your e-mail address is not registered, please find below the QR Code and exact Web-link of the above referred documents, to enable you to access / download the same:

Document	QR Code	Link to Click
10th AGM Notice		https://www.utkarsh.bank.in/uploads/template_forty_pdf/Notice_of_10th_AGM-04_08_2026.pdf
Annual Report FY 2025-26		https://www.utkarsh.bank.in/uploads/template_forty_pdf/Annual_Report_FY_2025-26.pdf

Additionally, Notice of the AGM and the Annual Report is also available on the website of the National Securities Depository Limited at www.evoting.nsdl.com and website of the stock exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

Key details for the AGM are as under:

Particulars	Details
Cut-off date for e-Voting	Tuesday, July 28, 2026
Commencement of remote e-Voting	Saturday, August 01, 2026 at 09:00 a.m. (IST)
End of remote e-Voting	Monday, August 03, 2026 at 05:00 p.m. (IST)
Date of AGM	Tuesday, August 04, 2026 at 02:30 p.m. (IST)
Declaration of Result of e-Voting	On or before August 06, 2026

We encourage you to register / update your e-mail and KYC details with the Bank / RTA / DP, as necessary. The process for the same is outlined in the Notice of the AGM.

Yours faithfully,

For **Utkarsh Small Finance Bank Limited**

Sd/-

Muthiah Ganapathy

Company Secretary & Compliance Officer