

KEY INFORMATION DOCUMENT  
(FOR PRIVATE PLACEMENT)



UTKARSH SMALL FINANCE BANK LIMITED

A public limited company incorporated under the Companies Act, 2013

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| <b>Corporate Identification Number (CIN):</b><br>L65992UP2016PLC082804<br><b>Permanent Account Number (PAN):</b> AAECE2619Q<br><b>Date of Incorporation:</b> April 30, 2016<br><b>Place of Incorporation:</b> Varanasi<br><b>Registration number issued by the relevant regulator:</b> MUM-125<br><b>Website:</b> www.utkarsh.bank | <b>Registered and Corporate Office:</b> Utkarsh Tower, NH - 31<br>(Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi,<br>Uttar Pradesh, India, 221105<br><b>Telephone No.:</b> +91 542 660 5555<br><b>Email:</b> shareholders@utkarsh.bank |
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Key information document for issue of Debentures in conformity with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, the Master Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, as amended from time to time, and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time

SERIES II

ISSUE OF UP TO 10,000 (TEN THOUSAND) RATED, LISTED, UNSECURED, SUBORDINATED, REDEEMABLE LOWER TIER II BONDS IN THE FORM OF NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, UP TO AN AGGREGATE VALUE OF RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORES ONLY) PLUS GREEN SHOE OPTION OF UP TO 10,000 (TEN THOUSAND) RATED, LISTED, UNSECURED, SUBORDINATED, REDEEMABLE LOWER TIER II BONDS IN THE FORM OF NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, UP TO AN AGGREGATE VALUE OF RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORES ONLY) ("DEBENTURES") ON A PRIVATE PLACEMENT BASIS ("ISSUE") UNDER THE GENERAL INFORMATION DOCUMENT DATED JUNE 18, 2024 ("GENERAL INFORMATION DOCUMENT") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF RATED, LISTED, UNSECURED, SUBORDINATED, REDEEMABLE LOWER TIER II BONDS IN THE FORM OF NON-CONVERTIBLE DEBENTURES.

Certain details of the Debentures are as follows:

- (a) **Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**
- CARE Ratings Limited has assigned a "CARE A+ (Stable)" (pronounced "CARE Single A (Plus) with stable outlook") rating to the captioned Issue.

**Date of Rating Letters:** October 31, 2024 by CARE Ratings Limited






**Date of Press Release of Ratings:** October 31, 2024 by CARE Ratings Limited

**Press Release and Rating Rationale:** Please refer Annexure VII of this Key Information Document.

**Declaration:** The rating mentioned above is valid as on the date of issuance and listing of this Issue.

- (b) **Listing:** The Debentures issued under this Key Information Document are proposed to be listed on the Wholesale Debt Market (WDM) of the BSE Limited within such timelines as prescribed under Applicable Law. The in-principle approval obtained by the Bank from BSE has been disclosed in Annexure IV of this Key Information Document. The Bank has maintained the Recovery Expense Fund with BSE (Please refer Section 4.34(b) of the General Information Document for more details).
- (c) **Eligible Investors:** Please refer to Section 4.44 of the General Information Document.

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| ISSUE SCHEDULE  |  |  |  |   |
|---|--|--|--|---|
| Issue Opening Date  | Issue Closing Date   | Pay-In Date  | Deemed Date of Allotment   |   |
| November 26, 2024   | November 26, 2024  | November 27, 2024  | November 27, 2024  |   |
| The Bank reserves the right to change the Issue programme including the Deemed Date of Allotment at its sole discretion in accordance with the timelines specified in the SEBI Debt Listing Regulations without giving any reasons or prior notice. The Issue will be open for bidding as per bidding window that would be communicated through BSE BOND-EBP Platform.  |  |  |  |   |
| Coupon  | Coupon Payment Frequency   | Redemption Date  | Redemption Amount  |   |
| 10.90% p.a.   | Quarterly and on Redemption  | November 27, 2031  | Rs. 1,00,000/- per Debenture   |   |
| KEY OFFICERS OF THE BANK  |  |  |  |   |
| <b>Compliance Officer</b><br>Muthiah Ganapathy<br><b>Telephone Number:</b> +91 02268729552<br><b>Email:</b><br>muthiah.ganapathy@utkarsh.bank   | <b>Company Secretary</b><br>Muthiah Ganapathy<br><b>Telephone Number:</b> +91 022 68729552<br><b>Email:</b><br><a href="mailto:muthiah.ganapathy@utkarsh.bank">muthiah.ganapathy@utkarsh.bank</a>  | <b>Chief Financial Officer</b><br>Sarju Simaria<br><b>Telephone Number:</b> +91 022 68729509<br><b>Email:</b><br>sarju.simaria@utkarsh.bank  | <b>Promoters</b><br><b>Corporate Promoter:</b> Utkarsh CoreInvest Limited<br><b>Telephone Number:</b> 9598069737<br><b>Email:</b><br>communication@utkarshcoreinvest.com   |   |
| DETAILS OF STAKEHOLDERS   |  |  |  |   |
| Debenture Trustee   | Registrar and Transfer Agent   | Credit Rating Agency   | Statutory Auditors   |   |
| <br><b>Name:</b> Catalyst Trusteeship Limited<br><b>Address:</b> 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W) – 400013<br><b>Tel:</b> +91 (022) 49220555<br><b>Contact Person:</b> Mr. Umesh Salvi<br><b>Email:</b> ComplianceCTL-Mumbai@ctltrustee.com<br><b>Website:</b> www.catalysttrustee.com | <br><b>Name:</b> NSDL Database Management Limited<br><b>Address:</b> 4th Floor, One International Center, Tower 3, Senapati Bapat Marg, Prabhadevi, Mumbai - 400013<br><b>Tel:</b> +91 022 49142594<br><b>Contact Person:</b> Sachin Shinde<br><b>Email:</b> Sachin.shinde@nsdl.com<br><b>Website:</b> www.nsdl.co.in/www.ndml-nsdl.co.in | <br><b>Name:</b> CARE Ratings Limited<br><b>Address:</b> CARE Ratings Limited , Berger Towers, 9th floor, C-001/A2 , Sector 16B, Noida, Uttar Pradesh- 201301<br><b>Tel:</b> +91 9900041975<br><b>Contact Person:</b> Dinesh Sharma<br><b>Email:</b> Dinesh.sharma@careedge.in<br><b>Website:</b> www.careratings.com | <br><b>Name:</b> Deloitte Haskins & Sells<br><b>Address:</b> 19th Floor, Shapath-V S.G. Highway, Ahmedabad – 380 015 Gujarat, India<br><b>Email:</b> sgk@deloitte.com<br><b>Telephone Number:</b> +91 79 6682 7300<br><b>Contact Person:</b> Anirban Banerjee<br><b>Website:</b> www.deloitte.com | <br><b>Name:</b> Kirtane & Pandit LLP<br><b>Logo:</b> NA<br><b>Address:</b> 6th Floor, Earth Vintage, Senapati Bapat Marg, Dadar West Mumbai – 400 028, India<br><b>Email:</b> kpcamumbai@kirtanepandit.com<br><b>Telephone Number:</b> +91 22 2444 4119<br><b>Contact Person:</b> Mittal Shah<br><b>Website:</b> kirtanepandit.com |

## BACKGROUND

This key information document dated November 21, 2024 for issuance of upto 10,000 (Ten Thousand) Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the form of Non-Convertible Debentures aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) plus green shoe option of upto 10,000 (Ten Thousand) Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the form of Non-Convertible Debentures aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) (“Key Information Document”) is issued in terms of and pursuant to the General Information Document dated June 18, 2024. All the terms, conditions, information and stipulations contained in the General Information Document, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the

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same to the extent applicable. This Key Information Document must be read in conjunction with the General Information Document.

This Key Information Document contains details of this Debentures and details in respect of: (i) the offer of non-convertible securities in respect of which the Key Information Document is being issued (ii) any financial information of the Bank if such information provided in the General Information Document is more than six months old; (iii) any material changes in the information provided in the General Information Document; and (iv) any material developments which are not disclosed in the General Information Document relevant to the offer of non-convertible securities in respect of which this Key Information Document is being issued. Accordingly, set out below are the updated financial information / particulars / changes in the particulars set out under the General Information Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the General Information Document. All other particulars appearing in the General Information Document shall remain unchanged.

In case of any inconsistency between the terms of this Key Information Document and the General Information Document, the terms as set out in this Key Information Document shall prevail. In case of any inconsistency between the terms of this Key Information Document and the Debenture Trust Deed, the terms as set out in the debenture trust Deed shall prevail. Capitalised terms used herein but not defined shall have the same meanings as accorded to the terms in the General Information Document and/ or other Transaction Documents.

| <b>Issuer's Absolute Responsibility</b>   |  |
|---|--|
| The Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document contains all information with regard to the Bank and the Issue which is material in the context of the Debentures, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading. |  |

#### **ELECTRONIC BOOK MECHANISM AND DETAILS PERTAINING TO THE UPLOADING THE PLACEMENT MEMORANDUM ON THE ELECTRONIC BOOK PROVIDER PLATFORM.**

The Issue shall be open for bidding and subscribed to in accordance with the guidelines issued by SEBI and EBP pertaining to the procedure of Electronic Book Mechanism set out in the Electronic Book Mechanism Guidelines

|   |   |
|---|---|
| <b>Issue composition – Details of size of the Issue including green shoe option, if any</b> | Up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) plus green shoe option of up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) |
| <b>Interest Rate Parameter</b>  | Fixed   |
| <b>Bid opening and closing date</b>   | November 26, 2024   |
| <b>Minimum Bid lot</b>  | Rs.1,00,000/- (Rupees One Lakh only) and in multiples of Rs.1,00,000/- (Rupees One Lakh only) thereafter  |
| <b>Manner/Type of bidding in the Issue</b>  | Open Book Bidding   |
| <b>Manner of allotment in the Issue</b>   | Multiple Yield  |
| <b>Mode of Bidding</b>  | Coupon specified by Issuer  |
| <b>Manner of settlement in the Issue</b>  | ICCL  |
| <b>Trading Lot Size</b>   | 1 (One) Debenture and in multiple of 1 (One) Debenture thereafter   |
| <b>Option to retain oversubscription (Amount)</b>   | Green Shoe Option of up to Rs. Rs. 100,00,00,000/- (Rupees One Hundred Crores only) to retain oversubscription on a private placement basis     |
| <b>Anchor Portion and Anchor Investors</b>  | NA  |
| <b>Settlement cycle T+1/ T+2 where T refers to the date of bidding/ issue day</b>           | T+1   |

The issue of Debentures under this Key Information Document does not form part of non-equity regulatory capital mentioned under Chapter V (*Issuance and Listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments*) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities)

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Regulations, 2021 and Chapter XIII (*Issuance, Listing and Trading Non-Equity Regulatory Capital*) of the Master Circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" read together with SEBI circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027 dated February 8, 2023 on "*Clarification w.r.t. issuance and listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments under Chapter V of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021*". The face value of each Debenture issued on private placement basis for respective 'Security Name' shall be as per 'Face Value' as mentioned under Section 5 – Key Terms of the Issue for Debentures below.

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## SECTION 1: DEFINITIONS AND ABBREVIATIONS

Capitalised terms and abbreviations used in this Key Information Document and not defined shall have the meaning as has been assigned to the term in General Information Document.

|   |  |
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| Act or Companies Act                                      | Companies Act, 2013, as may be amended from time to time   |
| AGM   | Annual General Meeting   |
| Allot/Allotment/Allotted                                  | Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.  |
| Applicant   | Means a person who has submitted a completed Application Form to the Bank.   |
| Application Form  | The form in which an investor can apply for subscription to the Debentures as provided in Annexure V   |
| Application Money   | Means the subscription monies paid by the Applicants at the time of submitting the Application Form  |
| Applicable Law(s)   | shall mean and include all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.  |
| Business Day  | shall mean a day on which banks are open for general banking business in Mumbai.   |
| BSE   | Means BSE Limited  |
| Call Option   | On the Call Option Date, the Bank shall have the option, with prior consent of RBI (Department of Regulation, RBI Central Office), to redeem the Debentures in full by repayment of all the Payments in relation thereto.  |
| Call Option Date  | Shall mean the date falling 60 (Sixty) months after the Deemed Date of Allotment i.e. on November 27, 2029.  |
| CDSL  | Means Central Depository Services Limited  |
| Coupon  | In relation to any Series, means the coupon payable on the Debentures constituting that Series, on the Coupon Payment Dates, at the Coupon Rate.   |
| Coupon Payment Date(s)                                    | Shall mean the last day of each Coupon Period.   |
| Coupon Period   | Shall mean the period of 3 (Three) months commencing from the Deemed Date of Allotment and every subsequent period of 3 (Three) months thereafter provided however that the last Coupon Period shall commence from the preceding Coupon Payment Date and end on the Maturity Date or the Call Option Date.   |
| Coupon Rate   | Shall mean 10.90% (Ten Decimal Point Nine Zero percent) per annum payable quarterly.   |
| Debt Listing Regulations or SEBI Debt Listing Regulations | shall mean the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI, as amended from time to time, the Debentures Master Circular and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI LODR Master Circular.   |
| Debentures/ NCDs / Subordinated Bonds                     | Means Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the nature of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) plus green shoe option of Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the nature of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only). |
| Deemed Date of Allotment                                  | shall mean the date on which the Debentures are deemed to have been allotted to the Debenture Holder(s), viz. November 27, 2024.   |
| Debenture Holders/ Investors                              | shall initially mean the persons who are the subscribers to the Debentures and for the time being holders of the Debentures and for the subsequent Debenture Holder(s), each who fulfils the following requirements: -<br><br>(a) Persons who are registered as such as Beneficial Owner(s); and   |

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|   | (b) Persons who are registered as holder(s) of the Debentures in the register of Debenture Holder(s);<br><br>(And shall include the registered transferees of the Debentures from time to time with the Bank and the Depository) and in the event of any inconsistency between sub-paragraph (a) and (b) above, sub-paragraph (a) shall prevail  |
| Trustee/ Debenture Trustee              | Means Catalyst Trusteeship Limited, appointed as debenture trustee on behalf of and for the benefit of the Debenture Holder(s) as specified in the Key Information Document for each issuance.   |
| Debenture Trustee Agreement             | The trustee agreement dated executed/ to be executed by and between the Debenture Trustee and the Bank setting out the terms of the appointment of the Debenture Trustee in respect of each issuance under the Key Information Document.   |
| Debenture Trust Deed/ DTD/ trust deed   | The trust deed executed/ to be executed by and between the Debenture Trustee and the Bank in relation to the Debentures to be issued the terms of which read along with this Key Information Document and other Transaction Documents shall govern the Issue.  |
| Depository(ies)                         | Means the depository with whom the Bank has made arrangements for dematerializing the Debentures, being NSDL.  |
| Depository Participant                  | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended from time to time, in this case being NSDL.  |
| Director(s)                             | Director(s) of the Issuer.   |
| Disclosure Document(s)                  | Shall mean collectively, (i) the General Information Document, (ii) the Private Placement Offer cum Application Letter(s), and (iii) this Key Information Document, for the issue of the Debentures.   |
| DP ID                                   | Depository Participant Identification Number.  |
| Due Date(s)                             | Shall mean any date or dates on which the Debenture Holder(s) are entitled to any Payments in relation to the Debentures, which shall include, without limitation, the Coupon Payment Date(s), the Maturity Date and Call Option Date (in the event Call Option is exercised)  |
| Final Redemption Date / Redemption Date | shall mean November 27, 2031.  |
| General Information Document            | Means the general information document issued by the Issuer for the issue of the non-convertible securities on a private placement basis in accordance with Applicable Laws.   |
| Issue                                   | Shall mean the issue of Rated, Listed, Unsecured, Subordinated, Redeemable, Lower Tier-II Bonds in the form of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) plus green shoe option of Rated, Listed, Unsecured, Subordinated, Redeemable, Lower Tier-II Bonds in the form of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only), for cash at par in dematerialized form on a Private Placement Basis in terms of this Key Information Document read with the General Information Document. |
| Issuer Bank / Issuer / Bank / Company   | Utkarsh Small Finance Bank Limited   |
| Key Information Document                | Means this Key Information Document issued pursuant to the General Information Document for issue of Rated, Listed, Unsecured, Subordinated, Redeemable, Lower Tier-II Bonds in the form of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) plus green shoe option of Rated, Listed, Unsecured, Subordinated, Redeemable, Lower Tier-II Bonds in the form of Non-Convertible Debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only), for cash at par in dematerialized form on a Private Placement                |

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|   | Basis in the manner as prescribed under SEBI Debt Listing Regulations, whereby subscription to the Debentures shall be invited by the Issuer on a private placement basis until the validity of the General Information Document.   |
| Lower Tier II Capital   | Shall mean the Tier II Capital which would qualify as Lower Tier II Capital in terms of the New Capital Adequacy Framework.   |
| Debentures Master Circular  | Means the Securities and Exchange Board of India's Master Circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 (bearing reference no. SEBI/HO/DDHS/P/CIR/2021/613) as updated <i>vide</i> the SEBI circular dated May 22, 2024 (bearing reference no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54) to the extent applicable in respect of the private placement of debt securities, as may be further amended, updated, modified, supplemented or restated from time to time.  |
| Majority Debenture Holders  | Means the Debenture Holders holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding  |
| NA  | Not Applicable.   |
| New Capital Adequacy Framework/Basel II Framework/Basel II Guidelines | Means the Reserve Bank of India's circular on "Master Circular – Prudential Guidelines on Capital Adequacy and Market Discipline-New Capital Adequacy Framework (NCAF)" dated July 1, 2015, as amended, modified, supplemented or restated from time to time.   |
| NSDL  | Means National Securities Depository Limited  |
| Obligations   | Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Company to the Debenture Holders or the Debenture Trustee under the Debenture Trust Deed in respect of the Debentures and the other Transaction Documents, including without limitation, the redemption of the Debentures, the payment of any interest on the Debentures, and all costs, charges, expenses and other monies payable by the Company under the Transaction Documents   |
| Outstanding Principal Amounts   | Means, at any date, the principal amount outstanding under the Debentures.  |
| Payments  | Shall mean collectively: (i) all payments to be made by the Bank in relation to all of the Bank's obligations and liabilities under or in respect of the Debentures under the relevant Transaction Documents including the redemption / repayment of the Outstanding Principal Amount, payment of Coupon, additional interest in case of default (where applicable); (ii) all monies due and payable to the Trustee including the remuneration payable to the Trustee in terms of and pursuant to the Trustee Agreement and the Trust Deed; and (iii) all fees, costs, charges and expenses and other monies payable hereunder or under any of the Transaction Documents. |
| Purpose   | Shall mean the purpose for which the Debentures are being issued, i.e., the augmentation of the lower Tier II Capital of the Bank for strengthening the Bank's capital adequacy and enhancing the Bank's long-term resources. The proceeds of Issue shall be utilized for regular business activities of the Bank.  |
| Rating Agency   | Shall mean CARE Ratings Limited, a company incorporated under the provisions of the Companies Act, 1956 (1 of 1956) and having its office at Berger Towers, 9th floor, C-001/A2, Sector 16B, Noida, Uttar Pradesh- 201301;  |
| RBI   | Means the Reserve Bank of India   |
| Record Date   | Shall, in relation to any Due Date, mean the date falling 15 (Fifteen) days prior to such date.   |
| Redemption Amount   | Shall mean, with respect to each Debenture, the amount which is required to be paid by the Bank to redeem the Debentures, being the aggregate of each Debenture (i.e., face value of Rs. 1,00,000/- (Rupees One Lakh only) of the said Debenture) and the Coupon and Default Interest (if any) accrued and payable by the Bank in respect of such Debenture.  |
| SEBI  | Means the Securities and Exchange Board of India  |



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| SEBI Debenture Trustees Master Circular/ DT Master Circular | means the SEBI (Debenture Trustee) Regulations, 1993 read with the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 on “Master Circular for Debenture Trustees” as amended, modified, supplemented or restated from time to time.   |
| SEBI LODR Regulations                                       | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.   |
| SEBI LODR Master Circular                                   | the Securities and Exchange Board of India’s Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities dated November 11, 2024 (bearing reference No. SEBI/HO/CFD/PoD2/CIR/P/0155) as may be further updated, amended, supplemented, modified, superseded or replaced from time to time;  |
| SFB   | Small Finance Bank  |
| SFB Guidelines  | The guidelines issued by the RBI for licensing of “Small Finance Banks in the Private Sector” dated November 27, 2014, clarifications to the queries on the Guidelines for Licensing of Small Finance Banks and Payments Banks dated January 01, 2015 and the “Operating Guidelines for Small Finance Banks” dated October 6, 2016, and the ‘Guidelines for Licensing of Small Finance Banks in Private Sector’ dated November 27, 2014 – Modifications to existing norms dated March 28, 2020 issued by RBI as may be amended from time to time, along with all clarifications and guidelines published by RBI in relation thereto |
| Series  | Any series of Debentures issued under the Issue pursuant to the issue of this Key Information Document and Private Placement Offer cum Application Letter.  |
| Stock Exchange  | BSE Limited   |
| Subordinated Debt   | Means all funds received by the Company on an unsecured basis that rank lower in repayment to other debts and creditors, but is senior to equity and that may be accounted for as "Tier II Capital" in accordance with the guidelines issued by the RBI.  |
| Tier I Capital  | shall have the meaning assigned to such term under the elements of Tier I Capital in the New Capital Adequacy Framework.  |
| Tier II Capital   | Shall mean the capital which would qualify as tier II capital in terms of the New Capital Adequacy Framework  |
| Terms & Conditions  | Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents  |
| Transaction Documents                                       | Shall mean General Information Document, this Key Information Document, the Debenture Trustee Agreement, the Debenture Trust Deed, and any other document that may be designated by the Debenture Trustee and the Bank as a Transaction Document executed or to be executed in relation to the issuance of the Debentures.  |
| Term Sheet / Issue Addendum                                 | Shall mean a document issued in respect of a Series of the Debentures which mentions key terms of the Debentures issued under a particular Series, including inter alia, interest rate, allotment date, maturity date, credit rating, covenants if any and shall include amendments made thereto from time to time  |
| Upper Tier II Capital                                       | shall mean the Tier II Capital which would qualify as upper Tier II Capital in terms of the New Capital Adequacy Framework.   |
| USFBL   | Utkarsh Small Finance Bank Limited  |
| WDM   | Wholesale Debt Market segment of the BSE.   |

This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

## SECTION 2: REGULATORY DISCLOSURES<sup>1</sup>

Other than to the limited extent set out hereunder, please refer to the General Information Document for disclosures under the Schedule I of Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.

### A. Material changes if any, in the information provided in the General Information Document:

- (a) The audited financial statements (i.e., Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the issue document or issue opening date, as applicable. Such financial statements should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (“ICAI”)

*The above financial statements shall be accompanied with the Auditor’s Report along with the requisite schedules, footnotes, summary etc.*

Please refer to Annexure VIII of this Key Information Document

- (b) Key Operational and Financial Parameters for the last 3 Audited years on a Consolidated and Standalone Basis:

#### Standalone Audited Financial Statement

#### Summary Statement of Assets and Liabilities

*(₹ in crore)*

| Particulars  | As at<br>30 September 2024 | As at<br>31 March<br>2024 | As at<br>31 March<br>2023 | As at<br>31 March<br>2022 |
|--|----------------------------|---------------------------|---------------------------|---------------------------|
| <b>CAPITAL AND LIABILITIES</b>                         |                            |                           |                           |                           |
| Capital  | 1,101.37                   | 1,099.46                  | 895.90                    | 895.52                    |
| Reserves and Surplus                                   | 2,023.64                   | 1,873.73                  | 1,104.42                  | 676.78                    |
| Deposits   | 19,496.33                  | 17,472.60                 | 13,710.14                 | 10,074.18                 |
| Borrowings   | 1,997.54                   | 1,995.08                  | 2,349.48                  | 2,571.93                  |
| Other Liabilities and Provisions                       | 1,687.44                   | 1,461.81                  | 1,057.36                  | 845.36                    |
| <b>Total</b>   | <b>26,306.33</b>           | <b>23,902.68</b>          | <b>19,117.29</b>          | <b>15,063.77</b>          |
| <b>ASSETS</b>  |                            |                           |                           |                           |
| Cash and balances with Reserve Bank of India           | 2,545.42                   | 1,246.90                  | 1,192.06                  | 533.90                    |
| Balances with banks and money at call and short notice | 699.79                     | 1,780.57                  | 1,324.31                  | 1,337.75                  |
| Investments  | 4,032.67                   | 3,679.47                  | 2,859.42                  | 2,347.92                  |
| Advances   | 18,131.69                  | 16,364.81                 | 13,068.77                 | 10,288.15                 |
| Fixed Assets   | 323.45                     | 311.58                    | 303.32                    | 286.53                    |
| Other Assets   | 573.31                     | 519.36                    | 369.42                    | 329.52                    |
| <b>Total</b>   | <b>26,306.33</b>           | <b>23,902.68</b>          | <b>19,117.29</b>          | <b>15,063.77</b>          |
| Contingent Liabilities                                 | 123.15                     | 76.67                     | 63.35                     | 56.42                     |
| Bills for Collection                                   | -                          | -                         | -                         | -                         |

#### Summary Statement of Profit and Loss

This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

(₹ in crore)

| Particulars |   | For the half year ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|---|---|----------------------------------|----------------------------------|----------------------------------|
| <b>I</b>    | <b>INCOME</b>   |   |                                  |                                  |                                  |
|             | Interest Earned   | 1,952.87                                  | 3,178.41                         | 2,504.98                         | 1,848.81                         |
|             | Other Income  | 207.23                                    | 400.40                           | 299.31                           | 184.83                           |
|             | <b>Total</b>  | <b>2,160.10</b>                           | <b>3,578.81</b>                  | <b>2,804.29</b>                  | <b>2,033.65</b>                  |
| <b>II</b>   | <b>EXPENDITURE</b>  |   |                                  |                                  |                                  |
|             | Interest Expended   | 821.54                                    | 1,292.61                         | 975.95                           | 787.96                           |
|             | Operating Expenses  | 750.87                                    | 1,288.94                         | 990.01                           | 736.34                           |
|             | Provisions and Contingencies  | 398.91                                    | 499.64                           | 433.82                           | 447.88                           |
|             | <b>Total</b>  | <b>1,971.32</b>                           | <b>3,081.18</b>                  | <b>2,399.78</b>                  | <b>1,972.18</b>                  |
| <b>III</b>  | <b>PROFIT/(LOSS)</b>  |   |                                  |                                  |                                  |
|             | Net Profit / (Loss) for the period / year                             | <b>188.79</b>                             | <b>497.63</b>                    | <b>404.50</b>                    | <b>61.46</b>                     |
|             | Balance in Profit and Loss account brought forward from previous year | <b>936.70</b>                             | <b>569.41</b>                    | <b>253.72</b>                    | <b>207.25</b>                    |
|             | <b>Total</b>  | <b>1,125.48</b>                           | <b>1,067.04</b>                  | <b>658.23</b>                    | <b>268.71</b>                    |
| <b>IV</b>   | <b>APPROPRIATIONS</b>   |   |                                  |                                  |                                  |
|             | Transfer to Statutory Reserve   |   | 124.41                           | 101.13                           | 15.37                            |
|             | Transfer to Investment Fluctuation Reserve                            |   | 5.94                             | 1.80                             | (11.13)                          |
|             | Transferred to capital reserve  |   |                                  |                                  | 0.23                             |
|             | Other adjustments   |   |                                  | 10.52                            | 10.52                            |
|             | <b>Balance carried over to Balance Sheet</b>                          | <b>1,125.48</b>                           | <b>936.70</b>                    | <b>569.42</b>                    | <b>253.72</b>                    |
| <b>V</b>    | <b>EARNINGS PER EQUITY SHARE</b>                                      |   |                                  |                                  |                                  |
|             | Basic EPS (₹)   | 1.72                                      | 4.79                             | 4.52                             | 0.70                             |
|             | Diluted EPS (₹)   | 1.70                                      | 4.75                             | 4.51                             | 0.70                             |
|             | Face Value per share (₹)  | 10.00                                     | 10.00                            | 10.00                            | 10.00                            |

#### Summary Statement of Cash Flows

(₹ in crore)

| Particulars |   | For the Half year ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|---|---|----------------------------------|----------------------------------|----------------------------------|
| <b>I</b>    | <b>Cash flow from operating activities</b>                    |   |                                  |                                  |                                  |
|             | Profit before taxes   | 254.31                                    | 659.39                           | 535.81                           | 79.71                            |
|             | <b>Adjustments for: -</b>                                     |   |                                  |                                  |                                  |
|             | Depreciation on fixed assets                                  | 36.77                                     | 65.27                            | 58.66                            | 40.88                            |
|             | (Reversal of depreciation) / Depreciation on investments, net |   |                                  | (4.42)                           | (14.94)                          |
|             | Amortization of premium on Held to Maturity Investment        | 9.42                                      | 19.82                            | 20.70                            | 17.49                            |

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| Particulars |  | For the Half<br>year ended 30<br>September<br>2024 | For the year<br>ended 31 March<br>2024 | For the year<br>ended 31<br>March 2023 | For the year<br>ended<br>31 March 2022 |
|-------------|--|--|--|--|--|
|             | Profit on sale & Redemption of HTM portfolio   |  |  |  | (0.41)                                 |
|             | Unrealised loss/gain on external commercial borrowings                                 |  |  |  | (0.60)                                 |
|             | Write-off of non performing advances   | 183.13   | 313.42                                 | 382.78                                 | 219.38                                 |
|             | Provision for standard advances and other contingencies (including floating provision) | 48.08  | 52.53                                  | 28.89                                  | (1.71)                                 |
|             | Provision for non performing advances (net of reversal)                                | 104.56   | (23.87)                                | (112.89)                               | 202.43                                 |
|             | (Profit) / Loss on sale of fixed assets (net)  | 0.05   | 0.06                                   |  | (0.06)                                 |
|             | Other provisions and write off   | 6.63   | (0.28)                                 | 17.05                                  | 17.20                                  |
|             | <b>Adjustments for:-</b>   |  |  |  |  |
|             | Decrease/(Increase) in investments (other than HTM investment)                         | 297.66   | (297.03)                               | 89.93                                  | 556.36                                 |
|             | (Increase) in advances   | (2,054.57)   | (3,585.60)                             | (3,109.16)                             | (2,434.45)                             |
|             | Decrease / (increase) in other assets  | (106.74)   | (322.44)                               | (90.25)                                | (38.93)                                |
|             | (increase) / Decrease in deposits  | 2,023.73   | 3,762.46                               | 3,635.96                               | 2,566.61                               |
|             | Increase in other liabilities and provisions   | 247.08   | 411.11                                 | 190.78                                 | 174.57                                 |
|             |  | <b>407.17</b>                                      | <b>31.49</b>                           | <b>717.25</b>                          | <b>824.17</b>                          |
|             | Payment of direct taxes  | (65.53)  | (63.59)                                | (70.71)                                | (54.38)                                |
|             | <b>Net cash flow (used in)/generated from operating activities (A)</b>                 | <b>984.59</b>                                      | <b>991.23</b>                          | <b>1,573.13</b>                        | <b>1,329.16</b>                        |
| II          | <b>Cash flow from/ (used in) investing activities</b>                                  |  |  |  |  |
|             | Purchase of fixed assets including capital work in progress                            | (51.27)  | (70.41)                                | (75.85)                                | (146.67)                               |
|             | Proceeds from sale of fixed assets   | 0.42   | 0.23                                   | 0.40                                   | 0.49                                   |
|             | Purchase of held to maturity (HTM) securities (net of sales)                           | (669.10)   | (549.62)                               | (617.71)                               | (592.49)                               |

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| Particulars |  | For the Half year ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|--|---|----------------------------------|----------------------------------|----------------------------------|
|             | <b>Net cash flow (used in) investing activities (B)</b>                      | <b>(719.96)</b>                           | <b>(619.80)</b>                  | <b>(693.15)</b>                  | <b>(738.67)</b>                  |
| III         | Cash flow from/ (used in) Financing Activities                               |   |                                  |                                  |                                  |
|             | Proceeds from issue of share capital (net of share issue expenses)           | 5.67                                      | 494.07                           | (12.81)                          | 146.64                           |
|             | Payment of dividend  | (55.02)                                   |                                  |                                  |                                  |
|             | Net (repayments) from borrowings   | 2.46                                      | (354.39)                         | (222.46)                         | (35.29)                          |
|             | <b>Net cash flow generated from financing activities (C)</b>                 | <b>(46.89)</b>                            | <b>139.67</b>                    | <b>(235.27)</b>                  | <b>111.35</b>                    |
| IV          | <b>Net increase/ (decrease) in cash and cash equivalents (A) + (B) + (C)</b> | <b>217.74</b>                             | <b>511.11</b>                    | <b>644.71</b>                    | <b>701.83</b>                    |
| V           | <b>Cash and cash equivalents at the beginning of the year</b>                | <b>3,027.47</b>                           | <b>2,516.36</b>                  | <b>1,871.65</b>                  | <b>1,169.82</b>                  |
| VI          | <b>Cash and cash equivalents at the end of the year</b>                      | <b>3,245.21</b>                           | <b>3,027.47</b>                  | <b>2,516.36</b>                  | <b>1,871.65</b>                  |
|             | <b>Notes to the Cash Flow Statement:</b>                                     |   |                                  |                                  |                                  |
|             | Cash and cash equivalents include the following:                             |   |                                  |                                  |                                  |
| (i)         | Cash and Balances with Reserve Bank of India                                 | 2,545.42                                  | 1,246.90                         | 1,192.06                         | 533.90                           |
| (ii)        | Balance with banks and money at call and short notice                        | 699.79                                    | 1,780.57                         | 1,324.31                         | 1,337.75                         |
|             | <b>Cash and cash equivalents at the end of the year</b>                      | <b>3,245.21</b>                           | <b>3,027.47</b>                  | <b>2,516.36</b>                  | <b>1,871.65</b>                  |
|             |  |   |                                  |                                  |                                  |
|             | Net worth*   | 2,891.61                                  | 2,722.25                         | 1,844.82                         | 1,420.76                         |
|             | Cash and Cash equivalents**  | 3,245.21                                  | 3,027.47                         | 2,516.36                         | 1,871.65                         |
|             | Loans (Gross Loan Portfolio)   | 19,100.72                                 | 18,299.28                        | 13,957.11                        | 10,630.73                        |
|             | Loans (Principal Amount, Gross Loan portfolio)                               | 19,100.72                                 | 18,299.28                        | 13,957.11                        | 10,630.73                        |
|             | Total Debts to Total Assets (%)***   | 7.59%                                     | 8.35%                            | 12.29%                           | 17.07%                           |
|             | Interest Income  | 1,952.87                                  | 3,178.41                         | 2,504.98                         | 1,848.81                         |
|             | Interest Expense   | 821.54                                    | 1,292.61                         | 975.95                           | 787.96                           |

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| Particulars |   | For the Half year ended 30 September 2024 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------|---|---|----------------------------------|----------------------------------|----------------------------------|
|             | Impairment on Financial Instruments (Provisions, other than Tax, and Contingencies) | 333.38                                    | 337.88                           | 302.51                           | 429.63                           |
|             | Bad Debts to Loans (Gross NPA%)   | 3.88%                                     | 2.51%                            | 3.23%                            | 6.10%                            |
|             | Gross NPA %   | 3.88%                                     | 2.51%                            | 3.23%                            | 6.10%                            |
|             | Net NPA%  | 0.89%                                     | 0.03%                            | 0.39%                            | 2.31%                            |
|             | Tier I Capital Adequacy Ratio (%)   | 19.85%                                    | 20.95%                           | 18.25%                           | 18.08%                           |
|             | Tier II Capital Adequacy Ratio (%)  | 2.58%                                     | 1.62%                            | 2.39%                            | 3.51%                            |

\*As per the guidelines issued by the Reserve Bank of India.

\*\*Includes cash and balances with the Reserve Bank of India and balances with the Bank and money at call and short notice.

\*\*\*Debt represents total borrowings of the Bank

#### Consolidated Audited Financial Statement

NA

- (c) **Details of any other contingent liabilities of the issuer, based on the latest audited financial statements including amount and nature of liability:**

Please refer to Annexure VIII of this Key Information Document

- (d) **Brief history of the Company since its Incorporation giving details of the following activities:**

- i. **Details of Share Capital as at last quarter ended, i.e. September 30, 2024<sup>2</sup>**

| Share Capital                                | Amount in Crores |
|--|------------------|
| <b>Authorised</b>                            |                  |
| 180,00,00,000 Equity Shares                  | 1,800            |
| 200,000,000 Preference Shares                | 200              |
| <b>TOTAL</b>                                 | <b>2,000</b>     |
| <b>Issued, Subscribed and Fully Paid- up</b> |                  |
| 1,10,13,69,555 Equity Shares                 | 1101.37          |
| <b>TOTAL</b>                                 | <b>1101.37</b>   |

- ii. **Changes in its capital structure as at latest quarter end i.e., September 30, 2024, for the preceding three financial years and current financial year:**

<sup>2</sup> The Reserve Bank of India vide its letter dated August 08, 2024 approved the revision in MoA of the Company pursuant to increase in authorized share capital of the Company from Rs.1500 Crores (divided into Rs.1300 Crores equity shares of face value of Rs.10/- each and Rs.200 Crores preference shares of face value of Rs.10/- each) to Rs.2000 Crores (divided into Rs.1800 Crores equity shares of face value of Rs.10/- each & Rs.200 Crores preference shares of face value of Rs.10/- each) vide annual general meeting of the shareholders of the Company held on July 22, 2024.

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| Date (AGM / EGM) | Existing (Rs. In crores) | Revised  | Remark  |
|------------------|--------------------------|----------|---|
| July 22, 2024    | 1,099.46                 | 1101.37  | Revised Capital as on the AGM date. Increase on account of Bank issued 20 crore equity shares of face value of Rs. 10 each in July 2023 by way of IPO; and remaining on account of exercise of ESOP |
| June 12, 2023    | 895.90                   | 1,099.46 | During Financial Year 2023-24, the Bank issued 20 crore equity shares of face value of Rs. 10 each and 35,52,797 shares pursuant to exercise of vested ESOPs.                                       |
| July 30, 2022    | 895.52                   | 895.90   | Increase on account of exercise of ESOPs  |
| July 30, 2021    | 848.33                   | 895.52   | Issued 4,71,69,809 shares to the investors as part of Pre-IPO exercise and on account of exercise of ESOPs  |
| April 01, 2021   | 848.33                   | 848.33   | No change from April 01, 2021 till July 30, 2021  |

iii. Details of the equity share capital history of the Bank, for the preceding three financial years and current financial year:

| Date of Allotment  | No of Equity Shares | Face Value (in Rs.) | Issue Price (in Rs.) | Consideration (in Rs.) | Nature of Allotment | Cumulative Paid Up Capital |                                   |                                  | Remarks |
|--------------------|---------------------|---------------------|----------------------|------------------------|---------------------|----------------------------|-----------------------------------|----------------------------------|---------|
|                    |                     |                     |                      |                        |                     | No of Equity Shares        | Equity Share Capital (Rs. in Cr.) | Equity Share Premium (Rs. in Cr) |         |
| August 02, 2021    | 23584905            | 10                  | 31.80                | 749999979              | Private Placement   | 871918774                  | 871.92                            | 51.41                            | NA      |
| August 13, 2021    | 12578616            | 10                  | 31.80                | 399999988.8            | Private Placement   | 884497390                  | 884.49                            | 27.42                            |         |
| August 18, 2021    | 3144654             | 10                  | 31.80                | 99999997.2             | Private Placement   | 887642044                  | 887.64                            | 6.85                             |         |
| September 01, 2021 | 3459119             | 10                  | 31.80                | 109999984.2            | Private Placement   | 891101163                  | 891.11                            | 7.54                             |         |
| September 29, 2021 | 4402515             | 10                  | 31.80                | 139999977              | Private Placement   | 895503678                  | 895.50                            | 9.59                             |         |
| January 22, 2022   | 17844               | 10                  | 14.01                | 249994.44              | ESOP                | 895521522                  | 895.52                            | 0.007                            |         |
| October 31, 2022   | 198025              | 10                  | 27                   | 53,46,675              | ESOP                | 89,57,19,547               | 8,95.71,                          | 0.34                             |         |
| February 17, 2023  | 170116              | 10                  | 14.01                | 2383325.16             | ESOP                | 895889663                  | 895.89                            | 0.07                             |         |
| March 09, 2023     | 15000               | 10                  | 27                   | 405000                 | ESOP                | 895904663                  | 895.90                            | 0.02                             |         |
| July 18, 2023      | 20000000            | 10                  | 25                   | 5,00,00,00,00          | Public Issue        | 10,95,90,46,63             | 1095.90                           | 300                              |         |
| September 27, 2023 | 1084750             | 10                  | 27                   | 2,92,88,250            | ESOP                | 10,96,98,94,13             | 1096.98                           | 1.84                             |         |

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| Date of Allotment  | No of Equity Shares | Face Value (in Rs.) | Issue Price (in Rs.) | Consideration (in Rs.) | Nature of Allotment | Cumulative Paid Up Capital |                                   | Remarks |                                  |
|--------------------|---------------------|---------------------|----------------------|------------------------|---------------------|----------------------------|-----------------------------------|---------|----------------------------------|
|                    |                     |                     |                      |                        |                     | No of Equity Shares        | Equity Share Capital (Rs. in Cr.) |         | Equity Share Premium (Rs. in Cr) |
| October 11, 2023   | 95500               | 10                  | 27                   | 26,02,500              | ESOP                | 1097084913                 | 1097.08                           | 0.16    |                                  |
| November 03, 2023  | 346875              | 10                  | 27                   | 93,95,625              | ESOP                | 1097431788                 | 1097.43                           | 0.59    |                                  |
| November 22, 2023  | 282867              | 10                  | 27 & 31.8            | 86,39,370.6            | ESOP                | 1097714655                 | 1097.71                           | 0.58    |                                  |
| December 12, 2023  | 60362               | 10                  | 27 & 31.8            | 19,19,511.6            | ESOP                | 1097775017                 | 1097.78                           | 0.13    |                                  |
| December 22, 2023  | 307275              | 10                  | 27                   | 82,99,125              | ESOP                | 1098082392                 | 1098.08                           | 0.52    |                                  |
| January 04, 2024   | 231594              | 10                  | 14.01 & 27           | 60,21,244.44           | ESOP                | 1098313986                 | 1098.31                           | 0.37    |                                  |
| February 02, 2024  | 219999              | 10                  | 14.01, 27 & 31.8     | 52,83,675.99           | ESOP                | 1098533985                 | 1098.53                           | 0.31    |                                  |
| February 17, 2024  | 513625              | 10                  | 27                   | 87,31,625              | ESOP                | 1099047610                 | 1099.05                           | 0.87    |                                  |
| March 04, 2024     | 308850              | 10                  | 27                   | 83,38,950              | ESOP                | 1099356460                 | 1099.36                           | 0.53    |                                  |
| March 20, 2024     | 101000              | 10                  | 27 & 31.8            | 28,51,800              | ESOP                | 1099457460                 | 1099.46                           | 0.18    |                                  |
| April 12, 2024     | 105250              | 10                  | 27                   | 28,41,750              | ESOP                | 1099562710                 | 1099.56                           | 0.18    |                                  |
| April 25, 2024     | 194500              | 10                  | 27                   | 52,51,500              | ESOP                | 1099757210                 | 1099.76                           | 0.33    |                                  |
| May 18, 2024       | 331000              | 10                  | 27                   | 89,37,000              | ESOP                | 1100088210                 | 1100.09                           | 0.56    |                                  |
| June 07, 2024      | 54750               | 10                  | 27                   | 14,78,250              | ESOP                | 1100142960                 | 1100.14                           | 0.09    |                                  |
| July 06, 2024      | 318763              | 10                  | 27                   | 86,06,601              | ESOP                | 1100461723                 | 1100.46                           | 0.54    |                                  |
| August 05, 2024    | 447032              | 10                  | 27                   | 1,20,69,864            | ESOP                | 1100908755                 | 1100.91                           | 0.76    |                                  |
| August 23, 2024    | 273550              | 10                  | 27                   | 73,85,850              | ESOP                | 11,01,82,305               | 1101.82                           | 0.46    |                                  |
| September 12, 2024 | 187250              | 10                  | 27                   | 50,55,750              | ESOP                | 11,01,369,555              | 1101.34                           | 0.32    |                                  |

Notes (if any): NA

- iv. Details of any acquisition or amalgamation with any entity in the preceding 1 (one) year: Nil
- v. Details of any reorganization or reconstruction in the last 1 (one) year: Nil



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vi. Details of the Shareholding of the Company as on the latest quarter end, i.e., September 30, 2024 as per the format specified under the listing regulations

| Category (I) | Category of shareholder (II)          | Number of shareholders (III) | Number of fully paid-up Equity Share held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held = (IV) + (V) + (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |                         | Number of shares Underlying Outstanding and in convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2) | Number of Locked in shares (XII) |                                 | Number of Shares pledged or otherwise encumbered (XIII) |                                 | Number of Equity Shares held in dematerialised Form (XIV) |
|--------------|---------------------------------------|------------------------------|--|---|--|---|--|---|-------------------------|--|--|----------------------------------|---------------------------------|---|---------------------------------|---|
|              |                                       |                              |  |   |  |   |  | Number of Voting Rights                                       | Total as a % of (A+B+C) |  |  | Number of Shares held (b)        | As a % of total Shares held (b) | Number of Shares held (b)                               | As a % of total Shares held (b) |   |
|              |                                       |                              |  |   |  |   |  |   |                         |  |  |                                  |                                 |   |                                 |   |
| (A)          | Promoter and Promoter Group           | 1                            | 75927222                                       | 0   | 0  | 75927222  | 68.94  | 75927222  | 68.94                   | 0  | 0  | 0                                | 219752029                       | 19.97   | 75927222                        |   |
| (B)          | Public                                | 227885                       | 342097333                                      | 0   | 0  | 342097333                                       | 31.06  | 342097333   | 31.06                   | 0  | 0  | 0                                | 0                               | 0   | 342097333                       |   |
| (C)          | Non Promoter-Non Public               | 0                            | 0  | 0   | 0  | 0   | 0  | 0   | 0                       | 0  | 0  | 0                                | 0                               | 0   | 0                               |   |
| (C1)         | Shares underlying depository receipts | 0                            | 0  | 0   | 0  | 0   | 0  | 0   | 0                       | 0  | 0  | 0                                | 0                               | 0   | 0                               |   |
| (C2)         | Shares held by employee trust         | 0                            | 0  | 0   | 0  | 0   | 0  | 0   | 0                       | 0  | 0  | 0                                | 0                               | 0   | 0                               |   |

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|  |                      |        |            |   |   |            |     |            |     |   |   |   |           |       |            |
|--|----------------------|--------|------------|---|---|------------|-----|------------|-----|---|---|---|-----------|-------|------------|
|  | <b>Total (A+B+C)</b> | 227886 | 1101369555 | 0 | 0 | 1101369555 | 100 | 1101369555 | 100 | 0 | 0 | 0 | 219752029 | 19.97 | 1101369555 |
|--|----------------------|--------|------------|---|---|------------|-----|------------|-----|---|---|---|-----------|-------|------------|

vii. **List of top 10 (ten) holders of equity shares of the Company as on the latest quarter end i.e. September 30, 2024**

| Sr. No. | Name and category of the Shareholder   | Number of Equity Shares of face value of ₹10 each | Total shareholding as % of total number of equity shares |
|---------|--|---|--|
| 1.      | UTKARSH COREINVEST LIMITED   | 759272222   | 68.94  |
| 2.      | MIRAE ASSET MUTUAL FUND <sup>3</sup>   | 63492192  | 5.76   |
| 3.      | OLYMPUS ACF PTE LIMITED  | 34201634  | 3.11   |
| 4.      | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MULTI-CAP FUND | 14229467  | 1.29   |
| 5.      | BHARTI AXA LIFE INSURANCE COMPANY LTD  | 12586538  | 1.14   |
| 6.      | AAVISHKAAR BHARAT FUND   | 10522221  | 0.96   |
| 7.      | RESPONSABILITY PARTICIPATIONS MAURITIUS  | 9476179   | 0.86   |
| 8.      | MASSACHUSETTS INSTITUTE OF TECHNOLOGY BASIC RETIREMENT PLAN TRUST                      | 7999800   | 0.73   |
| 9.      | TRIODOS CUSTODY B.V. ACTING IN ITS CAPACITY AS A C                                     | 7998968   | 0.73   |
| 10.     | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED  | 7202960   | 0.65   |

viii. **Details of change in directors in the preceding three financial years and current financial year:**

<sup>3</sup> The Reserve Bank of India vide its letter dated July 11, 2024 granted approval to Mirae Asset Mutual Fund to acquire holding of up to 9.95% of the paid-up share capital or voting rights in the Company over a period of 1 year from the date of the aforesaid letter.

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| Name, Designation & DIN   | Date of Appointment/ Re-appointment | Date of Cessation, if applicable | Date of Resignation if applicable | Remarks   |
|---|-------------------------------------|----------------------------------|-----------------------------------|---|
| Puranam Hayagreeva Ravikumar, Chairman & 00280010                                     | May 25, 2019                        | July 20,2021                     | NA                                | Cessation due to retirement   |
| Parveen Kumar Gupta, Independent Director & 02895343 <sup>4</sup>                     | September 1, 2021                   | NA                               | NA                                | Appointed as an Independent Director, Reappointed as Part Time Non Executive Chairman w.e.f. October 12, 2024 till March 31, 2025 in line with RBI approval of August 02, 2024 and September 25, 2024 |
| Govind Singh, Managing Director & CEO & 02470880 <sup>5</sup>                         | September 21, 2024                  | NA                               | NA                                | Re-appointed as the Managing Director and chief executive officer   |
| Govindasamy Sampath Kumar, Nominee Director   | August 28, 2019                     | September 28, 2021               | NA                                | Cessation as a nominee Director   |
| Chandra Shekhar Thanvi, Nominee Director & 00563531                                   | September 30, 2021                  |                                  | September 20, 2024                | Appointed & Cessation as a nominee Director   |
| Kajal Ghose, Independent Director & 06715713  | January 16, 2022                    | NA                               | NA                                | Re-appointed as an Independent Director   |
| Anita Ramachandran, Nominee Director & 00118188                                       | August 24, 2016                     | March 23, 2022                   | NA                                | Cessation as a nominee Director   |
| Pramod Kumar Dubey, Whole Time Director (Additional Director) & 10174154 <sup>6</sup> | September 20, 2024                  | -                                | -                                 | Appointed as a Whole Time (Additional) Director   |

<sup>4</sup> The Reserve Bank of India vide letter dated August 02, 2024 approved re-appointment of Mr. Parveen Kumar Gupta as Part Time Non-Executive Chairman of the Bank w.e.f. October 12, 2024 till August 31, 2026 subject to certain fulfilment of conditions The Bank, however had submitted certain requests to the Reserve Bank of India. In response to the said requests, the Reserve Bank of India vide their letter dated September 25, 2024 approved continuance of Mr. Parveen Kumar Gupta as Part Time Non-Executive Chairman till March 31, 2025.

<sup>5</sup> The Reserve Bank of India has approved the re-appointment of Mr. Govind Singh as Managing Director and Chief Executive Officer of the Company vide letter dated July 08, 2024 w.e.f. September 21, 2024

<sup>6</sup> The Reserve Bank of India vide their letter dated September 19, 2024 approved appointment of Mr. Pramod Kumar Dubey as Whole Time Director of the Company. The Board of Directors of the Company took note of the aforesaid letter and approved appointment of Mr. Pramod Kumar Dubey as Additional Director (Executive/Whole Time Director) w.e.f. September 20, 2024 (date of taking charge by Mr. Pramod Kumar Dubey) subject to approval of shareholders of the Company. The Bank has initiated postal ballot voting for approval of the same on November 15, 2024.

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ix. **Details of Director's Remuneration and such particulars of the Nature and Extent of Interests in the Issuer (during the current year and preceding three financial years)**

1. Remuneration payable or paid to a director by the issuer or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis

Remuneration and shareholding details of director in Issuer Bank:

| Name of the Director                    | Sitting fees (in Rs) | Remuneration (in Rs) | Shareholding on a fully diluted basis (%) |
|---|----------------------|----------------------|---|
| <b>FY 2024-25 (till September 2024)</b> |                      |                      |   |
| Parveen Kumar Gupta                     | 17,00,000/-          | 6,00,000/-           | Nil                                       |
| Govind Singh                            | Nil                  | 1,28,49,996          | 0.04%                                     |
| Ajay Kumar Kapur                        | 16,20,000/-          | 4,50,000/-           | Nil                                       |
| Kajal Ghose                             | 19,80,000/-          | 4,50,000/-           | Nil                                       |
| Kalpana Prakash Pandey                  | 15,60,000/-          | 4,50,000/-           | Nil                                       |
| Muralidharan Rajamani                   | 15,20,000/-          | 4,50,000/-           | Nil                                       |
| Nagesh Dinkar Pinge                     | 13,80,000            | 6,00,000             | Nil                                       |
| Pramod Kumar Dubey                      | Nil                  | 4,88,889             | Nil                                       |
| <b>FY 2023-24</b>                       |                      |                      |   |
| Parveen Kumar Gupta                     | 37,60,000.00/-       | 12,00,000.00/-       | Nil                                       |
| Govind Singh                            | Nil                  | 3,70,00,000.00/-     | 0.04%                                     |
| Ajay Kumar Kapur                        | 36,00,000.00/-       | Nil                  | Nil                                       |
| Kajal Ghose                             | 39,00,000.00/-       | Nil                  | Nil                                       |
| Kalpana Prakash Pandey                  | 31,40,000.00/-       | Nil                  | Nil                                       |
| Muralidharan Rajamani                   | 28,60,000.00/-       | Nil                  | Nil                                       |
| Nagesh Dinkar Pinge                     | 32,40,000.00/-       | Nil                  | Nil                                       |
| <b>FY 2022-23</b>                       |                      |                      |   |
| Parveen Kumar Gupta                     | 34,20,000.00/-       | 12,00,000.00/-       | Nil                                       |
| Govind Singh                            | Nil                  | 2,53,76,449.67/-     | 0.02%                                     |
| Ajay Kumar Kapur                        | 33,80,000.00/-       | Nil                  | Nil                                       |
| Kajal Ghose                             | 38,60,000.00/-       | Nil                  | Nil                                       |
| Kalpana Prakash Pandey                  | 31,40,000.00/-       | Nil                  | Nil                                       |
| Muralidharan Rajamani                   | 25,40,000.00/-       | Nil                  | Nil                                       |
| Nagesh Dinkar Pinge                     | 32,60,000.00/-       | Nil                  | Nil                                       |
| <b>FY 2021-22</b>                       |                      |                      |   |
| Puranam Hayagreeva Ravikumar            | 9,40,000.00/-        | 3,61,290.00/-        | Nil                                       |
| Parveen Kumar Gupta                     | 14,40,000.00/-       | 5,64,516.00/-        | Nil                                       |

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|                        |                |                  |            |
|------------------------|----------------|------------------|------------|
| Govind Singh           | Nil/-          | 2,01,53,140.00/- | Negligible |
| Kalpana Prakash Pandey | 31,40,000.00/- | Nil              | Nil        |
| Kajal Ghose            | 41,00,000.00/- | Nil              | Nil        |
| Nagesh Dinkar Pinge    | 30,50,000.00/- | Nil              | Nil        |
| Ajay Kumar Kapur       | 35,30,000.00/- | Nil              | Nil        |
| Muralidharan Rajamani  | 24,60,000.00/- | Nil              | Nil        |

2. **Remuneration and shareholding details of director subsidiary or associate company:** Nil

3. **Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company:** Nil

4. **Full particulars of the nature and extent of interest, if any, of every director:**

(a) In the promotion of the issuer bank: Nil

(b) In any immoveable property acquired by the issuer bank in the two years preceding the date of the issue document or any immoveable property proposed to be acquired by it: Nil

(c) where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed: Nil

x. **Contribution being made by the directors as part of the offer or separately in furtherance of such objects:** Nil

xi. **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons:** Nil

(e) **Details of the Auditor of the Company:**

As specified in the General Information Document, as there are no further changes subsequent to that.

(f) **Details of change in auditor for preceding three financial years and current financial year:**

As specified in the General Information Document, as there are no further changes subsequent to that.

(g) **The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks:**

For the year 2021-22

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Auditors' reservations or qualifications or adverse remarks: NA

**For the year 2022-23**

Auditors' reservations or qualifications or adverse remarks: NA

**For the year 2023-24**

Auditors' reservations or qualifications or adverse remarks: NA

**(h) Details of the following liabilities of the Issuer as at the end of the preceding quarter, i.e., September 30, 2024 or if available, a later date:**

**i. Details of Outstanding Secured Loan Facilities**

As specified in the General Information Document as there are no further changes subsequent to that.

**ii. Details of outstanding unsecured loan facilities**

| S. No. | Name of lender | Type of Facility | Amount Sanctioned (in crore) | Principal Amount Outstanding (in crore) | Repayment Date / Schedule | Credit Rating, if applicable |
|--------|----------------|------------------|------------------------------|---|---------------------------|------------------------------|
| 1.     | NABARD         | Refinance        | 300                          | 30                                      | 31-Jan-25                 | NA                           |
| 2.     | NABARD         | Refinance        | 200                          | 20                                      | 28-Feb-25                 | NA                           |
| 3.     | NABARD         | Refinance        | 500                          | 50                                      | 31-Mar-25                 | NA                           |
| 4.     | NABARD         | Refinance        | 300                          | 57                                      | 31-Jan-25                 | NA                           |
| 5.     | NABARD         | Refinance        | 200                          | 38                                      | 28-Feb-25                 | NA                           |
| 6.     | NABARD         | Refinance        | 300                          | 150                                     | 31-Mar-26                 | NA                           |
| 7.     | NABARD         | Refinance        | 200                          | 115                                     | 31-May-26                 | NA                           |
| 8.     | NABARD         | Refinance        | 300                          | 150                                     | 31-Dec-25                 | NA                           |
| 9.     | NABARD         | Refinance        | 500                          | 450                                     | 30-Nov-26                 | NA                           |
| 10.    | NABARD         | Refinance        | 200                          | 200                                     | 30-Jun-27                 | NA                           |
| 11.    | SIDBI          | Refinance        | 200                          | 33.4                                    | 10-Feb-25                 | NA                           |
| 12.    | SIDBI          | Refinance        | 46                           | 46.0                                    | 01-Mar-27                 | NA                           |
| 13.    | SIDBI          | Refinance        | 54                           | 54.0                                    | 01-Mar-27                 | NA                           |
| 14.    | NHB            | Refinance        | 50                           | 38.3                                    | 01-Jan-30                 | NA                           |

**iii. Details of Outstanding Non-convertible Securities in the following format:**

| Series of NCS | ISIN         | Tenor / Period of Maturity | Coupon (Rate of Int.) | Amount Outstanding (in crore) | Date of allotment | Redemption Date / Schedule | Credit Rating   | Secured/ Unsecured | Security |
|---------------|--------------|----------------------------|-----------------------|-------------------------------|-------------------|----------------------------|-----------------|--------------------|----------|
|               | INE735W08020 | 7 Years                    | 10.58%                | 15                            | 30 Aug 18         | 30 Aug 25                  | CARE A+(Stable) | Unsecured          | NA       |

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| Series of NCS | ISIN         | Tenor/ Period of Maturity | Coupon (Rate of Int.) | Amount Outstanding (in crore) | Date of allotment | Redemption Date / Schedule | Credit Rating   | Secured/ Unsecured | Security |
|---------------|--------------|---------------------------|-----------------------|-------------------------------|-------------------|----------------------------|-----------------|--------------------|----------|
|               | INE735W08038 | 7 Years                   | 12.50%                | 195                           | 26 Jun 20         | 26 Jun 27                  | ICRA A+(Stable) | Unsecured          | NA       |
|               | INE735W08053 | 7 Years                   | 11%                   | 200                           | 28 Jun 24         | 28 Jun 31                  | ICRA A+(Stable) | Unsecured          | NA       |

iv. Details of commercial paper issuances as at the end of the last quarter: NA

v. List of top ten holders of non-convertible securities in terms of value (on a cumulative basis):  
(Rs in crore)

| Sl. | Name of the holders of non-convertible securities | Category of holder  | Face Value of Holding | Holding as a % of total outstanding nonconvertible securities of the issuer |
|-----|---|---|-----------------------|---|
| 1.  | IDFC FIRST BANK LIMITED                           | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 195.0                 | 47.56%  |
| 2.  | IDFC FIRST BANK LIMITED                           | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 95.0                  | 23.17%  |
| 3.  | AU SMALL FINANCE BANK LIMITED                     | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 50.0                  | 12.20%  |
| 4.  | A K CAPITAL FINANCE LIMITED                       | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 8.21                  | 2.00%   |
| 5.  | RAJAT AGARWAL                                     | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 4.39                  | 1.07%   |
| 6.  | UNITED SHIPPERS LTD                               | Rated , unsecured, redeemable, taxable,   | 4.0                   | 0.98%   |

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|     |  |   |      |       |
|-----|--|---|------|-------|
|     |  | transferable, listed, Basel II Compliant Tier 2 Bonds   |      |       |
| 7.  | ASVANTA ADVISORS PVT LTD               | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 3.80 | 0.93% |
| 8.  | ALGOBULLS TECHNOLOGIES PRIVATE LIMITED | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 2.75 | 0.67% |
| 9.  | URVI AMIT CHORDIA                      | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 1.50 | 0.37% |
| 10. | BRINDAVAN AGENCIES PRIVATE LIMITED     | Rated , unsecured, redeemable, taxable, transferable, listed, Basel II Compliant Tier 2 Bonds | 1.09 | 0.27% |

vi. List of Top 10 (ten) of Commercial Paper in terms of value (in cumulative basis): - NA

vii. Details of bank fund based facilities / Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) from financial institutions or financial creditors:

| Name of Party (in case of facility) / Name of Instrument | Type of facility / Instrument | Amount sanctioned / issued | Principal Amount outstanding | Date of Repayment / Schedule | Credit Rating | Secured / Unsecured | Security |
|--|-------------------------------|----------------------------|------------------------------|------------------------------|---------------|---------------------|----------|
| Nil  |                               |                            |                              |                              |               |                     |          |

viii. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option: Nil

ix. The amount of corporate guarantee or letter of comfort issued by the issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash). This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

- in whole or part,
- at a premium or discount, or
- in pursuance of an option or not



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No comfort letter or corporate guarantee given other than in the ordinary course of the banking business

- (i) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year: Nil**
- (j) **Details of default and non-payment of statutory dues for the preceding three financial years and current financial year: Nil**
- (k) **Details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the Issuer:**

As specified in the General Information Document, as there are no further changes subsequent to that.

- (l) **Any material event/ development or change having implications on the financials/credit quality (e.g., Any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non convertible securities / commercial paper:**

The Issuer hereby declares that there has been no material event, development or change having implications on the financials/credit quality at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

Additionally, the Board of Directors (at the recommendations of the Audit Committee & the Independent Directors) at their meeting held on September 20, 2024, approved the Scheme of Amalgamation of Utkarsh CoreInvest Limited with the Bank. The Bank has filed relevant applications with RBI and Stock Exchanges on September 30, 2024 and October 01, 2024 respectively. The Scheme will create value for all stakeholders (including respective shareholders, debenture holders, and employees) as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances, and optimal utilization of common resources. The scheme will not have any adverse impact on the interest of debenture holders due to following reasons:

- No impact on the holders of the NCDs as they will be paid the principal amount of the NCDs and the coupon thereon in full by the transferee company as and when their respective amounts fall due in accordance with the terms of the NCDs.
- There will be no change in terms and conditions of the NCDs pursuant to the Scheme. The holders of the NCDs as on the Effective Date (as defined in the Scheme) will continue to hold the NCDs, without any interruption and with the same rights that they enjoy as on the Effective Date. The liability of the Transferee Company towards holders of the NCDs is neither being reduced nor being extinguished under the Scheme.
- There will be no adverse impact on the rights and interest of holders of the NCDs, accordingly, the Scheme does not provide any exit offer / mechanism to the dissenting holders of the NCDs.

- (m) **Any litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body or a regulatory body during the three years**

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**immediately preceding the year of the issue of General Information Document against the promoter of the Company:**

As specified in the General Information Document, as there are no further changes subsequent to that.

(n) **Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares:**

(i) A notice dated April 19, 2023 was issued under Section 91 of Code of Criminal Procedure, 1973 against the Company pertaining to an FIR registered with Cantonment, Police Station, Commissionerate, Varanasi for offences under sections 419, 420 and 409 of IPC. The investigating authority has alleged that the Company availed INR 250 million loan from Micro Units Development & Refinance Agency Limited ("MUDRA") and distributed the amount amongst themselves and their associates. The investigating authority has asked the Company, among others, to furnish complete details of INR 250 million received from MUDRA. The Company vide its reply dated May 23, 2023 has submitted, inter alia, that (a) it had availed INR 250 million refinance facility from MUDRA in the Fiscal 2017 which is extended only to eligible financial institutions, and has disbursed the loans to eligible borrowers, i.e., 20,000 women beneficiaries under the Pradhan Mantri Mudra Yojana Scheme; and (b) the refinance facilities have been closed by repaying the principal and interest in full and a 'No Dues Certificate' dated March 30, 2019 to that effect has also been issued by MUDRA; and (c) the three financial years' i.e., financial years 2016-17, 2017- 18 and 2018-19 audited balance sheets along with the independent auditor's (as approved by the RBI) report was provided for clarity on the funds utilization. With respect to furnishing details on loans and customers, to whom loans were disbursed, the Company had requested the investigating authority to instruct under the signature of appropriate authority for sharing details of the customers as the Company would be unable to disclose this information as mandated by various acts. Currently, the investigating team is under process of submitting the final report / expunging the case.

(ii) For FY 2017-18, the Income Tax Return of UCL was filed on October 15, 2018. The return was selected for scrutiny assessment by Income Tax Department and UCL received Income Tax Assessment Order dated March 18, 2021 u/s 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961 with a demand amounting to 1.04 crore. Appeal against the said Income Tax Order has been filed with CIT(A) on April 15, 2021.

The date of hearing is yet to be received from Income Tax Department

(iii) For the FY 2016-17, the Income Tax Return of UCL was filed with a refund claim of INR 11.68 crore. The return was selected for scrutiny and the Income Tax Order was passed on December 29, 2019 stating an Income Tax refund of INR 0.25 crore only. Appeal against the Income Tax Order has been filed with CIT(A) on January 27, 2020.

Next date of hearing is awaited from Income Tax Department.

(iv) The ex-staff filed a complaint against UCL on February 23, 2017 in Labour Court, regarding the full and final settlement of the staff (including encashment of EL/SL/CL, Bonus etc) and the amount claimed is INR 40,735.

As per the last information received and discussed with the advocate he conveyed that restoration will be submitted in 1st week in the month of November 2024.

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- (v) The ex-staff filed a complaint against UCL on August 09, 2016 in Labour Court regarding full and final Settlement of the staff (including encashment of EL/SL/CL, Bonus etc.) and the amount in dispute is INR 15,000.

Next hearing date is November 22, 2024.

- (o) **Details of pending proceedings initiated against the Issuer for economic offences, if any:**

Nil

- (p) **Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided:**

As specified in the General Information Document, as there are no further changes subsequent to that

- (q) **If the proceeds, or any part of the proceeds, of the issue of the Debentures is to be applied directly or indirectly: (i) in the purchase of any business; or (ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith, the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. Thereof, a report made by a chartered accountant (who shall be named in the issue document) upon – A. the profits or losses of the business for each of the three financial years immediately preceding the date of the issue document; and B. the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of issue of the issue document: NA**
- (r) **If the proceeds, or any part of the proceeds, of the issue of the Debentures is to be applied in purchase or acquisition of any immovable property including indirect acquisition of immovable property for which advances have been paid to third parties, disclosures regarding: (i) the names, addresses, descriptions and occupations of the vendors; (ii) the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill; (iii) the nature of the title or interest in such property proposed to be acquired by the company; and (iv) the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction: Provided that if the number of vendors is more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immovable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/ payable should also be disclosed for each immovable property: NA**
- (s) **If: (i) the proceeds, or any part of the proceeds, of the issue of the Debentures are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and (ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon – A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and B. the assets and**

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**liabilities of the other body corporate as on the latest date to which its accounts were made up:**  
NA

- (t) **The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed:** NA
- (u) **The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies, shall be disclosed:** NA
- (v) **Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document:**

Page no. 73 of Audited Financials for March 31, 2022

Page no. 73 of Audited Financials for March 31, 2023

Page no. 71 of Audited Financials for March 31, 2024

- (w) **Details of branches or units where the Issuer carries on its business activities, if any may be provided in the form of a static Quick Response (QR) code and web link:**

967 branches as on September 30, 2024, more details covered in Paragraph (C) of Part A of the PAS-4 form hereinbelow.

- (x) **Use of proceeds (in the order of priority for which the said proceeds will be utilized):**

- (i) purpose of the placement:

Augmenting lower Tier II Capital (as defined in the New Capital Adequacy Framework issued by RBI) of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources. The proceeds of Issue shall be utilized for regular business activities of the Bank

- (ii) break-up of the cost of the project for which the money is being raised:

NA

- (iii) means of financing for the project; (iv) proposed deployment status of the proceeds at each stage of the project:

NA

- B. Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:**

| S.NO | PARTICULARS | FEE/EXPENSE AMOUNT <sup>7</sup> | % OF TOTAL ISSUE EXPENSES | % OF TOTAL ISSUE SIZE |
|------|-------------|---------------------------------|---------------------------|-----------------------|
|------|-------------|---------------------------------|---------------------------|-----------------------|

<sup>7</sup> Excluding Goods and Services Tax

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|     |  |            |       |       |
|-----|--|------------|-------|-------|
| 1.  | Lead Manager(s) fees   | N. A.      | N. A. | N. A. |
| 2.  | Underwriting commission  | N. A.      | N. A. | N. A. |
| 3.  | Brokerage, selling commission and upload fees                        | N. A.      | N. A. | N. A. |
| 4.  | Fees payable to the registrars to the issue                          | 1,06,000/- | 6.6%  | 0.01% |
| 5.  | Fees payable to the legal advisors                                   | 4,50,000/- | 28.1% | 0.02% |
| 6.  | Advertising and marketing expenses*                                  | N. A.      | N. A. | N. A. |
| 7.  | Fees payable to the regulators including stock exchanges             | 4,27,000/- | 26.6% | 0.02% |
| 8.  | Fee Payable to the Trustee   | 75,000/-   | 4.7%  | 0.00% |
| 9.  | Expenses incurred on printing and distribution of issue stationary** | N. A.      | N. A. | N. A. |
| 10. | Any other fees, commission and payments under whatever nomenclature  | 5,45,000/- | 34.0% | 0.03% |

\* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures, other than such fees as payable to the EBP platform.

\*\* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

Note: Bank may remit Issue related expenses including but not limited to the fees/ charges / incentives payable as advisory fees/ brokerage / selling commission / marketing/ advertising fees, distribution fees/ any other miscellaneous fees directly or indirectly to any intermediary(ies) appointed by the Bank or any other representative/s / agent/s as may be appointed by the intermediary(ies) who may further utilize the same, for marketing purposes, including distributor payouts, either in full or part. Such fees may be finalised depending upon a number of factors including but not limited to issue subscription, market conditions, terms of the issue, nature and scope of assignment, profile of counter party etc.

**C. Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.**

| PARTICULARS | CONSENT  |
|-------------|--|
| Directors   | Resolution passed at the Board Meeting held on September 20, 2024, and resolution passed at the meeting of Capital Structuring and Fund Raise Committee held on November 18, 2024. |
| Auditors    | The Audited Financial statements of quarter and half year ended September 30, 2024 has been approved by the Board of Directors at their meeting held on November 09, 2024          |

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|                       |  |
|-----------------------|--|
| Bankers to issue      | NA   |
| Trustees              | The consent letter from the Debenture Trustee is provided vide letter dated October 17, 2024 |
| Solicitors /Advocates | NA   |
| Legal Advisors        | NA   |
| Lead Manager          | NA   |
| Registrar             | The consent letter from the Registrar is provided vide letter dated October 23, 2024         |
| Lenders               | NA   |
| Experts               | NA   |

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### **SECTION 3:       DISCLAIMERS**

**Disclaimer given below should be read in conjunction with the disclaimers listed under Section 2 of the General Information Document for disclaimers set out in relation to the Debentures issued under the General Information Document**

#### **1.       DISCLAIMER IN RESPECT OF JURISDICTION**

THIS ISSUE IS MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER THE PARAGRAPH TITLED “ELIGIBLE INVESTORS” OF THE DISCLOSURE DOCUMENTS, WHO SHALL BE/HAVE BEEN IDENTIFIED UPFRONT BY THE ISSUER. THE DISCLOSURE DOCUMENTS DO NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO DEBENTURES OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. ANY DISPUTES ARISING OUT OF THIS ISSUE WILL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS AT MUMBAI. THE DISCLOSURE DOCUMENTS DO NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO THE DEBENTURES HEREIN, IN ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION.

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**SECTION 4: DISCLOSURE OF CASH FLOW AND OTHER DETAILS FOR APPLYING FOR DEBENTURES**

**A. Disclosure of Cash flow with date of interest/ dividend / redemption payment as per day count convention:**

- (a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed.

Actual/ Actual

- (b) Procedure and time schedule for allotment and issue of securities should be disclosed.

The procedure and time schedule for allotment shall be as per the SEBI Electronic Book Mechanism.

- (c) Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration.

This calculation is based on the assumption that the Deemed Date of Allotment will be on November 27, 2024 and the scheduled redemption date is a Business Day and is merely illustrative. If there is a change in the Deemed Date of Allotment, calculations will change accordingly.

|  |   |
|--|---|
| <b>Company</b>   | Utkarsh Small Finance Bank Limited  |
| <b>Face Value (per security), Issue Price,</b>                                   | Each Debenture has a face value of Rs. 1,00,000/- (Rupees One Lakh) and will be issued at price determined through EBP process. |
| <b>Date of Allotment</b>   | November 27, 2024   |
| <b>Redemption</b>  | November 27, 2031   |
| <b>Tenor</b>   | 7 years from the Deemed Date of Allotment   |
| <b>Coupon Rate</b>   | 10.90% (Ten Decimal Point Nine Zero percent) per annum  |
| <b>Frequency of the interest payment / dividend payment with specified dates</b> | Quarterly and on Redemption   |
| <b>Day Count Convention</b>  | Actual/Actual   |

**INTEREST PAYMENT SCHEDULE**

| CASH FLOWS         | *DATE FOR COUPON AMOUNT BECOMING DUE | NUMBER OF DAYS | COUPON PAYMENT | AMOUNT (PER DEBENTURE) (IN INR) |
|--------------------|--------------------------------------|----------------|----------------|---------------------------------|
| 1st Coupon Payment | 2/27/2025                            | 92             | 54,947,945     | 2,747                           |
| 2nd Coupon Payment | 5/27/2025                            | 89             | 53,156,164     | 2,658                           |
| 3rd Coupon Payment | 8/27/2025                            | 92             | 54,947,945     | 2,747                           |
| 4th Coupon Payment | 11/27/2025                           | 92             | 54,947,945     | 2,747                           |
| 5th Coupon Payment | 2/27/2026                            | 92             | 54,947,945     | 2,747                           |
| 6th Coupon Payment | 5/27/2026                            | 89             | 53,156,164     | 2,658                           |
| 7th Coupon Payment | 8/27/2026                            | 92             | 54,947,945     | 2,747                           |
| 8th Coupon Payment | 11/27/2026                           | 92             | 54,947,945     | 2,747                           |
| 9th Coupon Payment | 2/27/2027                            | 92             | 54,947,945     | 2,747                           |



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|                     |            |    |            |       |
|---------------------|------------|----|------------|-------|
| 10th Coupon Payment | 5/27/2027  | 89 | 53,156,164 | 2,658 |
| 11th Coupon Payment | 8/27/2027  | 92 | 54,947,945 | 2,747 |
| 12th Coupon Payment | 11/27/2027 | 92 | 54,947,945 | 2,747 |
| 13th Coupon Payment | 2/27/2028  | 92 | 54,854,929 | 2,743 |
| 14th Coupon Payment | 5/27/2028  | 90 | 53,606,557 | 2,680 |
| 15th Coupon Payment | 8/27/2028  | 92 | 54,797,814 | 2,740 |
| 16th Coupon Payment | 11/27/2028 | 92 | 54,797,814 | 2,740 |
| 17th Coupon Payment | 2/27/2029  | 92 | 54,890,830 | 2,745 |
| 18th Coupon Payment | 5/27/2029  | 89 | 53,156,164 | 2,658 |
| 19th Coupon Payment | 8/27/2029  | 92 | 54,947,945 | 2,747 |
| 20th Coupon Payment | 11/27/2029 | 92 | 54,947,945 | 2,747 |
| 21st Coupon Payment | 2/27/2030  | 92 | 54,947,945 | 2,747 |
| 22nd Coupon Payment | 5/27/2030  | 89 | 53,156,164 | 2,658 |
| 23rd Coupon Payment | 8/27/2030  | 92 | 54,947,945 | 2,747 |
| 24th Coupon Payment | 11/27/2030 | 92 | 54,947,945 | 2,747 |
| 25th Coupon Payment | 2/27/2031  | 92 | 54,947,945 | 2,747 |
| 26th Coupon Payment | 5/27/2031  | 89 | 53,156,164 | 2,658 |
| 27th Coupon Payment | 8/27/2031  | 92 | 54,947,945 | 2,747 |
| 28th Coupon Payment | 11/27/2031 | 92 | 54,947,945 | 2,747 |

**Note: \*Subject to Business Day Convention**  
Calendar Year is considered while calculating leap year

#### REDEMPTION SCHEDULE

| CASH FLOWS           | *DATE FOR REDEMPTION AMOUNT BECOMING DUE | NUMBER OF DAYS | AMOUNT (PER DEBENTURE) (IN INR) |
|----------------------|--|----------------|---------------------------------|
| Principle Instalment | November 27, 2031                        | 2556           | 1,00,000                        |

**Note: \*Subject to Business Day Convention**

#### B. OTHER DETAILS

- (a) **Creation of a Debenture Redemption Reserve:** Please refer Section 4.34(a) of the General Information Document.
- (b) **Issue/instrument specific regulations:** Please refer Section 4.34(c) of the General Information Document.
- (c) **Default in Payment:** Please refer to the Summary Term Sheet
- (d) **Delay in Listing:** Please refer to the Summary Term Sheet
- (e) **Delay in allotment of securities:** Please refer to the Summary Term Sheet
- (f) **Issue details:** Please refer to the Summary Term Sheet
- (g) **Application Process:** Please refer Section 6 of the General Information Document.

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- (h) **Project details (gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project):** Not Applicable

## SECTION 5: KEY TERMS OF THE ISSUE

### SUMMARY TERMS

|  |  |
|--|--|
| Series No.   | 2  |
| Security Name  | 10.90% Utkarsh Small Finance Bank Limited 2031   |
| Issuer / Bank  | Utkarsh Small Finance Bank Limited   |
| Type of Instrument   | Rated, listed, unsecured, subordinated, redeemable Lower Tier II bonds in the form of non-convertible debentures.  |
| Nature of Instrument   | Unsecured  |
| Seniority (Senior or Subordinated)   | Claims of the Investors in the Debentures shall:<br>(a) Be senior to the claims of investors in instruments eligible for inclusion in Tier I Capital and Upper Tier II Capital of the Bank;<br>(b) Subject to (a) above, be subordinated to the claims of the other creditors of the Bank (including all the depositors, general creditors of the Bank), but shall rank <i>pari passu</i> with the claims of other investors holding Lower Tier II Capital instruments of the Bank; and<br>(c) rank <i>pari passu inter se</i> the Debenture Holders, without preference amongst themselves. |
| Mode of Issue  | Private placement  |
| Eligible Investors   | Please refer Section 4.44 of the General Information Document.   |
| Listing (Name of stock exchange(s) where it will be listed and timeline for listing) | Listed<br><br>The Issuer agrees to list the Debentures on the WDM of the Stock Exchange, within a maximum period of 3 (Three) days from the Deemed Date of Allotment.<br><br>The Issue will be listed within 3 (Three) days from the Deemed Date of Allotment. In case of delay in listing, Bank will pay penal interest of 1% p.a. over the coupon rate from the Deemed Date of Allotment till the listing of such debt securities, to the Investor.  |
| Rating of the Instrument   | CARE Ratings Limited has assigned a "CARE A+ (Stable)" (pronounced "CARE Single A (Plus) with stable outlook")   |
| Issue Size of Debentures   | Up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) plus green shoe option of up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only).   |
| Option to retain oversubscription (Amount)   | Green shoe option of up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) to retain oversubscription on a private placement basis.   |
| Objects of the Issue   | Augmenting lower Tier II Capital (as defined in the New Capital Adequacy Framework issued by RBI) of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources. The proceeds of Issue shall be utilized for regular business activities of the Bank  |
| Details of the utilization of the Proceeds   | The proceeds of Issue shall be utilized for regular business activities of the Bank.   |
| Details of Anchor (if any)   | NA   |
| Coupon Rate  | 10.90% (Ten Decimal Point Nine Zero Percent) per annum payable quarterly   |
| Step Up/ Step Down Coupon Rate   | NA   |
| Coupon Payment Frequency   | Quarterly and at the time of redemption of the Debentures  |

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|   |   |
|---|---|
| <b>Coupon Payment Dates</b>                           | The Coupon shall be payable on a quarterly basis starting from February 25, 2025 and every quarter thereafter subject to Business Day Convention.<br>Please refer to Clause (c) of Section 4 for Coupon Payment Dates   |
| <b>Coupon Type</b>                                    | Fixed   |
| <b>Coupon Reset Process</b>                           | NA  |
| <b>Day Count Basis</b>                                | Interest for each of the Coupon Periods shall be computed as per Actual/ Actual day count conversion on the face value/principal outstanding at the Coupon rate rounded off to the nearest rupee.<br><br>Coupon Period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date.  |
| <b>Delay in execution of the Debenture Trust Deed</b> | In case the Issuer fails to execute the Debenture Trust Deed within the period specified in the Regulation 18(1) of Securities and Exchange Board Of India (Issue And Listing Non-Convertible Securities) Regulations, 2021, without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and any other SEBI regulations, the Issuer shall also pay interest of at least 2% (Two Percent) per annum to the Debenture Holders, over and above the agreed Coupon rate, till the execution of the Debenture Trust Deed.  |
| <b>Interest on Application Money</b>                  | Interest on application money will be the same as the Coupon rate (subject to deduction of Tax at Source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modifications or re-enactment thereof) and will be paid on application money to the applicants from the date of transfer of funds in the Issuer's bank account upto 1 (One) day prior to the date of allotment of Debentures.<br><br>The interest on application monies shall be paid by the Bank to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.  |
| <b>Default Interest Rate</b>                          | In relation to the principal amount and coupon payable in respect of the Debentures, in case the same is not paid on the respective Due Dates, the defaulted amounts shall carry further interest at the rate of 2% (Two Percent) per annum compounded monthly over and above the Coupon Rate, from the date of occurrence of such default up to the date on which the defaulted amounts together with default interest is paid.<br><br>Furthermore, in the event that the Debentures are not listed on the WDM segment of the Stock Exchange within a period of 3 (Three) days from the Deemed Date of Allotment, the Issuer shall pay a default interest at the rate of 1% (One Percent) per annum over and above the Coupon Rate from the Deemed Date of Allotment till the date the Debentures are listed on the WDM of the Stock Exchange.<br><br>In case the Issuer fails to execute the Debenture Trust Deed within the period specified in the Regulation 18(1) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and any other SEBI regulations, the Issuer shall also pay interest of at least 2% (Two |

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|  |   |
|--|---|
|  | Percent) per annum to the Debenture Holders, over and above the agreed Coupon rate, till the execution of the Debenture Trust Deed.   |
| <b>Tenure</b>  | 7 (Seven) Years from the Deemed Date of Allotment   |
| <b>Material Adverse Effect (MAE)</b>   | Material Adverse Effect means any material adverse effect on or a material adverse change in (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Bank; (b) the ability of the Bank to enter into and to perform its obligations under the Transaction Documents or any other related document to which Bank is or will be a party; or (c) the validity or enforceability of the Transaction Documents; |
| <b>Majority Debenture Holders</b>  | Shall mean the Debenture Holders holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.  |
| <b>Redemption Date</b>   | November 27, 2031   |
| <b>Redemption Amount</b>   | The Redemption Amount would be Rs. 1,00,000/- (Rupees One Lakh only) per Debenture plus interest accrued but not paid till the date of redemption.  |
| <b>Redemption Premium/ Discount</b>  | Not Applicable  |
| <b>Issue Price</b>   | As discovered through EBP process   |
| <b>Discount at which security is issued and the effective yield as a result of such discount</b> | NA  |
| <b>Minimum Subscription</b>  | In accordance with the regulations  |
| <b>Put Option</b>  | Not Applicable  |
| <b>Put option date</b>   | Not Applicable  |
| <b>Put option price</b>  | Not Applicable  |
| <b>Put notification time</b>   | Not Applicable  |
| <b>Call Option</b>   | The Issuer shall have a Call Option at the end of 5 years from the date of Allotment. The Call Option shall be exercised only with prior approval of RBI (Department of Banking Regulation)   |
| <b>Call option date</b>  | 5 (Five) years from the date of allotment   |
| <b>Call option price</b>   | At Par, along with the Coupon to be paid as per Coupon rate   |
| <b>Call notification time</b>  | At least 30 (Thirty) days prior to the Call Option Date   |
| <b>Face Value</b>  | Rs. 1,00,000/- (Rupees One Lakh) per Debenture  |
| <b>Issue Opening Date</b>  | November 26, 2024   |
| <b>Issue Closing Date</b>  | November 26, 2024   |
| <b>Pay-in Date</b>   | November 27, 2024   |
| <b>Deemed Date of Allotment</b>  | November 27, 2024   |
| <b>Issuance mode of the Instrument</b>   | Demat only  |
| <b>Trading mode of the Instrument</b>  | Demat only  |
| <b>Settlement mode of the Instrument</b>   | NEFT, RTGS and other online payment mechanism as are permitted by the Reserve Bank of India   |
| <b>Disclosure of Interest</b>  | As per Section 4 of this Key Information Document.  |
| <b>Depositories</b>  | NSDL/CDSL   |
| <b>Business Day Convention/Effect of Holidays</b>  | If any of the Coupon Payment Dates falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the next Business Day, except where the Maturity Date falls on a day which is not a Business Day, in which case all payments to be made on the Maturity Date (including accrued Coupon) shall be made on the immediately preceding Business Day.  |
| <b>Record Date</b>   | The date falling 15 (Fifteen) days prior to any Due Date in relation to the Debentures  |

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|--|--|
| <b>Transaction Documents</b>                                 | <ol style="list-style-type: none"> <li>1. General Information Document</li> <li>2. Key Information Document</li> <li>3. Debenture Trustee Agreement</li> <li>4. Debenture Trust Deed; and</li> <li>5. Any other document that may be designated by the Debenture Trustee and the Bank as a Transaction Document</li> </ol>   |
| <b>Conditions Precedent to Pay-In</b>                        | <ol style="list-style-type: none"> <li>1. Issuance of General Information Document and Key Information Document;</li> <li>2. Relevant corporate authorizations of the Issuer (including, without limitation, the relevant shareholders' resolution and board resolution(s));</li> <li>3. Issuance of the Private Placement Offer cum Application Letter;</li> <li>4. Consent letter from the Debenture Trustee;</li> <li>5. Execution of the Debenture Trustee Agreement</li> <li>6. Appointment of the R&amp;T Agent;</li> <li>7. Rating letter and rationale;</li> <li>8. Execution of the tripartite agreement between the Issuer, the R&amp;T Agent and the Depositories.</li> <li>9. In-principle approval for listing of the Debentures;</li> <li>10. Listing agreement with BSE; and</li> <li>11. Execution of Debenture Trust Deed.</li> </ol>   |
| <b>Conditions Subsequent to the Deemed Date of Allotment</b> | <ol style="list-style-type: none"> <li>1. Filing the return of allotment in Form PAS-3 within the timelines prescribed under the Act and the rules framed thereunder;</li> <li>2. Listing of the Debentures in accordance with the terms hereof;</li> <li>3. The letter of allotment, indicating allotment of the Debentures, will be credited in de-materialised form within 2 Business Days from the Deemed Date of Allotment.</li> </ol>  |
| <b>Arranger</b>  | NA   |
| <b>Representations and Warranties</b>                        | As is set out in Clause 6.2 of this Key Information Document.  |
| <b>Events of Default</b>                                     | <ul style="list-style-type: none"> <li>• Failure of the Bank to make any Payment on the respective Due Date;</li> <li>• Failure of the Bank to make payment in respect of any borrowing appearing in the balance sheet of the Bank (including any borrowing availed by way of issuance of non-convertible debentures) owed to any financial creditor;</li> <li>• The Bank voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law;</li> <li>• It is or becomes unlawful for the Bank to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;</li> <li>• The Bank repudiates a Transaction Document to which it is a party;</li> <li>• The Bank fails to obtain, comply and/or loses its operating license issued by the RBI;</li> <li>• The Bank has admitted in writing that the Bank is unable to pay its debts as they fall due;</li> <li>• Any legal proceedings are commenced against the Bank which has the effect of prohibiting the Bank from performing its obligations under the Debenture Trust Deed and the other</li> </ul> |

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|--|--|
|  | <p>Transaction Documents, or affecting the legality, validity and enforceability of the Debenture Trust Deed and the other Transaction Documents;</p> <ul style="list-style-type: none"> <li>• The Bank breaches any representation or warranty provided by the Bank in terms of the Transaction Documents or fails duly to perform any other obligation arising from the Debentures</li> <li>• The Bank (without the consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders)) ceases to carry on all of its business or gives notice of its intention to do so;</li> <li>• An order is made by the relevant Governmental Authority or a special resolution has been passed by the shareholders of the Bank for the winding-up of the Bank.</li> <li>• Any corporate action, legal proceedings or other procedure or step is taken in relation to:             <ol style="list-style-type: none"> <li>a. the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;</li> <li>b. a composition, compromise, assignment or arrangement with any creditor of the Issuer;</li> <li>c. amalgamation, reorganisation or reconstruction without the prior approval of the Debenture Trustee;</li> <li>d. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;</li> </ol> </li> <li>• If the Stock Exchange in which the Debentures are listed takes any action which results in delisting or cessation or suspension of trading of the Debentures on such Stock Exchange at any point of time due to an act of the Bank or failure by the Bank to take all necessary action to ensure continued listing and trading of the Debentures on such Stock Exchange.</li> <li>• Any event has occurred which, in the Debenture Trustee’s reasonable opinion (acting on the instructions of the Majority Debenture Holders), is likely to have a Material Adverse Effect.</li> <li>• In determining whether any of the acts, matters, events or circumstances mentioned in this Clause have occurred, the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be final and conclusive and be binding on the Bank/Issuer.</li> </ul> |
| <p><b>Consequences of Event of Default</b></p> | <p>Since the Debentures are classified as subordinated debt under the New Capital Adequacy Framework, on the occurrence of an Event of Default, unless such Event of Default at the request of the Bank is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided, if any; or (b) if the cure period provided is mutually extended by the Parties hereto, upon the expiry of such extended period; or (c) where no cure period has been provided, then forthwith; or (d) where no cure period has been provided and the parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed upon cure period, the following rights shall be available to the Debenture Trustee (acting on the instructions of the Majority Debenture Holders):</p>   |

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|---|---|
|   | <p>(a) subject to procuring the prior written consent of the Reserve Bank of India accelerate the redemption of the Debentures;</p> <p>(b) exercise any other right that the Debenture Trustee and/ or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law.</p>  |
| <b>Provisions related to Cross Default Clause</b>     | Not applicable  |
| <b>Role and Responsibilities of Debenture Trustee</b> | To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s) and more particularly set out in the Debenture Trust Deed.  |
| <b>Governing Law and Jurisdiction</b>                 | The Debentures and documentation will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, Maharashtra shall have exclusive jurisdiction to determine any dispute arising in relation to the Debentures.   |
| <b>Applicable RBI Guidelines</b>                      | The present issue of Debentures is being made for raising Lower Tier II Bonds in pursuance of the New Capital Adequacy Framework, and amendments made thereto from time to time, RBI Guidelines for Licensing of “Small Finance Banks” in the Private Sector (November 27, 2014), Clarifications to the queries to the Guidelines for Licensing of Small Finance Banks and Payments Banks (January 01, 2015), Operating Guidelines for Small Finance Banks (October 06, 2016) and the Guidelines for Licensing of Small Finance Banks in Private Sector’ dated November 27, 2014 – Modifications to existing norms (March 28, 2020) and if the RBI is of the view that any of the conditions applicable to the Debentures, contravenes the RBI guidelines referred to above, the said condition would be considered as null and void. |
| <b>Risk Factors pertaining to the issue</b>           | In accordance with Section 3 of the General Information Document.   |



## SECTION 6: TRANSACTION DOCUMENTS AND KEY TERMS

### 6.1 TRANSACTION DOCUMENTS

The following documents have been executed in relation to the Issue (“**Transaction Documents**”):

- (a) The General Information Document dated June 18, 2024;
- (b) Debenture Trustee Agreement, which confirms the appointment of Catalyst Trusteeship Limited as the Trustee (“**Debenture Trustee Agreement**”);
- (c) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Bank (“**Debenture Trust Deed**”);
- (d) Private Placement Offer cum Application Letter in respect of the Issue in terms hereof;
- (e) Such other documents as agreed between the Bank and the Trustee.

### 6.2 REPRESENTATIONS AND WARRANTIES OF THE BANK

The Bank hereby makes the following representations and warranties to the Debenture Trustee on the date hereof and the same shall be deemed to be made by the Bank (by reference to the facts and circumstances then existing) on each day up to the date the Debentures are redeemed in full:

- (a) Status
  - (a) It is a company, duly incorporated, registered and validly existing under the Applicable Law of India.
  - (b) As on the Deemed Date of Allotment, the Bank is registered with the RBI as a “Small Finance Bank”.
- (b) Power and Authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.
- (c) Compliance with law

The Bank is in compliance with Applicable Law.
- (d) Binding Obligations

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid and binding obligations.
- (e) Non-conflict with other obligations

The Issue (or any of the obligations undertaken by the Issuer in relation thereto) does not conflict with any agreement or instrument binding upon the Issuer or any of its assets or the constitutional documents of the Issuer.
- (f) Insolvency

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It has not taken any action nor has any order been passed for its winding-up, insolvency, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

(g) Litigation

Other than as disclosed in Clause 4.22 of the General Information Document, as on the Deemed Date of Allotment, there are no claims, investigations or proceedings before any Governmental Authority in progress or pending against or relating to the Bank which result in monetary liability greater than Rs. 1,00,00,000/- (Rupees One Crore only).

(h) Financial statements

The audited financial statements of the Bank for the Financial Year 2023-2024 represent a true and complete financial position of the Bank at the date of such statements.

(i) No Material Adverse Effect or Event of Default has occurred, is continuing or might reasonably be expected to result from the execution of the Transaction Documents.

(j) Neither the Bank nor any of its directors has been named in the list of wilful defaulters published by the RBI.

(k) The Bank is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

(l) The proceeds of the Issue shall only be utilised for the Purpose.

(m) The Bank has paid all taxes which the Bank has become liable to pay unless the same is being contested in accordance with Applicable Law.

(n) Save and except corporate actions with respect to the proposed UCL Merger of the promoter company of the Bank as per the RBI Operating Guidelines for Small Finance Banks (RBI/2016-17/81), there has been no other proposal for any merger, consolidation, reorganisation (by corporate action), scheme of arrangement or compromise with any creditors or shareholders etc. or effect any scheme of amalgamation or reconstruction of the Bank.

(o) Corporate and Governmental Authorisations

The Bank has the corporate power, authority and all material permits, approvals, authorisations, licenses, registrations, and consents necessary to perform its obligations in respect of this Issue.

### 6.3 COVENANTS OF THE BANK

The Bank hereby covenants with the Debenture Trustee that the Bank shall, in addition to the covenants set out in Clause 6.6 (*Additional Covenants*) below as follows (except as may otherwise be previously agreed in writing by the Debenture Trustee):

(a) The Bank shall utilise the funds raised through the Issue solely towards the Purpose. The Bank also agrees to submit to the Debenture Trustee, as may be required under Applicable Law, an annual 'end-use certificate' from the statutory auditor of the Bank certifying the compliance with the same, at the end of each financial year till the monies received towards subscription of the Debentures have been fully utilized towards the Purpose.

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- (b) The Bank shall comply with any directions/ guidelines issued by any Governmental Authority (including RBI and SEBI), as applicable to the Bank, as well as the terms and conditions of any other applicable laws.
- (c) The Bank shall remain as a banking company within the meaning of the Banking Regulation Act, 1949.
- (d) The Bank shall keep proper books of account as required by the Act and shall permit the Debenture Trustee to examine and inspect the relevant books and records of the Bank upon reasonable prior notice and at such reasonable times and intervals as the Debenture Trustee may reasonably request.
- (e) The Bank shall furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Bank to redress the same. At the request of the Debenture Holders, the Debenture Trustee shall, by notice to the Bank, call upon the Bank to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holders representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holders.
- (f) The Bank shall provide a certificate to the Debenture Trustee by the statutory auditor within 90 (Ninety) days from the Deemed Date of Allotment furnishing the details of utilization of funds raised through the issue of Debentures.
- (g) The Bank shall, submit to the Stock Exchange, along with quarterly financial results, a statement indicating utilization of issue proceeds of the Debentures, in the format as may be specified by the SEBI, which shall be continued to be given till such time the issue proceeds have been fully utilized or the purpose for which these proceeds were raised has been achieved.
- (h) The Bank shall submit to the Stock Exchange, along with the quarterly financial results, a statement disclosing material deviation(s), if any, in the use of Issue proceeds of non-convertible securities the objects of the Issue, in such the format as may be specified by SEBI till such proceeds have been fully utilized or the purpose for which the proceeds were raised has been achieved.
- (i) Provide all information required by the Debenture Trustee under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures in order to enable the Debenture Trustee to comply with the provisions of Regulation 15 of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 to the extent applicable to the Debentures.

#### 6.4 **Furnish Information to the Debenture Trustee**

- (a) Give to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information as set out below:
  - (i) Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Debenture Trustee (and to the Debenture Holders), containing the following particulars: -
    - A. Periodical status/performance reports from the Bank within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;
    - B. Updated list of the names and addresses of the Debenture Holder(s);
    - C. Details of the principal and the Coupon to be made, but unpaid and reasons for the non-payment thereof;

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- D. Statement that the quarterly compliance report on corporate governance (if applicable) has been submitted to the Stock Exchange, in the format prescribed by SEBI, within the timelines prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - E. And any other information as may be required by the Debenture Trustee pursuant to requirements of Applicable Law.
- (ii) The Bank shall provide a copy of the latest annual report and the latest audited financial statements to the Debenture Trustee and the Debenture Trustee, as per the timelines provided under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and other Applicable Laws, shall be obliged to share the details submitted under this clause with all Debenture Holders within 7 (Seven) working days of their specific request.
- (b) The Bank shall submit the following disclosures to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the Debentures:
- (i) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
  - (ii) Copy of last three years' audited financial statements;
  - (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
  - (iv) Latest un-audited or audited quarterly and year to year standalone financial results on a quarterly basis on the same day as disclosed to the Stock Exchange in the manner as stated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (v) An undertaking to the effect that the Bank would, till the redemption of the Debentures, submit the details mentioned in point (iv) above to the Debenture Trustee within the timelines as mentioned in Section I-A under Chapter I (*Uniform Listing Agreement*) of the SEBI Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities dated November 11, 2024 (bearing reference No. SEBI/HO/CFD/PoD2/CIR/P/0155) as amended from time to time, for furnishing/publishing its half yearly/ annual result. Further, the Bank shall submit a copy of the latest annual report to the Debenture Trustee, as and when the same is submitted to the Stock Exchange within the timeframe permitted under Applicable Law.
- (c) The Bank shall promptly submit any information, as required by the Debenture Trustee, including but not limited to the following: -
- (i) such documents and intimations as set out in Regulation 52, 53 and 56 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (ii) by not later than 30 (thirty) days from the relevant Deemed Date of Allotment, a credit letter obtained from the Depository for confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the time-lines prescribed by the Applicable Laws;
  - (iii) intimations regarding:
    - A. all material events and/or information as disclosed to the Stock Exchange under Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in so far as it relates to the interest, principal, issue and terms of the Debentures, rating, creation of charge on the assets, notices, resolutions and meetings of holders of Debentures, at the same time as disclosed to the Stock Exchange;

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- B. any revision in the rating;
- C. any default in timely payment of interest or redemption or both in respect of the non-convertible Debentures;
- D. all covenants of the Issue (including side letters, accelerated payment clause, etc.);

(iv) The Bank shall, to the extent required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be applicable to the Bank, submit to the Stock Exchange, along with the quarterly and annual financial results, the following line items:

- A. debt-equity ratio;
- B. debt service coverage ratio;
- C. interest service coverage ratio;
- D. outstanding redeemable preference shares (quantity and value);
- E. capital redemption reserve/debenture redemption reserve (if applicable);
- F. net worth;
- G. net profit after tax;
- H. earnings per share;
- I. current ratio;
- J. long term debt to working capital;
- K. bad debts to Account receivable ratio;
- L. current liability ratio;
- M. total debts to total assets;
- N. debtors' turnover;
- O. inventory turnover;
- P. operating margin percent;
- Q. net profit margin percent;

Provided that if any information mentioned in the line items under paragraph (A) to paragraph (Q) above is not applicable to the Bank, it shall disclose such other ratio/equivalent financial information, as may be required to be maintained under Applicable Laws, if any. The Bank shall send the aforesaid information to the Debenture Holder(s) as well.

- (d) The Bank shall furnish a report to the Debenture Trustee on a quarterly basis, containing the following particulars:
  - (i) Updated list of names and addresses of the Debenture Holder(s);
  - (ii) Details of Coupon due but unpaid and reasons for non-payment thereof; and
  - (iii) The number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Bank and those grievances not yet resolved and the reasons for the same.
  - (iv) The Bank shall not declare or pay any dividend to its shareholders during any Financial Year unless it has paid the principal amounts and the Coupon due and payable in respect of the Debentures in such year or has made satisfactory provision for such payments.
- (e) On a quarterly basis, the Bank shall furnish the compliance status with respect to financial covenants of the listed debt securities certified by statutory auditor of listed entity to the Debenture Trustee pursuant to Chapter V of the SEBI Master Circular.
- (f) The Bank hereby covenants and undertakes that it shall furnish the documents/ information/ reports/ certificates, as applicable and as may be requested by the Debenture Trustee, to enable the Debenture Trustee to submit the same to the Stock Exchange(s) within such timelines as

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prescribed under Chapter II and Chapter IV of the SEBI Master Circular, (including any amendments or restatements thereof).

- (g) The Bank shall submit a due diligence certificate issued by the Debenture Trustee, in the applicable format prescribed under Schedule IVA of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and necessary certificates/ reports to the Stock Exchange, on or prior to issuing the General Information document and the Key Information Document.
- (h) The Bank shall take all steps necessary to obtain the in-principle approval from the Stock Exchange for listing the Debentures on or prior to the date of providing the General Information Document and term sheet to the EBP(s) and to take all steps necessary to get the Debentures listed within the timelines specified under Applicable Law.

## 6.5 FINANCIAL COVENANTS AND CONDITIONS

### (i) Debentures To Rank Pari Passu

The Debentures under each Series shall rank *pari passu*, inter se, without any preference or priority of one over the other or others of them.

### (ii) INTEREST ON APPLICATION MONEY

The Bank shall be liable to pay the Debenture Holders, interest on application money at the rate of 10.90% (Ten Decimal Point Nine Zero percent) per annum (subject to deduction of tax deducted at source as per the Income Tax Act, 1961) for the period commencing from the date on which the Debenture Holders have made payment of the application monies in respect of the Debentures to the Bank and ending on 1 (One) day prior to the Deemed Date of Allotment. The interest on application monies shall be paid by the Bank to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.

### (iii) COUPON

#### (a) COUPON RATE

The Debentures shall carry Coupon computed at the Coupon Rate. The Bank shall make payment of Coupon to the Debenture Holders on every Coupon Payment Date.

#### (b) COMPUTATION OF COUPON

All Coupon accruing on the face value of the Debenture shall accrue from day to day and be calculated based on actual/actual day count convention, at the Coupon Rate and rounded up to the nearest Rupee.

#### (c) COUPON PAYMENT DATE(S)

The Coupon shall be made to the Debenture Holders quarterly on and from the Deemed Date of Allotment and on the date of the redemption of the Debentures.

### (iv) DEFAULT INTEREST

All Payments due in respect of the Debentures shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (Two percent) per annum compounded monthly, computed from the relevant Due Date up to the date on which such monies are paid or realised by the Debenture Holder(s) ("Default Interest"). It is clarified that any Default Interest which becomes payable in terms hereof shall be payable over and above the Coupon payable at the Coupon Rate.

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Where the Bank fails to execute the Debenture Trust Deed within the period specified by SEBI, then without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Bank shall also pay, subject to Applicable Law, interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI to the Debenture Holders, over and above the Coupon Rate, till the execution of the Debenture Trust Deed.

**(v) SUBORDINATED DEBT**

The Issue is being made pursuant to the RBI's Basel II Guidelines as contained in the New Capital Adequacy Framework and the SFB Guidelines and is eligible for inclusion in the Lower Tier II Capital of the Bank. The claims of the investors in Debentures shall:

- (a) Be senior to the claims of investors in instruments eligible for inclusion in Tier I Capital and Upper Tier II Capital of the Bank;
- (b) Subject to (a) above, be subordinated to the claims of the other creditors of the Bank (including all the depositors, general creditors of the Bank), but shall rank pari passu with the claims of other investors holding Lower Tier II Capital instruments of the Bank; and
- (c) rank pari passu inter se the Debenture Holders, without preference amongst themselves.

**(vi) TIER II CAPITAL**

- (a) The Debentures are being issued by the Bank for raising funds towards its Lower Tier II Capital and accordingly the Debentures will constitute "subordinated debt" of the Bank as understood under the relevant rules and regulations issued by the RBI in this regard particularly under, Annex 5 of the RBI's Basel II Guidelines.
- (b) As the bonds being issued shall be the subordinated debt of the Bank, any clause in the Debenture Trust Deed which is not in compliance with the regulations of RBI for permitting a subordinated debt to be treated as Lower Tier II Capital will be deemed to have no force or effect unless prior consent of the RBI is obtained in this regard.

**(vii) REDEMPTION**

The Debentures shall be taken as fully redeemed on payment of the Redemption Amount by the Bank on the Maturity Date. Such payment shall be a legal discharge of the liability of the Bank towards the Debenture Holders. The principal amount for each Debenture shall be equal to the face value of the said Debenture.

**(viii) CALL OPTION**

- (a) On the Call Option Date, the Bank shall have the option, with prior consent of RBI (Department of Regulation, RBI Central Office), to redeem the Debentures in full by repayment of all the Payments in relation thereto ("**Call Option**"), subject to providing the Debenture Trustee a written notice of its intention to redeem the Debentures (with a copy marked to the Debenture Holders) at least 30 (Thirty) days prior to the Call Option Date. It is clarified that the Bank shall not be required to pay any prepayment penalty on a prepayment on the Debentures under this Clause.
- (b) In the event that the Bank has exercised the Call Option in the manner set out above, the Bank shall on the Call Option Date, redeem the principal amount of the Debentures and make payment of the accrued Coupon in relation thereto and any other Payments, to the Debenture Holders on the Call Option

**(ix) PAYMENTS**

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Payments will be made on Due Date(s) to the Debenture Holders whose names appear on the register of debenture holders maintained by the registrar and transfer agent as at the end of the Record Date and in case of joint holders of Debentures to the one whose name stands first in the Register of Debenture Holders. Such payments shall be made by credit through the NEFT / RTGS/ electronic fund transfer system permitted by RBI.

(x) **BUSINESS DAY CONVENTION**

If any of the Coupon Payment Dates falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the next Business Day, except where the Maturity Date falls on a day which is not a Business Day, in which case all payments to be made on the Maturity Date (including accrued Coupon) shall be made on the immediately preceding Business Day. It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

(xi) **LISTING OF THE DEBENTURES**

- (a) The Bank shall list the Debentures on the wholesale debt market of the Stock Exchange within a maximum period of 3 (Three) Business Days of the Deemed Date of Allotment.
- (b) In case of a delay by the Bank in listing the Debentures beyond the aforesaid timelines, the Bank shall make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the relevant Deemed Date of Allotment till the listing of such Debentures, subject to Applicable Law.

(xii) **NOMINEE DIRECTOR**

The Debenture Trustee shall have a right to appoint a nominee Director on the Board of Directors of the Bank (hereinafter referred to as the “**Nominee Director**”) and the Bank shall do all such acts and deeds as are necessary under the Applicable Laws, or otherwise, for giving effect to such appointment, in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and under the relevant rules issued under the Act in the event of:

- (a) 2 (Two) consecutive defaults in payment of Coupon to the Debenture Holders; or
- (b) Any default on the part of the Bank in redemption of the Debentures.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Bank shall take steps to amend its articles of association for the purpose if necessary.

The bank shall appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a director on its Board of Directors at the earliest and not later than one month from the date of receipt of nomination from the debenture trustee(s) as to appointment of Nominee Director.

(xiii) **TRANSFER OF DEBENTURES**

- (a) The Debentures shall be freely transferable and transmittable by the Debenture Holders in whole or in part without the prior consent of the Bank. The Debenture Holders shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.
- (b) It is clarified that the Bank shall not assign any of the rights, duties or obligations under the Debenture Trust Deed or in relation to the Debentures without the prior written consent of the Debenture Trustee (acting on the instructions of all the Debenture Holder(s)).



(xiv) **DEBENTURES FREE FROM EQUITIES**

Each Debenture Holder will be entitled to its Debentures free from equities or cross claims by the Bank against the original or any intermediate holders thereof.

(xv) **DEBENTURE HOLDER NOT ENTITLED TO SHAREHOLDERS' RIGHTS**

The Debenture Holders shall not be entitled to any of the rights and privileges available to the shareholders of the Bank (including right to receive notices of or to attend and vote at the general meetings or to receive annual reports of the Bank) other than those available to them under the Act.

(xvi) **VARIATION OF DEBENTURE HOLDER(S)' RIGHTS**

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated with the consent in writing of the Majority Debenture Holders, which consent shall be obtained by the Debenture Trustee.

6.6 **ADDITIONAL COVENANTS**

The Bank hereby covenants with the Debenture Trustee that the Bank shall, in addition to the covenants set out in Clause 6.3 (*Covenants of the Bank*) above, (except as may otherwise be previously agreed in writing by the Debenture Trustee)

- (a) The Bank shall furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Bank to redress the same. At the request of the Debenture Holders, the Debenture Trustee shall, by notice to the Bank, call upon the Bank to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holders representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holders.
- (b) The Bank shall inform the Debenture Trustee of any material change in the nature and conduct of business by the Bank before such change.
- (c) The Bank shall submit to the Debenture Trustee, its duly audited annual accounts, within 180 (One Hundred and Eighty) calendar days from the close of each Financial Year.
- (d) The Bank shall provide to the Debenture Trustee such information as may be required by the Debenture Trustee (or as may be required by the Debenture Holders), from time to time, including copies of reports, balance sheets, profit and loss account, as is required by the Debenture Trustee or the Debenture Holders for analysing its continued exposure to the Bank.
- (e) Other than the proposed merger of Utkarsh CoreInvest Limited ("**UCL**") with the Bank ("**UCL Merger**"), the Bank shall notify the Debenture Trustee of any proposed merger, amalgamation or restructuring scheme proposed by the Bank.
- (f) The Bank shall inform the Debenture Trustee of any significant changes in the composition of the board of directors of the Bank.
- (g) The Bank shall honour all its financial commitments in accordance with the terms of the contract entered into with respect to such financial commitments.
- (h) The Bank shall obtain the prior consent of the Debenture Trustee for effecting any merger, consolidation, reorganisation (by any corporate action), scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. Provided however that no consent shall be required to be obtained in relation to the UCL Merger.

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- (i) The Bank shall provide periodical status/ performance reports to the Debenture Trustee within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter whichever is earlier.

## 6.7 EVENTS OF DEFAULT

If one or more of the events specified herein under happens, the Trustee shall, upon request in writing of the Majority Debenture Holder(s) and subject to Applicable Law, be entitled to call an 'Event of Default' by issuing a notice in writing to the Bank (hereinafter each an "**Event of Default**" and collectively, "**Events of Default**") and take actions as set out in Clause 6.8 (*Consequences of Events of Default*) and Clause 6.5(xii) (*Nominee Director*):

- (a) Failure of the Bank to make any Payment on the respective Due Date;
- (b) Failure of the Bank to make payment in respect of any borrowing appearing in the balance sheet of the Bank (including any borrowing availed by way of issuance of non-convertible debentures) owed to any financial creditor;
- (c) The Bank voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law;
- (d) It is or becomes unlawful for the Bank to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- (e) The Bank repudiates a Transaction Document to which it is a party;
- (f) The Bank fails to obtain, comply and/or loses its operating license issued by the RBI;
- (g) The Bank has admitted in writing that the Bank is unable to pay its debts as they fall due;
- (h) Any legal proceedings are commenced against the Bank which has the effect of prohibiting the Bank from performing its obligations under this Key Information Document and the other Transaction Documents, or affecting the legality, validity and enforceability of this Key Information and the other Transaction Documents;
- (i) The Bank breaches any representation or warranty provided by the Bank in terms of the Transaction Documents or fails duly to perform any other obligation arising from the Debentures;
- (j) The Bank (without the consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders)) ceases to carry on all of its business or gives notice of its intention to do so;
- (k) An order is made by the relevant Governmental Authority or a special resolution has been passed by the shareholders of the Bank for the winding-up of the Bank.
- (l) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
  - (iii) amalgamation, reorganisation or reconstruction without the prior approval of the Debenture Trustee;
  - (iv) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;

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- (m) If the Stock Exchange in which the Debentures are listed takes any action which results in delisting or cessation or suspension of trading of the Debentures on such Stock Exchange at any point of time due to an act of the Bank or failure by the Bank to take all necessary action to ensure continued listing and trading of the Debentures on such Stock Exchange.
- (n) Any event has occurred which, in the Debenture Trustee's reasonable opinion (acting on the instructions of the Majority Debenture Holders), is likely to have a Material Adverse Effect.

In determining whether any of the acts, matters, events or circumstances mentioned in this Clause have occurred, the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be final and conclusive and be binding on the Bank/Issuer.

#### 6.8 **Consequences of Events of Default**

The Parties acknowledge and agree that since the Debentures are classified as subordinated debt under the New Capital Adequacy Framework, on the occurrence of an Event of Default, unless such Event of Default at the request of the Bank is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided, if any; or (b) if the cure period provided is mutually extended by the Parties hereto, upon the expiry of such extended period; or (c) where no cure period has been provided, then forthwith; or (d) where no cure period has been provided and the parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed upon cure period, the following rights shall be available to the Debenture Trustee (acting on the instructions of the Majority Debenture Holders):

- (a) subject to procuring the prior written consent of the Reserve Bank of India, accelerate the redemption of the Debentures;
- (b) exercise any other right that the Debenture Trustee and/ or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law.

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**SECTION 7: MATERIAL DEVELOPMENT**

ANY MATERIAL DEVELOPMENTS WHICH ARE NOT DISCLOSED IN THE GENERAL INFORMATION DOCUMENT, SINCE THE ISSUE OF THE GENERAL INFORMATION DOCUMENT RELEVANT TO THE OFFER OF THE DEBENTURES ISSUED UNDER THIS KEY INFORMATION DOCUMENT IN RESPECT OF WHICH THIS KEY INFORMATION DOCUMENT IS BEING ISSUED

NA

This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

**SECTION 8: DECLARATION  
PART A**

The Bank declares as of the date of this Key Information Document that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Key Information Document is as applicable to privately placed debt securities and subject to information available with the Bank.

The extent of disclosures made in this Key Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

**For Utkarsh Small Finance Bank Limited**

**Name: Govind Singh**  
**Designation: Managing Director and Chief Executive Officer**

**Date: November 21, 2024**  
**Place: Mumbai**

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## PART B

### DECLARATION BY THE AUTHORISED PERSONS THAT-

- i. Nothing in this Key Information Document is contrary to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act 2013 and the rules and regulations made thereunder;
- ii. the Bank has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act 2013 and the rules made thereunder;
- iii. the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- iv. the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;
- v. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
- vi. the contents of this Key Information Document have been perused by the Board of Directors and the final and ultimate responsibility of the contents mentioned herein shall also lie within the Board of Directors.

**Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of the General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.**

We, Mr. Govind Singh and Mr. Muthiah Ganapathy are duly authorized by the Board of Directors of the Company vide the resolution dated September 20, 2024 a copy of which is attached hereto under Annexure VII read with the resolution of the Capital Structuring and Fund Raise Committee dated November 18, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**For Utkarsh Small Finance Bank Limited**

**Name: Govind Singh**  
**Designation: Managing Director and Chief Executive Officer**

**Name: Muthiah Ganapathy**  
**Designation: Company Secretary & Compliance Officer**

**Encl:**

1. Disclosure prescribed under PAS-4 of Companies (Prospectus and allotment of securities) Rules, 2014
2. Due Diligence Certificate for Debentures issued under this Key Information Document issued by the Debenture Trustee
3. Rating Letters, Rating Rationales and detailed Press Releases from the Rating Agencies for Credit Rating and Rating Rationale
4. List of documents executed in relation to the Issue
5. Trustee Consent Letter
6. In-principle approval from BSE
7. Committee Resolution, Board Resolution and Shareholder's Resolutions

This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

#### **ANNEXURE I: CONDITIONS PRECEDENT**

1. Issuance of General Information Document and Key Information Document;
2. Relevant corporate authorizations of the Issuer (including, without limitation, the relevant shareholders' resolution and board resolution(s));
3. Issuance of the Private Placement Offer cum Application Letter;
4. Consent letter from the Debenture Trustee;
5. Execution of the Debenture Trustee Agreement
6. Appointment of the R&T Agent;
7. Rating letter and rationale;
8. Execution of the tripartite agreement between the Issuer, the R&T Agent and the Depositories.
9. In-principle approval for listing of the Debentures; and
10. Listing agreement with BSE; and
11. Execution of the Debenture Trust Deed.



This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

## **ANNEXURE II: CONDITIONS SUBSEQUENT**

1. Filing the return of allotment in Form PAS-3 within the timelines prescribed under the Act and the rules framed thereunder;
2. Listing of the Debentures in accordance with the terms hereof;
3. The letter of allotment, indicating allotment of the Debentures, will be credited in de-materialised form within 2 (Two) Business Days from the Deemed Date of Allotment.

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**ANNEXURE III: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT**

*[Attached separately]*

This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus

**ANNEXURE IV: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE**

*[Attached separately]*



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and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. The amount payable on application as shown below is remitted herewith. We request you to please place our name(s) on the Register of Debenture Holders.

| Name of the Authorised Signatory(ies) | Designation | Signature |
|---------------------------------------|-------------|-----------|
|                                       |             |           |
|                                       |             |           |
|                                       |             |           |

Applicant's Signature:

**Details of Bank Account (from which the subscription money is remitted)**

|                    |                          |
|--------------------|--------------------------|
| Bank Name & Branch | <input type="checkbox"/> |
| Beneficiary Name   | <input type="checkbox"/> |
| Nature of Account  | <input type="checkbox"/> |
| Account No.        | <input type="checkbox"/> |
| IFSC/NEFT Code     | <input type="checkbox"/> |
| UTR No. *          | <input type="checkbox"/> |

**\* Please enclose RTGS alongwith this form.**

We hereby confirm that the payment(s) made towards subscription of the Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the nature of non-convertible debentures is made from our bank account(s).

| FOR OFFICE USE ONLY   |                         |
|-----------------------|-------------------------|
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note: Cheque and Drafts are subject to realisation)

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

| DEPOSITORY                  | NSDL and CDSL |
|-----------------------------|---------------|
| DEPOSITORY PARTICIPANT NAME |               |
| DP-ID                       |               |
| BENEFICIARY ACCOUNT NUMBER  |               |
| NAME OF THE APPLICANT(S)    |               |

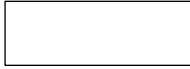
|                          |                                       |   |
|--------------------------|---------------------------------------|---|
| Taxpayers PAN / GIR No.  | T Circle/Ward/District                | <input type="checkbox"/> Not Allotted                 |
| <input type="checkbox"/> | <input type="checkbox"/>              |   |
| Tax Deduction Status     | <input type="checkbox"/> Fully Exempt | <input type="checkbox"/> Tax to be deducted at Source |

(viii) **Tick whichever is applicable:**

(a) The Applicant is not required to obtain Government approval under the Foreign Exchanges Management (Non-debt Instrument) Rules, 2019 prior to subscription of shares -

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(b) The Applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instrument) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith –



**List of KYC docs. To be attached with the Application Form:**

- Constitution Documents: Certificate of Incorporation, Certificate of commencement of Business, Memorandum & Articles of Association, Regd. Trust Deed in case of Trust, SEBI Registration Certificate in case of Mutual Fund.
- ID Proofs: Certified Copy of PAN Card, Demat Client Master Report
- Address Proof: Form 18 (under Companies Act, 1956) or INC-22 (under Companies Act, 2013) filled with ROC or Certified copy of latest utility bills
- Authorizing docs: Power of Attorney / Board Resolution with specimen signatures certified by the Company Secretary
- Any other document as specified in the Disclosure Documents or as may be demanded by the Bank or as may be required to be provided under Applicable Law by the Applicant

We understand and confirm that the information provided in the General Information Document is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this General Information Document to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

**WE FUTHER UNDERSTAND THAT:**

**INVESTMENTS IN SUBORDINATED DEBT SECURITIES INVOLVE A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE DEBENTURES, UNLESS THEY CAN AFFORD TO TAKE RISKS ATTACHED TO SUCH INVESTMENTS. THE DEBENTURES ARE SUBORDINATED DEBT SECURITIES AND NOT FIXED DEPOSITS OF THE BANK AND THEY CANNOT BE USED AS COLLATERAL FOR ANY**

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**LOAN MADE BY THE BANK. THE DEBENTURES ARE DIFFERENT FROM FIXED DEPOSITS AND ARE NOT COVERED BY DEPOSIT INSURANCE ISSUED BY THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION. UNLIKE THE FIXED DEPOSITS WHERE DEPOSITS ARE REPAYED AT THE OPTION OF DEPOSIT HOLDER, THE DEBENTURES ARE NOT REDEEMABLE AT THE OPTION OF THE DEBENTURE HOLDERS OR WITHOUT THE CONSENT OF THE RESERVE BANK OF INDIA, PRIOR TO THE MATURITY DATE.**

By making this application, I/We acknowledge that I/We have understood the terms and conditions of the Issue of Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the nature of non-convertible debentures being issued by Utkarsh Small Finance Bank Limited as disclosed in the General Information Document and Key Information Document.

Applicant's  
Signature

|                       |                         |
|-----------------------|-------------------------|
| FOR OFFICE USE ONLY   |                         |
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

**ACKNOWLEDGMENT SLIP**

Application No: [●]

Date: [●]

|  |                 |
|--|-----------------|
| Debenture Series                       | <b>Series 1</b> |
| No. of Debentures applied (in figures) | [●]             |
| No. of Debentures applied (in words)   | [●]             |
| Amount (Rs. In figures)                | [●]             |
| Amount (Rs. In words)                  | [●]             |
| NEFT/RTGS                              | [●]             |

For all further correspondence, please contact the Compliance Officer.

**INSTRUCTIONS**

- ▲ Application must be completed entirely in English, using BLOCK LETTERS.
- ▲ Procedure for Issue shall be in accordance with EBP Guidelines.
- ▲ A signature can be made either in English or in any other Indian language.
- ▲ Application Forms duly completed in all respects, must be lodged at the Bank's registered office.
- ▲ All transfers/RTGS must be made payable to the Bank account of the Bank.
- ▲ Cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
- ▲ As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, one is requested to mention the full particulars of the bank account, as specified in the Application Form.
- ▲ Interest warrants will then be made out in favour of the bank for credit to one's account. In case the full particulars are not given, cheques will be issued in the name of the Applicant at their own risk.
- ▲ One should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
- ▲ The application would be accepted as per the terms of the Issue outlined in the Disclosure Document.
- ▲ The payment(s) towards subscription of the securities shall be made from the bank account(s) of the Applicants.

Key Information Document  
Date: November 21, 2024

Private & Confidential  
For Private Circulation Only

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Please send the dully filled and signed Application Form to our corporate office address: **Utkarsh Tower, NH- 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105.**



**ANNEXURE VI  
DISCLOSURE PRESCRIBED UNDER PAS-4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES),  
RULES, 2014**



**UTKARSH SMALL FINANCE BANK LIMITED**

**CIN:** L65992UP2016PLC082804

**RBI License Number:** MUM:125

**PAN Number:** AABCU9355J

(Incorporated on April 30, 2016, a public limited company incorporated under the Companies Act, 2013)

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

**Corporate Office:** Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar  
Pradesh, India, 221105; **Tel:** +91 542 660 5555;

**Fax:** NIL; **Website:** <https://www.Utkarsh.bank/>;

**Compliance Officer:** Muthiah Ganapathy, **Contact details of Compliance Officer:** +91 022 2268729552  
**e-mail:** [muthiah.ganapathy@utkarsh.bank](mailto:muthiah.ganapathy@utkarsh.bank)

*This Annexure contains relevant information and disclosures required for the purpose of issuing of the  
Debentures in accordance with Section 42 and Rule 14 of the Companies (Prospectus and Allotment of  
Securities) Rules, 2014.*

**PART A**

**ISSUE OF RATED, LISTED, UNSECURED, SUBORDINATED, REDEEMABLE, LOWER TIER-II BONDS IN THE FORM  
OF NON-CONVERTIBLE DEBENTURES (THE "ISSUE") ON A PRIVATE PLACEMENT BASIS**

**I. General Information:**

| ISSUE OPENING DATE | ISSUE CLOSING DATE | PAY-IN DATE       |
|--------------------|--------------------|-------------------|
| November 26, 2024  | November 26, 2024  | November 27, 2024 |

**A. Name, address, website, if any and other contact details of the Bank, indicating both Registered office  
and the Corporate Office:**

Issuer / Bank: Utkarsh Small Finance Bank Limited

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

Corporate Office: Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi,  
Uttar Pradesh, India, 221105

Contact Person: Muthiah Ganapathy – Company Secretary

Telephone No.: +91 542 660 5555

Fax: NA

Email: [secretarial.usfb@utkarsh.bank](mailto:secretarial.usfb@utkarsh.bank)

Website: [www.utkarsh.bank](http://www.utkarsh.bank)

**B. Date of Incorporation of the Company:**

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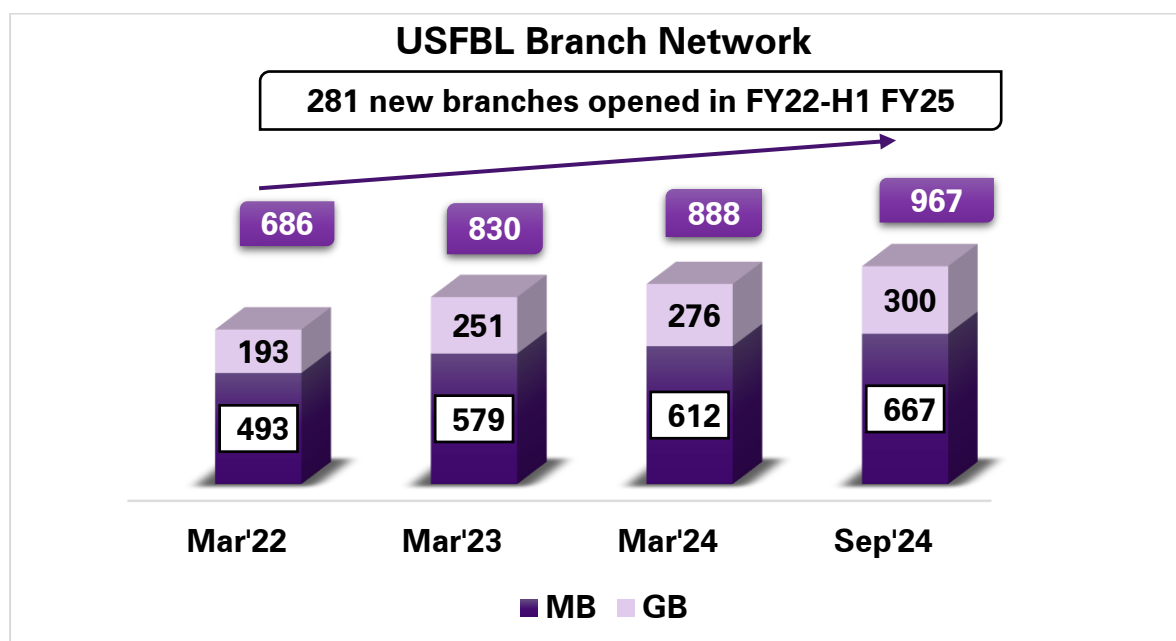
April 30, 2016

**C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

(i) The description of the Company's Principal Business Activities are as under:

Utkarsh Small Finance Bank Limited (USFBL) was incorporated on April 30, 2016 as a public limited company under the Companies Act, 2013, with its headquarters at Varanasi in Uttar Pradesh. The Bank has well diversified presence and franchise through its 967 banking outlets spread across 22 States and 4 Union Territories of the Country as on September 30, 2024. Further, the Bank has well penetrated rural and semi-urban presence, which apart from the significant potential for growth also helps in comfortably meeting RBI's requirement of a minimum of 25% of branches in Unbanked Rural Centres (URCs). As of September 30, 2024, 27% of the Bank's banking outlets were located in URCs. The Bank is expanding its franchise and presence continuously and the Bank opened more than 280 branches during last two and half financial years FY22 – H1FY25.

Our branches are classified internally as Micro-banking (MB) and General banking (GB) branches. As on September 30, 2024, the Bank had 667 MB branches and 300 GB branches. MB branches focus primarily on micro-banking lending & financial inclusion space, located primarily in rural & semi urban geographies while GB branches focus primarily on deposits mobilization & other lending products such as MSME (Retail Assets) lending, Housing loans, CV&CE loans and are located primarily in metropolitan & urban location.



The Bank aims to promote financial inclusion and provide access to banking services to underserved and unserved sections of the society such as women entrepreneurs, low-medium-income households, micro and small enterprises, and affordable housing. In line with the objective to serve the underserved and unserved, USFBL has adequate presence in the less financial penetrated areas of Bihar, Uttar Pradesh and Jharkhand which accounted for 57% of the Bank's gross loan portfolio as on September 30, 2024. These geographies offer large growth potential. The Bank is also expanding its presence to other states / geographies.

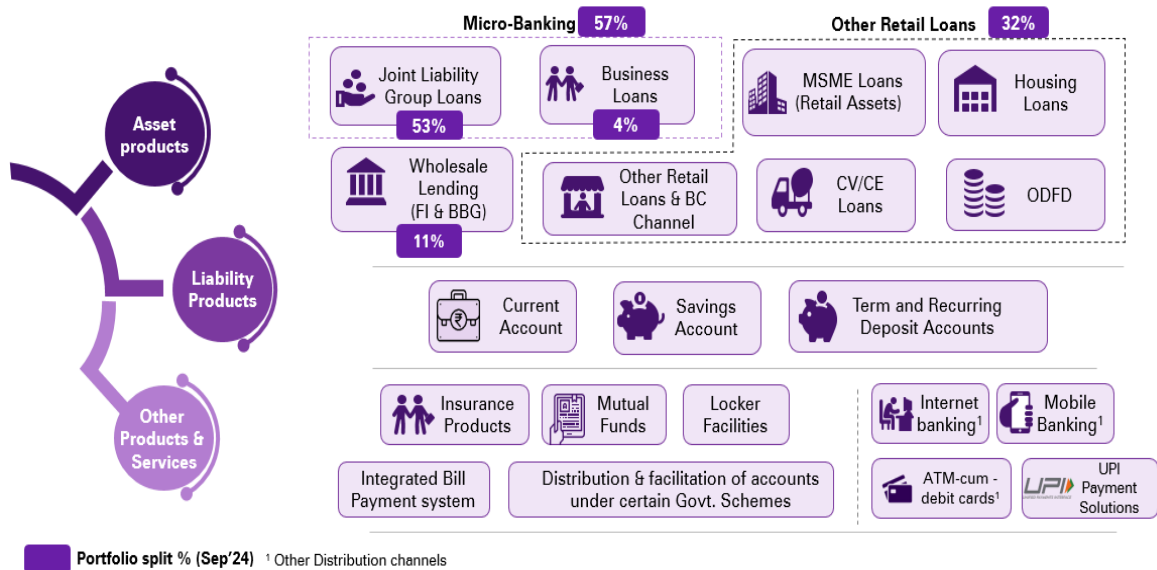
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Overall, the Bank serves a total customer base of more than 4.8 million, served by a strong workforce of 19,074 employees as on September 30, 2024. The Gross loan portfolio of the Bank stood at ₹19,100.72 crore as on September 30, 2024.

Utkarsh (including through its promoter company, UCL) started micro-banking lending from Uttar Pradesh in September 2009 and has considerable track record in the segment which remains a strong base for the Bank for its future growth. While the Bank continues to expand its micro-banking business over the years, the Bank is building other retail loan products i.e., MSME (Retail Assets), Housing, CV&CE and others.

On the liabilities side, the Bank offers various relevant deposits products to meet savings and transactions requirements of its customers. USFBL's branches provide a full range of banking services as permissible for small finance banks. USFBL uses a digital platform to provide transactional ease through internet, mobile banking and UPI. Bank's deposits have grown from ₹13,710.14 crore as of March 31, 2023 to ₹17,472.60 crore as on March 31, 2024 and further to ₹19,496.33 crore as on September 30, 2024.







**Focus on Financial inclusion, offer a range of financial products and services that address the specific requirements of customer segments:**



The Bank is led by the Managing Director and Chief Executive Officer, Mr. Govind Singh, who has over 25 years of experience in the banking and financial services sector. Our Board comprises individuals having diverse experience across industries and our Independent Directors provide strategic guidance to help improve and grow our operations. Our Senior Management team has significant experience in the banking and financial services industry, enabling the bank to grow in sustainable and responsible manner.

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### Key highlights of our Financial Performance during Q2 and H1FY25

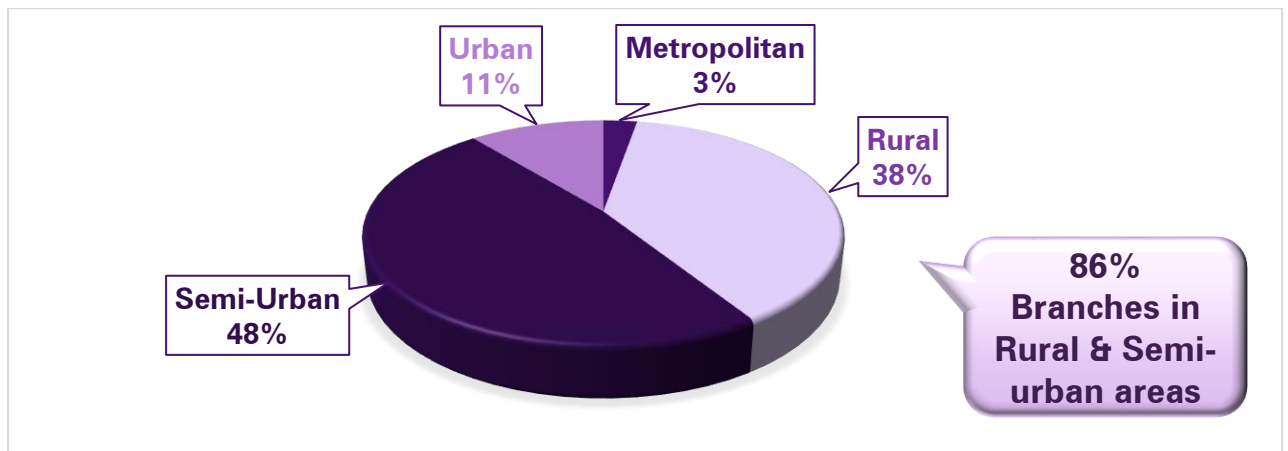
| NETWORK  | ASSETS   | LIABILITIES  | FINANCIAL PERFORMANCE  |  | CAPITAL STRUCTURE   | ASSET QUALITY   |
|--|--|--|--|--|---|---|
| <br><b>967 vs. [871]</b><br>Banking Outlets<br><br><b>26</b><br>States & UTs<br><br><b>19,074 vs. [16,364]</b><br>Employees | <br><b>₹19,101 cr. vs. [₹14,892 cr.]</b><br>Gross Loan Portfolio<br><br><b>28.3%</b><br>Gross Loan Portfolio Growth YoY<br><br><b>38% vs. [34%]</b><br>Share of Secured Loans in Gross Loan Portfolio | <br><b>₹19,496 cr. vs. [₹13,965 cr.]</b><br>Deposits<br><br><b>39.6% / 47.6%</b><br>Deposits / RTD Growth YoY<br><br><b>68% vs. [66%]</b><br>Share of CASA + Retail Term Deposits | <br><b>H1 FY25</b>   | <b>Q2 FY25</b>   | <br><b>₹3,125 cr. vs. [₹2,687 cr.]</b><br>Capital + Reserves<br><br><b>22.4% vs. [24.8%]</b><br>CRAR | <br><b>3.9% vs. [2.8%]</b><br>Gross NPAs<br><br><b>0.89% vs. [0.16%]</b><br>Net NPA<br><br><b>77.7% vs. [94.6%]</b><br>Provision Coverage Ratio (incl. floating provision) |
|  |  |  | <b>₹189 cr. vs. [₹222 cr.]</b><br>Profit After Tax<br><br><b>₹588 cr. vs. [₹459 cr.]</b><br>Pre-provisioning Operating Profit<br><br><b>56.1% vs. [56.7%]</b><br>Cost to Income<br><br><b>1.5% / 12.3% vs. [2.3% / 19.3%]</b><br>RoAA / RoAE | <b>₹51 cr. vs. [₹114 cr.]</b><br>Profit After Tax<br><br><b>₹276 cr. vs. [₹238 cr.]</b><br>Pre-provisioning Operating Profit<br><br><b>58.2% vs. [56.5%]</b><br>Cost to Income<br><br><b>0.8% / 6.6% vs. [2.3% / 18.2%]</b><br>RoAA / RoAE |   |   |

Figures in [ ] represent H1FY24/Q2FY24; Ratios basis monthly average balances;  
\*CD Ratio at 86% excluding advances against which Refinance is raised

### BUSINESS PERFORMANCE

The Bank has strong rural and semi-urban presence with around 63% of our branches in semi-urban and rural locations as of September 30, 2024. The Bank has clearly laid out strategy on differentiated branches network to ensure relevant product offerings to the customers as well as ensuring cost efficiency of operations. Bank's MB branches are more focused on offering micro-credit and other retail loans to its customers while also offering deposits and payment services to the customers.

### Demographic Break up of MB Outlets

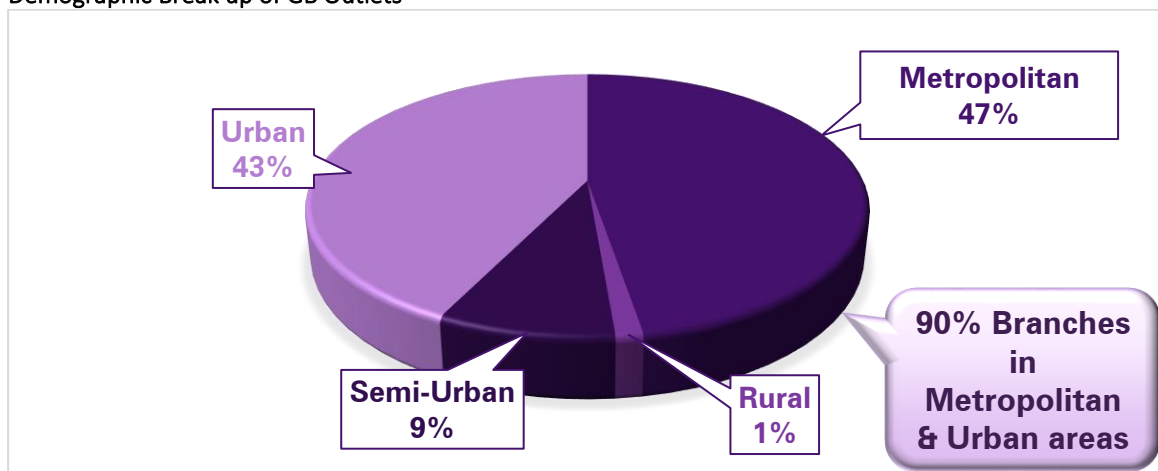


GB branches focus more on garnering deposits as these locations offer sizeable potential for deposit mobilisation. As a strategy, primarily the Bank targets top-100 locations of the country for its GB

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branch expansion. In addition, The Bank offers MSME (Retail Assets) loan, housing loan, CV / CE loans, and other retail loan products through its select General Banking (GB) and Micro-Banking branches.

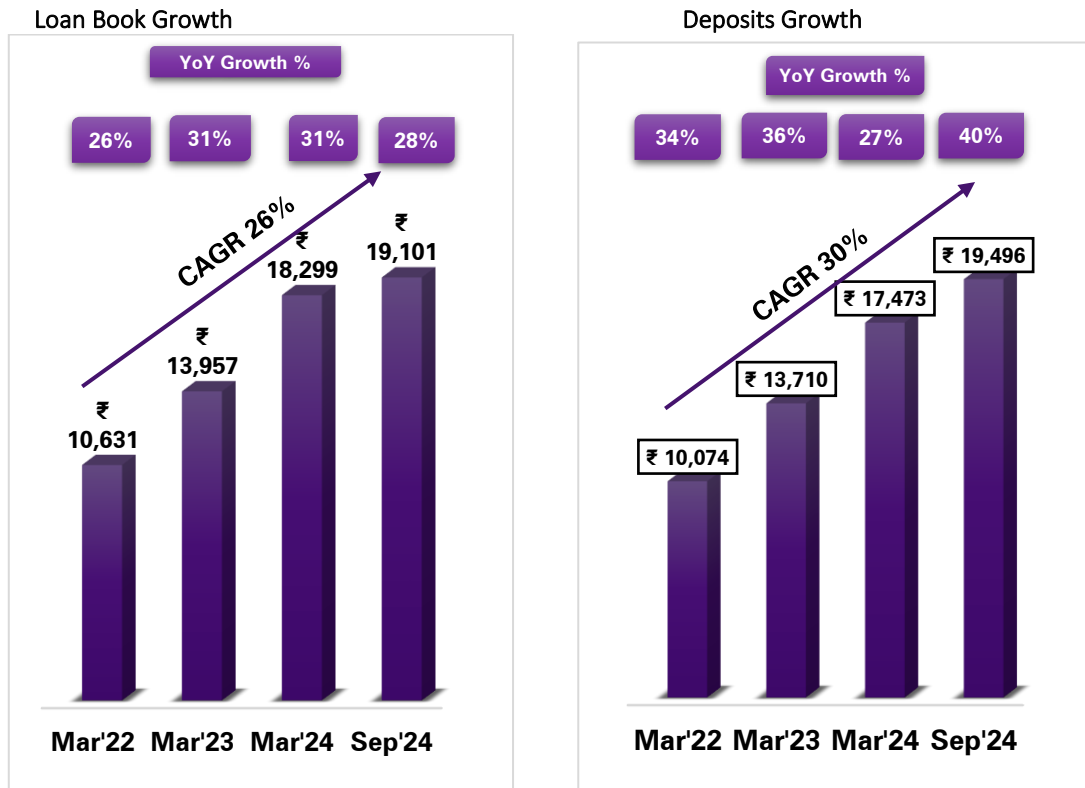
#### Demographic Break up of GB Outlets



As of September 30, 2024, the Bank was operating its MSME (Retail Assets), housing and CV&CE lending vertical across 86, 57 and 46 branches respectively. The existing branch infrastructure / network provides significant cross-sell opportunities as well as opportunity to spread its existing products to significantly large number of locations.

The Bank has witnessed a healthy growth during H1 FY25, our total assets grew Y-o-Y by 34% to ₹26,306.33 crore as of September--24. The Bank's business growth is supported by its expanding geographical spread and franchise and diversified product offerings. USFBL's gross loan portfolio and deposits grew YoY by 28% and 40% respectively and stood at ₹19,100.72 crore and ₹19,496.33 crore respectively as of September -24.

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### Liabilities – Deposits

As a business strategy, the Bank focuses on top-100 deposits centres of the country and has general banking branches primarily in metropolitan & urban centres. The Bank offers a variety of demand and time deposit products along with other services through which our customers can address their savings and transactional needs. We offer diversified liabilities products at competitive rates targeting primarily the retail customers from all segments led by senior citizens, middle-class individuals, and self-employed and salaried individuals.

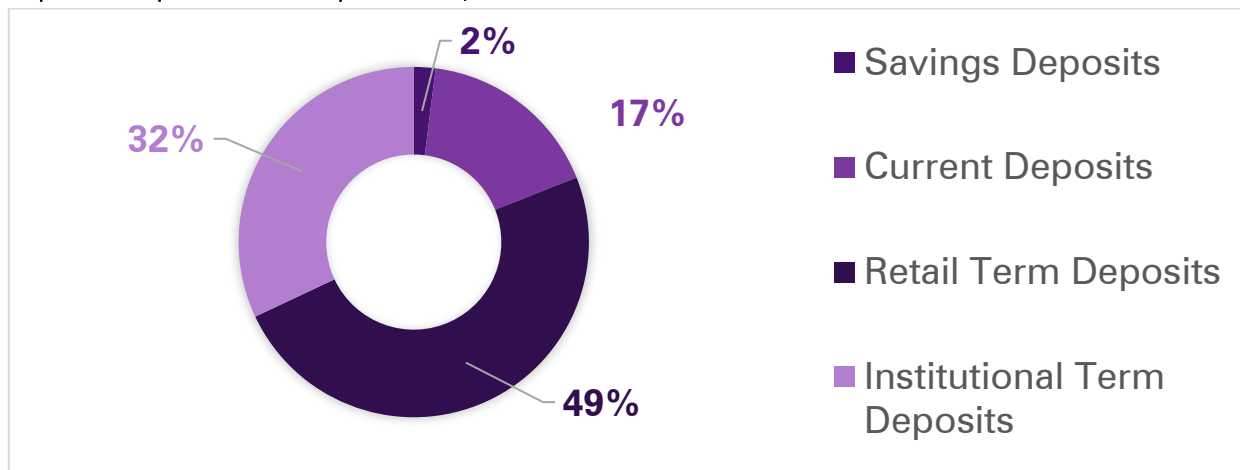
Deposit mobilisation from retail customers remain the most stable source of funding to the Bank and is keenly focused by the management for a healthy and granular deposits profile. The Bank's total retail term deposit base grew YoY by 47.6% to ₹9,518.31 crore as of September 30, 2024 from ₹6,447.88 crore as on September 30, 2023 which shows steady growth in Bank's franchise. Retail term deposits has been a key driver for Bank's deposits growth in H 1 FY25. The Bank opened 28 and 24 General Banking (GB) branches during FY 2023-24 and H1 FY25 respectively, taking the Bank's total GB branches to 300 spread across 26 states / UTs of the country as of September 30, 2024. The Bank offers deposits products from all 967 banking branches of the Bank. USFBL's branch network is also complemented by 344 ATMs as on September 30, 2024 and 677 Micro ATMs which provide cost-efficient systems of offering basic banking facilities such as cash deposit, cash withdrawal, and green pin generation among others.

Furthermore, the Bank is continuously strengthening digital & fintech presence, directly as well as through partnerships. The Bank has also launched instant saving & term deposit account opening through video KYC through its website. The Bank entered into a partnership with one of the fintech

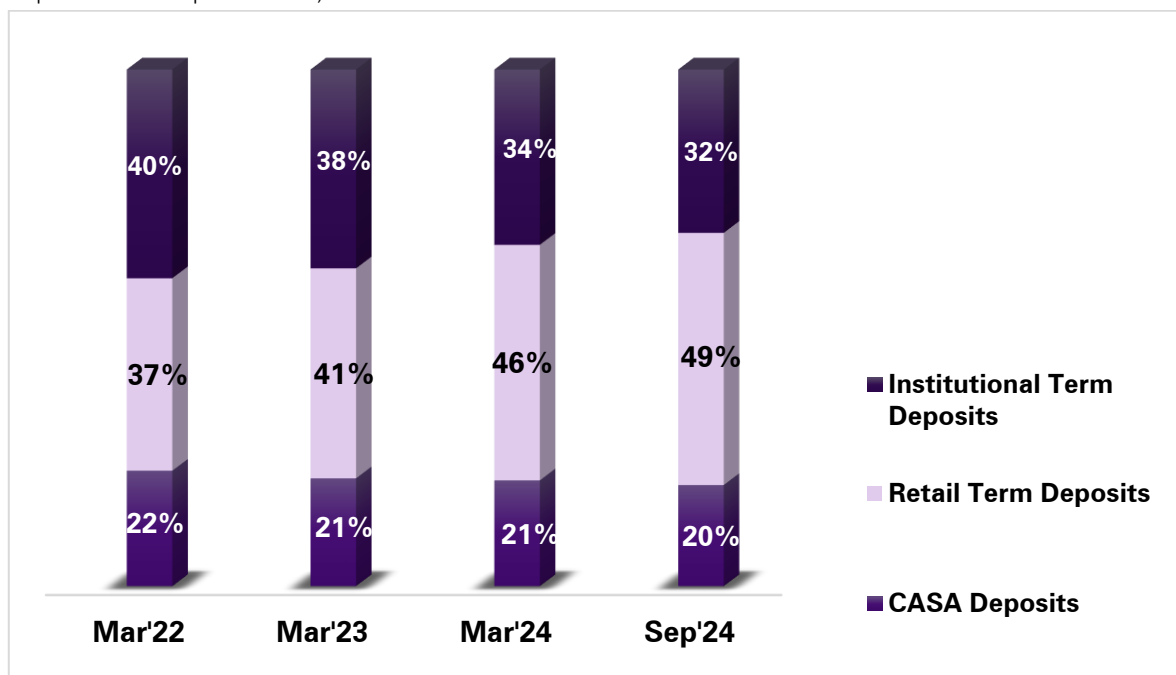
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companies to offer Bank's term deposit products to the large client base of fintech platform. The Bank also launched inter operable card-less cash withdrawal (ICCW) wherein our customers can transact / withdraw funds without card on ICCW enabled ATMs. We are also live on Aadhar Enabled Payment System (AEPS) as an Issuer as well as acquirer wherein our customers can withdraw through AEPS as well as customers of other banks in rural and semi urban locations can use our micro-ATM network at MB branches for routine banking transactions.

Deposits Composition as on September 30, 2024



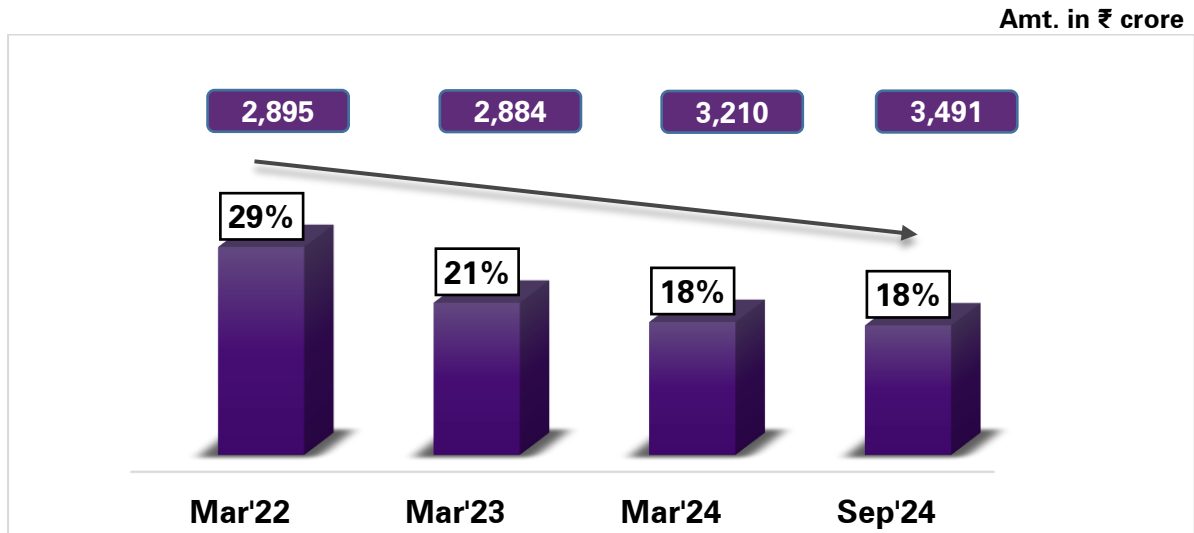
Bank's CASA deposits grew YoY by 37.14% to ₹3,818.96 crore as of September 30, 2024 from ₹2,784.74 crore as of September 30, 2023. The QoQ growth in CASA deposits was impacted by hardened interest rate scenario because of which depositors would have preferred term deposits and other fixed income investments over CASA deposits. Overall, the Bank has been focusing on building the share of CASA plus retail term deposits continuously, the share of CASA plus retail term deposits increased to 68.41% of total deposits of the Bank as of September 30, 2024, from 66.11% of total deposits as on September 30, 2023.



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We are consistently targeting granular deposits profile wherein reduction in overall bulk deposits as well as reduction in concentration towards top-20 depositors. The share of bulk deposits declined from 34% as on September-23 to 32% as on September-24 and share of top-20 depositors declined from 29% as on March-22 to 18% as on September -24. The Bank is also focusing on broad-basing of its institutional deposit profile through sharper focus on the acquisition and deepening of relationships in the Government & Institutional Business (GIB) segment.

#### Movement in Top-20 Depositors Concentration



#### Geographically well diversified mix of deposits

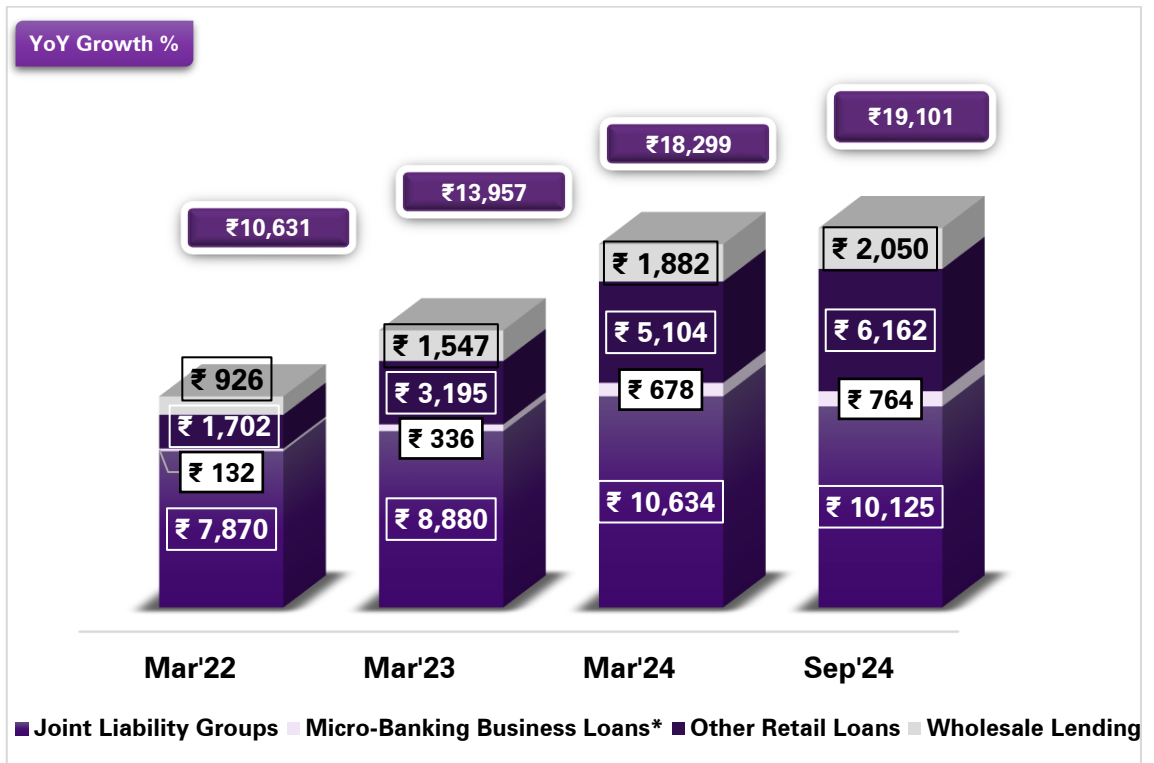
As a strategy to build diversified deposits profile, the Bank has been continuously expanding its franchise and presence, as on September 30, 2024, the Bank is present in 22 states and 4 UTs. The Bank's deposits are fairly well diversified across states and UTs with no state accounting for more than 20% of the Bank's total deposits as on September 30, 2024.

#### ASSETS – LENDING PRODUCTS

Bank's gross loan portfolio grew by 28.26% YoY and stood at ₹19,100.72 crore as on September 30, 2024. The Bank has been focusing on building retail loan books through micro-banking lending through Joint Liability Group (JLG) product, micro-banking business loans, MSME (Retail Assets) lending, housing, CE & CV loans and other retail loans.



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\*Excluding BC JLG portfolio; including BC JLG, JLG loan book is ₹10,626 crore (56% of total portfolio) as of September-24

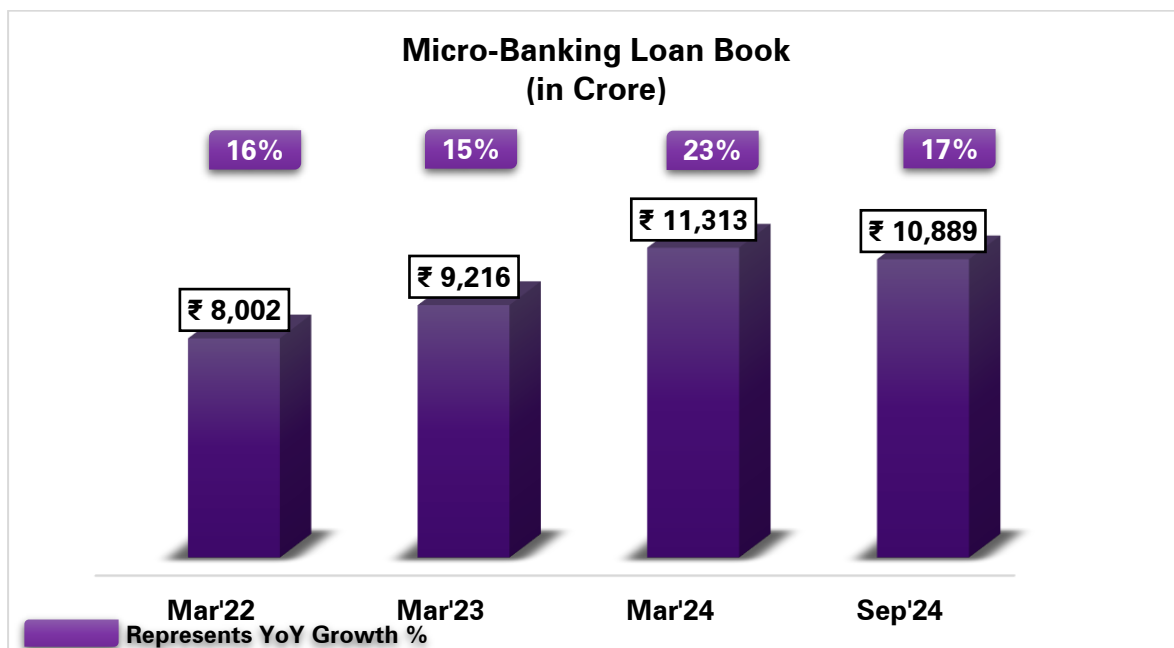
Bank's loan portfolio growth is backed by healthy growth in Bank's micro-banking lending, which grew by 17.18% YoY to ₹10,888.51 crore as on September 30, 2024 and scaling up of other retail loans and wholesale lending businesses, which together grew by 47% YoY, albeit on a moderate base.

### Micro-Banking Lending

Utkarsh started micro finance lending in September 2009 from Uttar Pradesh and has a long track record & experience of micro-banking sector. Further, the Bank has a strong and established rural and semi-urban presence which is the backbone of its micro-banking business. Rural and semi-urban locations are relatively underpenetrated markets and offer good growth potential for the retail loan segment.

In micro-banking lending, the Bank offers Joint Liability Group (JLG) loans, micro banking business loans to matured JLG clients and PM SVANidhi loans to the street vendors. The Bank offers loans for income generating activities to underprivileged or low-income individuals who have limited access to financial services. These loans help underlying borrowers to pursue income-generating activities as well as develop their entrepreneurial behaviour. The Bank believes that these customers need affordable banking services at their doorstep to help them earn livelihoods as well as achieve their dreams and aspirations. At the same time, the presence of JLG structure with a strong and frequent physical connect with borrowers, leads to a healthy credit discipline among the borrowers. These characteristics make micro-banking business an economically viable proposition over the cycles while also bringing the much-needed social impact, therefore proving it a real double bottom line for the business

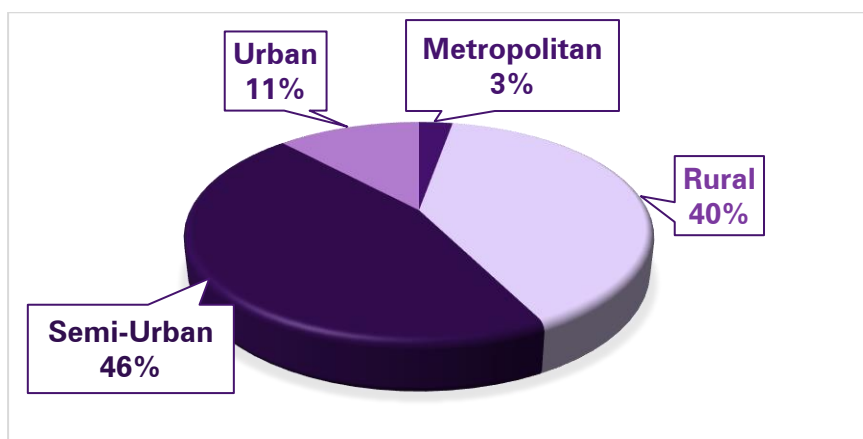
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The Bank's micro-banking loan portfolio has grown by 17.18% YoY to ₹10,888.51 crore as of September 30, 2024. Bank's micro-banking loan portfolio grew by 23% in FY24 to ₹11,313 crore vs. growth of 15-16% during FY22 & FY23. The growth in FY24 was led primarily by new customer acquisition which was relatively weaker in FY22-FY23 on account covid impact on operating environment as well as healthy subsequent cycle loan disbursements. Going forward the Bank is expecting healthy growth trend to continue in micro-banking lending on the back of Bank's strong presence in relatively under penetrated geographies. Furthermore, digital experiences which Bank has brought in form of complete digital onboarding for loan as well as saving account opening, E-sign, E-KYC, digital collections through customer specific QR code, micro ATM, video PD and other offerings will be backbone to build a strong & sustainable franchise with cost efficiency.

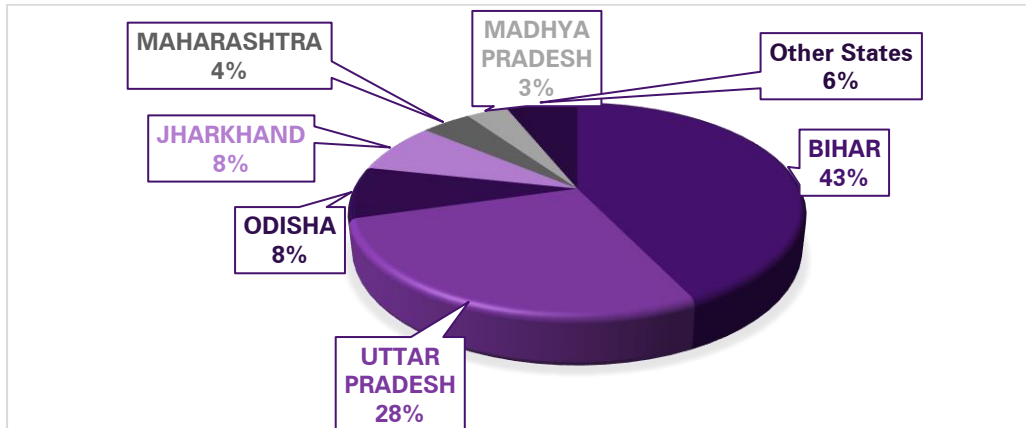
Furthermore, while the USFBL's core geography of Bihar and Uttar Pradesh remain the mainstay of Bank's micro-banking portfolio, the Bank has been increasing its micro-banking footprints to newer states. As on September 30, 2024, the Bank's micro-banking loan portfolio is spread across 13 States & UTs covering a client base of >30 lakh. The Bank's loan portfolio is spread across 177 districts and serving through 667 micro-banking outlets.

#### Demography wise break-up of Bank's micro-banking portfolio



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**State wise break-up of Bank's Micro-banking portfolio**



The Bank provides cashless disbursement in the micro- banking segment and disburses all the loans in the bank account of the customer. Furthermore, the Bank is continuously stepping towards increasing digital collections primarily through customer specific QR code and Bill desk payment gateway. The Bank is expecting increase in cashless collections going forward. The increase in penetration of cashless collection is likely to reduce operational risk pertaining to physical cash as well as improve the efficiency of the field staff, apart from benefit of cashless mode of payment to the underlying client. The micro-banking clients are onboarded through E-KYC and E-sign processes which ensures efficiency of operations as well as strengthen on-boarding process apart from superior experience of account opening / disbursement in relatively less time and with convenience for micro-banking customers.

**The Bank offers following products under micro-banking lending:**

**Amt. in ₹ crore**

| Break up of Micro-Banking Portfolio  | Mar-23        | Mar-24         | Sep-24         |
|--------------------------------------|---------------|----------------|----------------|
| Joint Liability Group Loans          | ₹8,880        | ₹10,634        | ₹10,125        |
| Micro-Banking Business Loan          | ₹332          | ₹671           | ₹754           |
| PM SVANidhi                          | ₹4            | ₹7             | ₹10            |
| <b>Total Micro-Banking Portfolio</b> | <b>₹9,216</b> | <b>₹11,313</b> | <b>₹10,889</b> |

**Joint Liability Group (JLG) Loans**

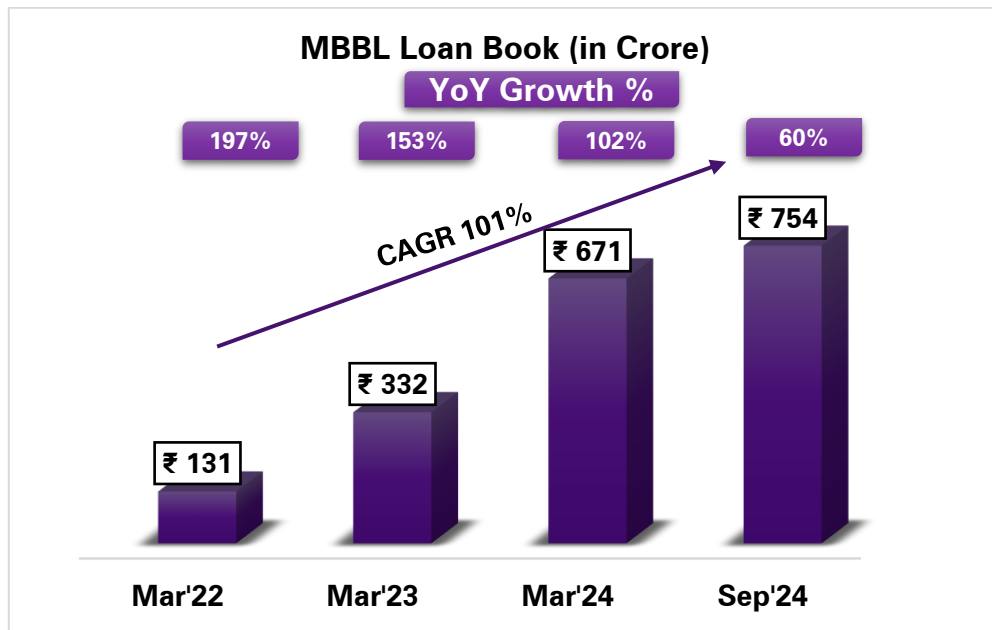
The Bank offers JLG loan to its clients for income generating activities on the strength of group-guarantee loan model which enables the individuals to take loans without any collateral or security. The borrowers are encouraged to promote credit discipline through mutual support within the group, encourage prudent financial conduct among the group, and ensure timely repayment of their loans. The primary target customer segment are women in households, engaged in income-generating activities orienting to begin a new income-generating activity on their own. The methodology includes either fortnightly or bi-fortnightly centre meetings and 'stepped-up' loans that can grow each time a client takes a loan and successfully repays it, thereby demonstrating good credit discipline

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and the need for higher amount of loan. As of September 30, 2024, all of the Bank's customers in the JLG loans segment were female, with loans ranging between ₹6,000 and ₹1,00,000 for income generating activities.

### Micro Banking Business Loans (MBBL)

With an objective to meet the increasing funding requirement of customers who have completed multiple loan cycles with the Bank, the Bank offers MBBL loans to its existing matured JLG borrowers. The Bank's MBBL loan portfolio doubled, albeit on a smaller base, during FY24 to ₹671 crore as of March 31, 2024 and further increased to ₹754 crore as on September 30, 2024. Given the Bank has long track record in JLG lending and has a large number of JLG borrowers, the Bank expects significant growth potential in MBBL lending which is also reflected in credit growth registered by the Bank in FY24 and H1 FY25.

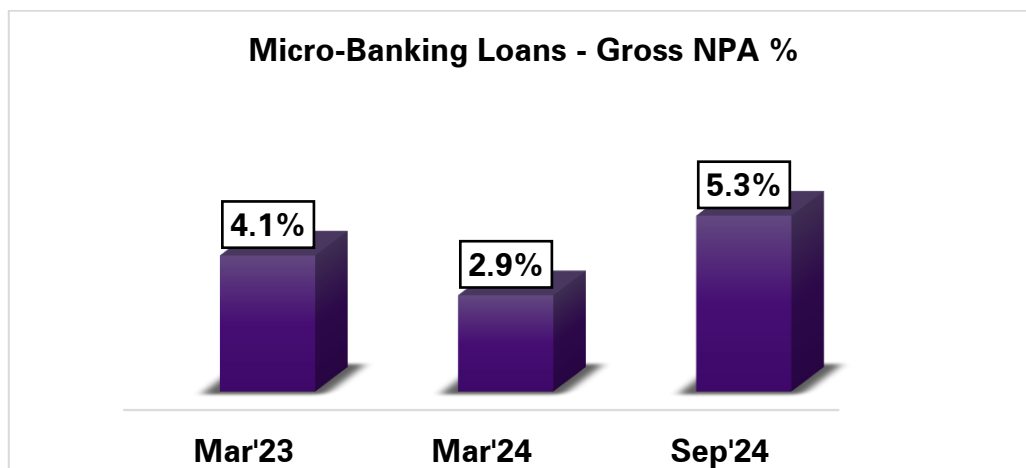


### PM SVANidhi Loan Scheme

The Ministry of Housing and Urban Affairs had launched Prime Minister's Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) loan scheme, which is a special micro-credit facility scheme for providing affordable loan to street vendors to resume their livelihoods.

The Bank witnessed stress on asset quality of micro-banking loans as Gross NPAs increased from 3.6% as on September 2023 to 5.3% as on September 2024.

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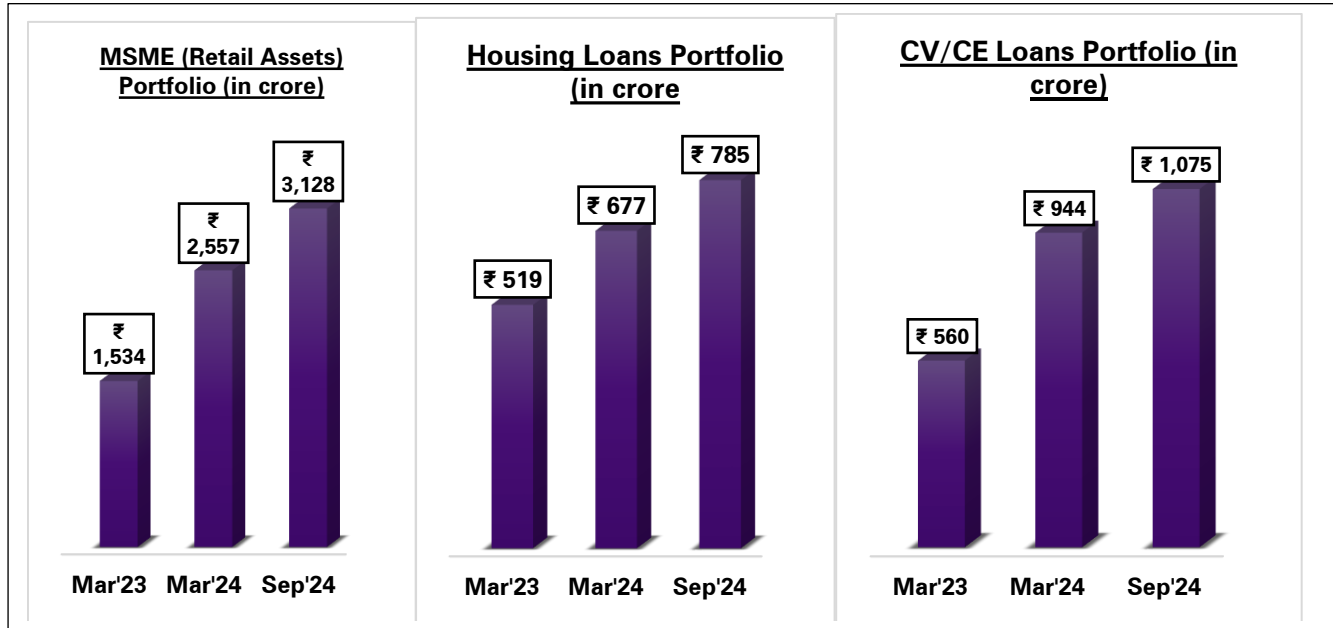


#### **Saving and Pension, Health Insurance Products for Micro-Banking Clients**

As of September 30, 2024, the Bank has opened more than 23.2 lakh BSBDA Savings Bank Accounts. These accounts were introduced for developing the habit of savings among the microfinance borrowers and offer these borrowers suitable savings and financial products. In addition, the Bank offers Atal Pension Yojana (APY) to savings bank account holders in the age group of 18 to 40 years. The Bank acts as a Point of Presence and aggregator and enrolls subscribers through architecture of the National Pension System. The product inculcates savings behaviour amongst micro finance borrowers as well as providing security post-retirement age. Furthermore, the Bank offers Hospicash (a health insurance product) to its customers which provides health insurance cover for hospitalisation expenses and also works as wage loss cover i.e. income protection for microbanking customers due to hospitalisation.

#### **Other Retail & Wholesale Lending Book**

Post commencement of its banking operations and with an objective of improving product level diversity of bank's loan portfolio, USFBL has been focusing on building a more diversified retail loan book. Over years, the Bank has been focusing on building MSME (retail loans), housing, CV / CE loans and other retail loan products. Bank's core geography i.e., UP, Bihar and other states offer significant growth potential for these products as well.



#### MSME (Retail Assets) loans

The Bank offers secured business loans, unsecured business loans, Micro LAP and overdraft products to small business segment under this business line. The Bank has activated 86 branches for its MSME loan product. Bank's MSME (Retail assets) loan book grew by 58.20% year-on-year to reach ₹3,128 crore in September 30, 2024 from ₹1,977.48 crore in September 30, 2023. The growth in MSME loan book has been supported by the improving franchise and presence of the Bank. A large part of lending (>95%) under this product segment is secured lending with average ticket size of loan book at ₹25-35 lakh.

#### Housing loans

Housing finance segment continues to offer significant growth potential in our country. USFBL focuses on providing affordable housing loans to self-employed and salaried individuals. The housing loan offerings are targeted towards formal, informal, and semi-formal income segments. As of September 30, 2024, the Bank offers housing loans through 57 branches. Housing loan portfolio of USFBL witnessed a year-on-year growth of 33.07% to 785.25 crore as on September 30, 2024 compared to ₹90.09 crore as of September 30, 2023. The growth in the housing loan book of the Bank has been supported by continuous focus on building the housing loan book, the Bank's expanding franchises and a relatively small base of the Bank's housing loan portfolio.

#### Commercial Vehicle (CV) / Construction Equipment (CE) Loans

CV / CE loans has been one of the key retail loan products for Banks and NBFCs in India. The Bank offers loan for new commercial vehicle & construction equipment as well as used commercial vehicle. However, the share of used vehicle remains relatively low at <5% of total CV & CE loan book as on September 30, 2024. The Bank's lending is primarily towards small fleet operator segment. The Bank offers CV / CE loans primarily from its core geographies of Bihar, UP, Jharkhand which are relatively less penetrated and offers a good growth potential, in addition to Delhi NCR, Rajasthan, West Bengal & Chandigarh. As on September 30, 2024, the Bank offers CV / CE loan product from 46

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branches. The Bank's CV / CE loan portfolio grew from ₹741.36 crores as on September 30, 2023 to ₹1074.52 crore as on September 30, 2024.

### Wholesale Lending (WSL)

USFBL's wholesale loan portfolio grew by 22.61% YoY to ₹2,050 crore as of September 30, 2024 from ₹1,672 crore as on September 30, 2023 and accounted for 10.73% of total loan portfolio of the Bank (declined from 11.23% as on September-23). As a business strategy, the Bank intends to keep WSL loan portfolio share in total portfolio largely at similar levels of H1FY25. Banks WSL loan portfolio comprised Financial Institution (WSL FI) lending and business banking group loans to small corporates.

**Amt. in ₹ crore**

| Break up of Wholesale Loan Portfolio | Mar-23 | Mar-24 | Sep-24 |
|--------------------------------------|--------|--------|--------|
| WSL FI Lending                       | ₹1,179 | ₹1,287 | ₹1,358 |
| Business Banking Group (BBG)         | ₹368   | ₹596   | ₹692   |
| Total WSL Portfolio                  | ₹1,547 | ₹1,882 | ₹2,050 |

#### WSL FI Lending

With an objective to leverage the knowledge and expertise that the Bank has in the retail lending space in India and to diversify its loan book both in terms of the product it offers and the geographies it is present, the Bank started its lending to NBFCs, HFCs and MFI across the country from FY 2017-18. USFBL provides loan facilities to Non-Banking Finance Companies (NBFCs), Housing Finance Companies (HFCs), NBFC-MFIs and other entities engaged in financial services activity. The loans are offered to meet their on-lending funding requirement. The Bank's WSL FI loan book comprised loans to entities rated by external credit rating agencies at A- rating category or higher (~70% of WSL FI loan book) and balance ~30% is loan towards companies rated in BBB rating category.

#### Business Banking Group (BBG) Lending

USFBL provides short-term and long-term loan facilities to SMEs small & medium size corporates and other entities engaged in manufacturing, services, or trading activity. The loans are offered to meet their working capital and business expansion requirements. Non-fund-based products in the form of Bank Guarantee is also offered to the customers under the Wholesale lending. The Bank provides loans primarily with a ticket size of ₹1-10 crore and mostly secured against collateral of immovable property.

- (ii) Details about the subsidiaries of the Company with the details of branches or units:

Please refer to Section 4 of the General Information Document

#### D. Brief particulars of the management of the Company:

- (i) Details of board of directors of the Company and their profile:

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| Name & Designation   | Profile   |
|--|---|
| Mr. Parveen Kumar Gupta, Part Time Non-Executive Chairman & Independent Director | 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 Chairman and Independent since 1986. He is also a certified associate of the Indian Institute of Bankers. He superannuated as a Managing Director of State Bank of India, after working for 38 years in India and abroad. He was also associated with Bank of Baroda as a Senior Advisor.   |
| Mr. Ajay Kumar Kapur, Independent Director                                       | He holds a bachelor's degree in engineering (Industrial engineering) from University of Roorkee (now known as Indian Institute of Technology, Roorkee). He previously associated with Punjab Tractors limited, Industrial Development Bank of India, India SME Technology Services limited and SIDBI. He was previously engaged as an advisor to the United Nations Industrial Development Organization.  |
| Mr. Kajal Ghose, Independent Director  | He holds a bachelor's degree in commerce from Ranchi University and a diploma in human resources development from All India Institute of Management Studies, Chennai. He is a certified associate of the Indian Institute of Bankers. He previously worked as the chief general manager at State Bank of India, as a consultant with PayU Payments Private Limited and at Stratosphere IT Services Private Limited and Kovid Group Analytics India Private Limited. He has also been a member of the board of advisors of Datawise Management Services India Private limited. He previously was a member of the investment committee of New Leaf Investment Advisors LLP  |
| Ms. Kalpana Prakash Pandey, Independent Director                                 | She holds a bachelor's degree in science (chemistry, physics and mathematics) and master's degree in science (physics) from Garhwal University and a master's degree in technology (computer science and technology) from the University of Roorkee (now known as Indian Institute of Technology, Roorkee). She holds a post-graduate diploma in electronics and communication engineering from the University of Roorkee (now known as Indian Institute of Technology, Roorkee). She has previously served as the managing director and chief executive officer of CRIF High Mark Credit Information Services Private Limited, an RBI licensed credit bureau, Additionally, she was also associated with IDBI Principal Asset Management Company, State Bank of India and HDFC Bank limited. |
| Mr. Muralidharan Rajamani, Non-Executive Non-Independent Director                | He holds a bachelor's degree in science (mathematics) from the University of Madras and a master's degree in arts (branch III – economics) from the University of Madras He has completed the management of managers  |



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|---|--|
|   | program from Stephen M. Ross School of Business, University of Michigan and is a certified associate of the Indian Institute of Bankers. He was previously associated with Edelweiss Tokio Life Insurance Company limited, leadership Centre Private limited, ICICI Bank Limited, Dhanlaxmi Bank Limited and L& T Finance limited  |
| Mr. Nagesh Dinkar Pinge, Independent Director | He holds a bachelor's degree in law from the University of Mumbai and is a qualified chartered accountant registered with the ICAL He was previously associated with Tata Motors Limited, JSW Energy Limited, Reliance Retail Limited, ICICI Bank limited and NKGSB Co-op Bank limited.  |
| Mr. Govind Singh, Managing Director & CEO     | He holds a bachelor's degree in commerce from Deihl University. He is a certified associate of the Indian Institute of Bankers. He was previously the Assistant General Manager at ICICI Bank Limited. He has received an award of excellence for Apy Big Believers (ABB) 4.0 by Pension Fund Regulatory and Development Authority in Fiscal 2022. He was the Managing Director and Chief Executive Officer of our Promoter- Utkarsh Core Invest. He has also been associated with Surya Fincap Limited, UTI Bank limited, Allahabad Bank, State Bank of Patiala and Bank Internasional Indonesia. |
| Mr. Pramod Kumar Dubey, Whole Time Director   | He holds a master's degree in science from Banaras Hindu University. He is a certified associate of the Indian Institute of Bankers and is also a MBA (International Business), FMS from Banaras Hindu University. He was previously the Head – Liabilities & Assets Operations at ICICI Bank Limited. He has overall experience of Experience of 25 years in branch banking, sales management, product management, operations, compliance, etc. He has also served as an observer on the Board of Midland Microfin Limited and Nominee Director on the Board of National E-Repository Ltd.        |

(ii) Details of Key Management Personnel of the Company & their profile:

| Name & Designation                        | Profile  |
|---|--|
| Mr. Govind Singh, Managing Director & CEO | He holds a bachelor's degree in commerce from Deihl University. He is a certified associate of the Indian Institute of Bankers. He was previously the Assistant General Manager at ICICI Bank Limited. He has received an award of excellence for Apy Big Believers (ABB) 4.0 by Pension Fund Regulatory and Development Authority in Fiscal 2022. He was the Managing Director and Chief Executive Officer of our Promoter- Utkarsh Core Invest. He has also been associated with Surya Fincap Limited, |

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|   | UTI Bank limited, Allahabad Bank, State Bank of Patiala and Bank Internasional Indonesia.  |
| Mr. Pramod Kumar Dubey, Whole Time Director | He holds a master's degree in science from Banaras Hindu University. He is a certified associate of the Indian Institute of Bankers and is also a MBA (International Business), FMS from Banaras Hindu University. He was previously the Head – Liabilities & Assets Operations at ICICI Bank Limited. He has overall experience of Experience of 25 years in branch banking, sales management, product management, operations, compliance, etc. He has also served as an observer on the Board of Midland Microfin Limited and Nominee Director on the Board of National E-Repository Ltd.  |
| Mr. Sarju Simaria, Chief Financial Officer  | Mr. Sarjukumar Pravin Simaria is the Chief Financial Officer (CFO) of our Bank. He holds a bachelor's degree in commerce from University of Bombay and is a Chartered Accountant as an associate member of the Institute of Chartered Accountants of India (ICAI) He has 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 over 25 years of experience in the field of financial management and has previously worked at Canbank Investment Management services Ltd., SUN F&C Asset Management (I) Pvt. Ltd. as its CFO, HDFC Asset Management Company Limited, AIG Global Asset Management Company (India) Private Limited, American International Group, Inc., as its Head Operations, Edelweiss Capital Limited, Edelweiss Tokio Life Insurance Company Limited, Fino Payments Bank Limited as its CFO and , ECL Finance Limited and Edelweiss Financial Services Limited as its CFO. |
| Mr. Muthiah Ganapathy                       | Mr. Muthiah Ganapathy is the Company Secretary and Compliance Officer of our Bank. He has been an associate member of The Institute of Company Secretaries of India since 2001 and became a fellow in the year 2008. He holds a bachelor's degree in law from the University of Bombay. He has experience in the field of secretarial affairs and has previously worked at Aditya Birla Housing Finance Limited, Fortune Financial Services (India) Limited, S. Anantha & Co., Suresh Surana & Associates and Sky Industries Limited.  |

**E. Name, address, DIN and occupations of the directors: (as on September 30, 2024)**

| Name & Designation | DIN | Address | Occupation |
|--------------------|-----|---------|------------|
|--------------------|-----|---------|------------|

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|  |          |  |              |
|--|----------|--|--------------|
| Mr. Parveen Kumar Gupta, Part Time Non-Executive Chairman & Independent Director | 02895343 | Flat No.702, C Wing, Amaltas CHS, Juhu Versova Link Road, Andheri (W) Mumbai - 400053                    | Professional |
| Mr. Ajay Kumar Kapur, Independent Director                                       | 00108420 | Flat No.104, Pacific Apartment, Plot No.39, Sector 10, Dwarka, New Delhi – 110075                        | Professional |
| Mr. Kajal Ghose, Independent Director  | 07702190 | B – 1303, Crystal Court CHS, Plot 18, 27, Sector 7, Kharghar, Panvel Raigarh – 410210 (Maharashtra)      | Professional |
| Ms. Kalpana Prakash Pandey, Independent Director                                 | 06715713 | 1025/26, Kohinoor City, Wing A, Building No.10, Karol Road, Off LBS Marg, Kurla (W), Mumbai – 400070     | Professional |
| Mr. Muralidharan Rajamani, Non-Executive Non-Independent Director                | 01690363 | A 101, Sabari Aashiana, Tiss Complex Annex, Deonar Farm Road, Deonar, Mumbai – 400088                    | Professional |
| Mr. Nagesh Dinkar Pinge, Independent Director                                    | 00062900 | B 403, Raj Kamal CHS, Subhash Road, Near Vile Parle Mahila Sangh School, Vile Parle (E), Mumbai - 400057 | Professional |
| Mr. Govind Singh, Managing Director & CEO  | 02470880 | Progressive Highness, Flat No.503, 504, Plot No.5,6, Sector No.16A, Navi Mumbai, Thane - 400705          | Service      |
| Mr. Pramod Kumar Dubey, Whole Time Director                                      | 10174154 | 108 – Emerald Building, Vasant Oasis, Makwana Road, Marol, Andheri – East, Mumbai 400059, Maharashtra    | Service      |

**F. Management’s perception of Risk Factors:**

Please refer to Section 3 of the General Information Document.

**G. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

- (i) Statutory Dues: Nil
- (ii) Debentures and interest thereon: Nil
- (iii) Deposits and interest thereon: Nil
- (iv) Loans from banks and financial institutions and interest thereon: Nil

**H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Muthiah Ganapathy  
Designation: Company Secretary and Compliance Officer  
Address: Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105  
Phone No.: +91 022 68729552  
Email: muthiah.ganapathy@utkarsh.bank

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I. **Registrar of the Issue:** NSDL

J. **Valuation Agency:** NA

K. **Auditors:**

| Name of the Auditor      | Address  | Date of Appointment  |
|--------------------------|--|--|
| Deloitte Haskins & Sells | 19th Floor, Shapath-V, S.G. Highway, Ahmedabad – 380 015, Gujarat, India           | 28 May 2024 RBI approval date for appointment as Statutory Auditor |
| Kirtane & Pandit LLP     | 6th Floor, Earth Vintage, Senapati Bapat Marg, Dadar West, Mumbai – 400 028, India | 28 May 2024 RBI approval date for appointment as Statutory Auditor |

L. **Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:**

Nil

II. **Particulars of the Offer:**

|  |   |
|--|---|
| Date of passing of Board Resolution and Capital Structuring and Fund Raise Committee Resolution                | Date of Board Resolution: September 20, 2024<br>Date of Capital Structuring and Fund Raise Committee Resolution: November 18, 2024  |
| Date of passing of resolution in general meeting, authorizing the offer of securities                          | Shareholder's resolution is not required as the issuance of Debentures (along with the existing borrowings of the issuer is within the limits set out under Section 180(1)(c) of the Companies Act, 2013.   |
| Kind of securities offered and class of security, the total number of shares or other securities to be issued; | Issue of rated, listed, unsecured, subordinated, redeemable, lower tier-II bonds in the form of non-convertible debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) plus green shoe option of rated, listed, unsecured, subordinated, redeemable, lower tier-II bonds in the form of non-convertible debentures each having a face value of Rs. 1,00,000/- (Rupees One Lakh only) of the aggregate nominal value of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) on a private placement basis. The Issue size of the Debentures shall be as set out in the Key Information Document issued in terms hereof.<br><br>The issue price shall be determined through EBP process. |
| Price at which the security is being offered,  | Rs.1,00,000/- (Rupees One Lakh only) per debenture<br><b>Issue Price:</b> As may be discovered through EBP process.   |

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| including premium if any, along with justification of the price   |   |
| Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer | Not Applicable  |
| Relevant date with reference to which the price has been arrived at   | Not Applicable  |
| The class or classes of persons to whom the allotment is proposed to be made  | Institutional Investors   |
| Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)                          | Nil   |
| The proposed time within which the  | The securities shall be allotted and credited into the demat account of the investor within two days from the Deemed Date of Allotment. |

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| allotment shall be completed   |              |                 |                  |  |                               |   |                     |
|--|--------------|-----------------|------------------|--|-------------------------------|---|---------------------|
| The change in control, if any, in the company that would occur consequent to the private placement   | Nil          |                 |                  |  |                               |   |                     |
| The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price | ISIN No.     | Allotment Date  | Date of Maturity | Allotment Price per security                           | Issued Amount (Rs. in crores) | Nature of Allotment                                     | Number of Investors |
|  | INE735W08053 | June 28, 2024   | June 28, 2031    | Rs.1,00,000/- (face value / NCD)                       | Rs.2,00,00,00,000/-           | Private Placement                                       | 04                  |
|  | INE735W01017 | April 12, 2024  | Not Applicable   | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.28,41,750/-                | Private Placement -pursuant to exercise of vested ESOPs | 04                  |
|  | INE735W01017 | April 25, 2024  | Not Applicable   | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.52,51,500/-                | Private Placement -pursuant to exercise of vested ESOPs | 06                  |
|  | INE735W01017 | May 18, 2024    | Not Applicable   | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.89,37,000/-                | Private Placement -pursuant to exercise of vested ESOPs | 10                  |
|  | INE735W01017 | June 07, 2024   | Not Applicable   | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.14,78,250/-                | Private Placement -pursuant to exercise of vested ESOPs | 04                  |
|  | INE735W01017 | July 06, 2024   | Not Applicable   | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.86,06,601/-                | Private Placement -pursuant to exercise of vested ESOPs | 16                  |
|  | INE735W01017 | August 05, 2024 | Not Applicable   | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.1,20,69,864/-              | Private Placement -pursuant to exercise of vested ESOPs | 24                  |

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|   |   |                              |                |  |                |   |    |
|---|---|------------------------------|----------------|--|----------------|---|----|
|   | INE735W01017  | August 23, 2024              | Not Applicable | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.73,85,850/- | Private Placement -pursuant to exercise of vested ESOPs | 12 |
|   | INE735W01017  | September 12, 2024           | Not Applicable | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.50,55,750/- | Private Placement -pursuant to exercise of vested ESOPs | 08 |
|   | INE735W01017  | October 08, 2024             | Not Applicable | Rs.27- (including premium of Rs.17/- per shareholders) | Rs.25,96,500/- | Private Placement -pursuant to exercise of vested ESOPs | 07 |
| The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer | Nil, as the Debentures are being issued for cash  |                              |                |  |                |   |    |
| Amount, which the Company intends to raise by way of securities   | Up to Rs. 200,00,00,000/- (Indian Rupees Two Hundred Crore Only) including a green shoe option of up to Rs. 100,00,00,000/- (Rupees One Hundred Crore Only)     |                              |                |  |                |   |    |
| Terms of raising of securities:   | Duration, if applicable:  | 7 years                      |                |  |                |   |    |
|   | Rate of Interest:   | 10.90% p.a payable quarterly |                |  |                |   |    |
|   | Mode of Payment   | RTGS/NEFT                    |                |  |                |   |    |
|   | Mode of Repayment   | RTGS/NEFT                    |                |  |                |   |    |
| Proposed time schedule for which the Issue/private placement offer cum application Letter is valid  | Issue Opening Date: November 26, 2024<br>Issue Closing Date: November 26, 2024<br>Pay-in Date: November 27, 2024<br>Deemed Date of Allotment: November 27, 2024 |                              |                |  |                |   |    |

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|   |  |  |                       |                      |  |
|---|--|--|-----------------------|----------------------|--|
| Purpose and objects of the Issue/Offer  | Augmenting lower Tier II Capital (as defined in the New Capital Adequacy Framework issued by RBI) of the issuer for strengthening its capital adequacy and for enhancing its long-term resources. The proceeds of Issue shall be utilized for regular business activities of the Bank. |  |                       |                      |  |
| Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of such objects  | Nil  |  |                       |                      |  |
| Principal terms of assets charged as security, if applicable  | Nil  |  |                       |                      |  |
| The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the ongoing concern status of the Company and its future operations | <b>Entity</b>  | <b>Non – Compliance</b>  | <b>Penalty / Fine</b> | <b>Date of Order</b> | <b>Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.</b> |
|   | 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                                      | Rs.1,00,000           | September 20, 2023   | No additional impact   |
|   | SEBI   | Settlement Order against violations of certain provisions of the LODR Regulations, as detailed in the Settlement Order.  | Rs.1,24,23,600        | April 10, 2024       | No additional impact   |
|   | RBI  | Reporting to Central Repository of Information on Large Credits (CRILC)', 'Operating Guidelines for Small Finance Banks' and for contraventions of provisions of Section 19(2) and | Rs. 1,00,00,000       | July 06, 2021        | No additional impact   |



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|   |                    |  |                           |                            |  |                            |
|---|--------------------|--|---------------------------|----------------------------|--|----------------------------|
|   |                    | Section 20 (1) of Banking Regulation Act, 1949 |                           |                            |  |                            |
| The pre-issue and post issue shareholding pattern of the company (as on date) | <b>Sr. No</b>      | <b>Category</b>                                | <b>Pre-issue</b>          |                            | <b>Post-issue</b>  |                            |
|   |                    |  | <b>No. of shares held</b> | <b>(%) of shareholding</b> | <b>No. of shares held</b>  | <b>(%) of shareholding</b> |
|   | A                  | Promoters' holding                             | 0                         | 0                          | The shareholding pattern of the Bank shall remain unchanged after the Issue. The Debentures being non-convertible, there will be no change in the paid-up capital due to conversion and there will be no change in the balance of the share premium account. |                            |
|   | 1                  | Indian   | 0                         | 0                          |  |                            |
|   |                    | Individual                                     | 0                         | 0                          |  |                            |
|   |                    | Bodies Corporate                               | 759272222                 | 68.94                      |  |                            |
|   |                    | Sub-total                                      | 759272222                 | 68.94                      |  |                            |
|   | 2                  | Foreign promoters                              | 0                         | 0                          |  |                            |
|   |                    | Sub-total (A)                                  | 759272222                 | 68.94                      |  |                            |
|   | B                  | Non-promoters' holding                         | 0                         | 0                          |  |                            |
|   | 1                  | Institutional Investors                        | 121270403                 | 11.01                      |  |                            |
|   | 2                  | Non-Institutional Investors                    | 220826930                 | 20.05                      |  |                            |
|   |                    | Private Corporate Bodies                       | 0                         | 0                          |  |                            |
|   |                    | Directors and relatives                        | 483545                    | 0.04                       |  |                            |
|   |                    | Indian public                                  | 148287819                 | 13.46                      |  |                            |
|   |                    | Others (including Non-resident Indians)        | 72055566                  | 6.54                       |  |                            |
|   |                    | Sub-total (B)                                  | 342097333                 | 31.06                      |  |                            |
|   | <b>Grand Total</b> | <b>1101369555</b>                              | <b>100</b>                |                            |  |                            |

### III. Mode of payment for subscription:

- (a) For issuance in accordance with the EBP Guidelines - NEFT/RTGS/Electronic bank transfers on the EBP platform. The RTGS details of the Issuer are as under:

|                  |                                    |
|------------------|------------------------------------|
| Beneficiary Name | Utkarsh Small Finance Bank Limited |
| Bank Account No. | 1375200000000028                   |
| IFSC Code        | UTKS0001375                        |
| Bank Name        | Utkarsh Small Finance Bank Limited |

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|                |  |
|----------------|--|
| Branch Address | Ground Floor, D 37/37,37A, 111,164 Bara Deo Spice KCM Cineplex,<br>Varanasi, Uttar Pradesh :221001 |
|----------------|--|

**IV. Disclosure with regard to interest of directors, litigation, etc:**

| Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons  | Nil  |   |   |         |                |  |         |  |   |  |         |   |
|--|--|---|---|---------|----------------|--|---------|--|---|--|---------|---|
| Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed   | <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Financial Year</th> <th>Brief description of the case</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2019-20</td> <td>For the FY 2016-17, the Income Tax Return of Utkarsh CoreInvest Limited (UCL) was filed with a refund claim of ₹11.68 Crores. The return was selected for scrutiny and the Income Tax Order was passed on Dec 29, 2019 stating an Income Tax refund of ₹0.25 Crores. only.<br/><br/>Appeal against the Income Tax Order has been filed with CIT(A) on January 27, 2020.</td> </tr> <tr> <td>2.</td> <td>2021-22</td> <td>For FY 2017-18, the Income Tax Return of UCL was filed on October 15, 2018. The return was selected for scrutiny assessment by Income Tax Department and the Company received Income Tax Assessment Order dated Mar 18, 2021 u/s 143(3) read with sections 143(3A) &amp; 143(3B) of the Income Tax Act, 1961 with a demand amounting to ₹1.04 Crores.<br/><br/>Appeal against the said Income Tax Order has been filed with CIT(A) on April 15, 2021.</td> </tr> </tbody> </table> |   |   | Sr. No. | Financial Year | Brief description of the case  | 1.      | 2019-20  | For the FY 2016-17, the Income Tax Return of Utkarsh CoreInvest Limited (UCL) was filed with a refund claim of ₹11.68 Crores. The return was selected for scrutiny and the Income Tax Order was passed on Dec 29, 2019 stating an Income Tax refund of ₹0.25 Crores. only.<br><br>Appeal against the Income Tax Order has been filed with CIT(A) on January 27, 2020. | 2.   | 2021-22 | For FY 2017-18, the Income Tax Return of UCL was filed on October 15, 2018. The return was selected for scrutiny assessment by Income Tax Department and the Company received Income Tax Assessment Order dated Mar 18, 2021 u/s 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961 with a demand amounting to ₹1.04 Crores.<br><br>Appeal against the said Income Tax Order has been filed with CIT(A) on April 15, 2021. |
|  | Sr. No.  | Financial Year  | Brief description of the case   |         |                |  |         |  |   |  |         |   |
|  | 1.   | 2019-20   | For the FY 2016-17, the Income Tax Return of Utkarsh CoreInvest Limited (UCL) was filed with a refund claim of ₹11.68 Crores. The return was selected for scrutiny and the Income Tax Order was passed on Dec 29, 2019 stating an Income Tax refund of ₹0.25 Crores. only.<br><br>Appeal against the Income Tax Order has been filed with CIT(A) on January 27, 2020. |         |                |  |         |  |   |  |         |   |
| 2.   | 2021-22  | For FY 2017-18, the Income Tax Return of UCL was filed on October 15, 2018. The return was selected for scrutiny assessment by Income Tax Department and the Company received Income Tax Assessment Order dated Mar 18, 2021 u/s 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961 with a demand amounting to ₹1.04 Crores.<br><br>Appeal against the said Income Tax Order has been filed with CIT(A) on April 15, 2021. |   |         |                |  |         |  |   |  |         |   |
| <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>As per Clause (e)(ix)(1) of Section 2 of this Key Information Document</td> </tr> <tr> <td>2022-23</td> <td>As per Clause (e)(ix)(1) of Section 2 of this Key Information Document</td> </tr> <tr> <td>2023-24</td> <td>As per Clause (e)(ix)(1) of Section 2 of this Key Information Document</td> </tr> <tr> <td>2024-25</td> <td>As per Clause (e)(ix)(1) of Section 2 of this Key Information Document</td> </tr> </tbody> </table> |  |   | Financial Year  | Amount  | 2021-22        | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document | 2022-23 | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document | 2023-24   | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document | 2024-25 | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document  |
| Financial Year   | Amount   |   |   |         |                |  |         |  |   |  |         |   |
| 2021-22  | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document   |   |   |         |                |  |         |  |   |  |         |   |
| 2022-23  | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document   |   |   |         |                |  |         |  |   |  |         |   |
| 2023-24  | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document   |   |   |         |                |  |         |  |   |  |         |   |
| 2024-25  | As per Clause (e)(ix)(1) of Section 2 of this Key Information Document   |   |   |         |                |  |         |  |   |  |         |   |
| Remuneration of directors (during the current year and last 3 (three) financial years)   |  |   |   |         |                |  |         |  |   |  |         |   |
| Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of the private placement offer cum application letter including with  | As per Note 1 hereto.  |   |   |         |                |  |         |  |   |  |         |   |

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| <p>regard to loans made or guarantees given or securities provided</p>   |  |
| <p>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of the private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</p>  | <p>Nil</p>   |
| <p>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of issue of the private placement offer cum application letter in the case of the Company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries.</p> | <p>Nil</p>   |
| <p>Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company</p>  | <p>As per Clause 4.23 of the General Information Document.</p> |

**V. Financial Position of the Company:**

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|   |  |                            |                            |  |
|---|--|----------------------------|----------------------------|--|
| The capital structure of the company in the following manner in a tabular form: The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) <sup>8</sup>   | <b>Share Capital (as on 30.09.2024)</b>  |                            | <b>Rs. (in Crore)</b>      |  |
|   | <b>Authorised</b><br>180,00,00,000 equity shares of face value of Rs.10/- each<br>20,00,00,000 preference shares of face value of Rs.10/- each   |                            | 2000.00                    |  |
|   | Issued, Subscribed and Fully Paid- up<br>110,13,69,555 equity shares of face value of Rs.10/- each   |                            | 1101.37                    |  |
| Size of the Present Offer   | Up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) plus a green shoe option of up to Rs. 100,00,00,000/- (Rupees One Hundred Crores Only).   |                            |                            |  |
| Paid-up Capital:<br>a. After the offer:<br>b. After the conversion of Convertible Instruments (if applicable)   | Since the issue is of NCDs, hence there is no change in paid-up capital.   |                            |                            |  |
| Share Premium Account:<br>a. Before the offer:<br>b. After the offer:   | Debentures being non-convertible, there will be no change in the balance of the share premium account.   |                            |                            |  |
| Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration | As per Clause (A)(e)(iii) of Section 2 of this Key Information Document  |                            |                            |  |
| Details of allotments made by the Company in the last one year prior to the date of the private placement offer cum application letter for consideration other than cash and details of the consideration in each case.                                       | Nil  |                            |                            |  |
| Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of issue of the private placement offer cum application letter  | <b>Financial year</b>  | <b>PBT (Rs. in crores)</b> | <b>PAT (Rs. in crores)</b> |  |
|   | 2021-22  | 79.71                      | 61.46                      |  |
|   | 2022-23  | 535.81                     | 404.50                     |  |
|   | 2023-24  | 659.39                     | 497.63                     |  |
| Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)   | Final Dividend for FY 23-24 recommended by the Board @5%, i.e., Rs.0.50 per fully paid-up shares. The same was approved by the Shareholders through Ordinary Resolution at the Eight Annual General Meeting of the Bank held on July 22, 2024. The Bank made the payment of Dividend on August 12, 2024. No dividend was declared and distributed during FY 22 and FY23. |                            |                            |  |

<sup>8</sup> The Reserve Bank of India vide its letter dated August 08, 2024 approved the revision in MoA of the Company pursuant to increase in authorized share capital of the Company from Rs.1500 Crores (divided into Rs.1300 Crores equity shares of face value of Rs.10/- each and Rs.200 Crores preference shares of face value of Rs.10/- each) to Rs.2000 Crores (divided into Rs.1800 Crores equity shares of face value of Rs.10/- each & Rs.200 Crores preference shares of face value of Rs.10/- each) vide annual general meeting of the shareholders of the Company held on July 22, 2024.

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|  |   |
|--|---|
| <p>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of the private placement offer cum application letter</p> | <p>As per Section 2 of this Key Information Document.</p>   |
| <p>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of issue of the private placement offer cum application letter</p>   | <p>As per Section 2 of the Key Information Document.</p>  |
| <p>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</p>   | <p>Financial year 2023- 2024<br/>No changes.</p> <p>Financial year 2022- 2023<br/>For microfinance (JLG) loans, recoveries would be appropriated towards installment outstanding and on partial collection, the: appropriation will be in the following priority: (a) first interest component of oldest instalment (“EMI”); (b) then the principal component of oldest EMI and so on both for standard and non performing accounts.</p> <p>Financial year 2021- 2022<br/>With effect from September 25, 2021, except for microfinance (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 penal interest and then charges. For NPAs, appropriation is made towards principal, interest of each EMI followed by oldest penal interest due and then oldest charges for the product defined. Till September 24, 2021, for other than microfinance (JLG) products, recoveries in respect of all past due loan accounts including those classified as NPA was appropriated towards charges, interest, overdue and thereafter toward principal.</p> <p>Penal interest or overdue principal interest and charges are recognized on collection basis except in case of newly launched relationship management products where such penal interest or charges are recognized on accrual basis.</p> <p>Recoveries in respect of purchase of direct assignment pools are to be appropriated as per appropriation methodology followed by the originators of such pools.</p> |

**Note 1: Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided**

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Nil

**Note 2: (a) Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of issue of private placement offer cum application letter (b) dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid) and (c) summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of private placement offer cum application letter**

Please refer to Section 4 of the General Information Document

**Note 3: Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of issue of private placement Offer cum application letter:**

Please refer to Section 4 of the General Information Document

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### PART B– APPLICATION LETTER\*

(To be filed by the Applicant)

- (i) Name
- (ii) Father's name
- (iii) Complete Address including Flat/House Number, street, Locality, pin Code
- (iv) Phone number, if any
- (v) email ID, if any
- (vi) PAN Number
- (vii) Bank Account Details
- (viii) Tick whichever is applicable:

- (A) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares / securities:



- (B) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith:

Not applicable

Signature

Initial of the Officer of the company designated to keep the record

**\*Addressed applicants may please send the dully filled and signed Application Form (enclosed as Annexure) to our corporate office address- Utkarsh Tower, NH – 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, India, 221105**

#### DECLARATION BY THE DIRECTORS THAT-

- a. the Bank has complied with the provisions of Companies Act 2013 and the rules made thereunder;
- b. the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;

I am duly authorized by the Board of Directors of the Bank vide resolution dated September 20, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed

**For and on behalf of Directors of  
Utkarsh Small Finance Bank Limited**

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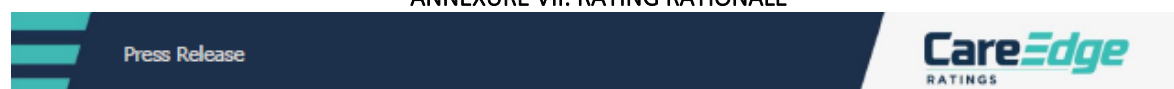
**Name: Govind Singh**  
**Designation: Managing Director and Chief Executive Officer**

**Date: November 21, 2024**  
**Place: Mumbai**



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## ANNEXURE VII: RATING RATIONALE



### Utkarsh Small Finance Bank Ltd

October 31, 2024

| Instruments   | Amount (₹ crore) | Rating <sup>1</sup> | Rating Action |
|---------------|------------------|---------------------|---------------|
| Tier-II Bonds | 200.00           | CARE A+; Stable     | Assigned      |
| Tier-II Bonds | 15.00            | CARE A+; Stable     | Reaffirmed    |

Details of instruments in Annexure-1.

#### Rationale and key rating drivers

The rating assigned to Utkarsh Small Finance Bank Ltd (USFBL) continues to derive strength from its comfortable capitalisation levels through regular equity infusions with the latest round of equity infusion coming through initial public offer (IPO) of ₹500 crore in July 2023 supported by accretion of profits and sustainable growth in scale of operations with comfortable asset quality. The rating also factors in the stable profitability as the bank reported a profit after tax (PAT) of ₹498 crore in FY24 (refers to April 01 to March 31) against ₹405 crore in FY23 resulting in return on total asset (ROTA) of 2.32% in FY24 against 2.38% in FY23.

However, the rating continues to be constrained by geographic concentration in advances wherein top two states contribute 54% and product concentration with high exposure to micro-banking segment, exposing it to inherent risk of the microfinance sector. Over the years, the bank has diversified its non-microbanking retail portfolio, leading to a steady improvement in its proportion of the overall loan portfolio. While the bank has been able to grow its deposit base in recent years, the current account savings account (CASA) ratio continues to be relatively low with a CASA of 19.01% as on June 30, 2024.

#### Rating sensitivities: Factors likely to lead to rating actions

##### Positive factors – Factors that could lead to positive rating action/upgrade

- Significantly increasing scale of operations with sustained improvement in asset quality while maintaining comfortable capitalisation levels.
- Sustenance of profitability with ROTA above 2.25%.
- Diversification in resource profile with continuous improvement in CASA proportion on a sustained basis.

##### Negative factors – Factors that could lead to negative rating action/downgrade

- Significant weakening of asset quality leading to declining profitability metrics with ROTA below 0.5% over medium term.
- Deteriorating asset quality with gross non-performing asset (GNPA) escalating above 4%.

#### Analytical approach: Standalone

#### Outlook: Stable.

The stable outlook reflects the likely continuation of steady growth in advances with comfortable capitalisation levels and healthy profitability levels while maintaining stable asset quality.

#### Detailed description of key rating drivers:

##### Key strengths

##### Comfortable capitalisation levels

The bank continues to be adequately capitalised by maintaining adequate cushion over the minimum regulatory requirement. USFBL reported a total capital adequacy ratio (CAR) at 23.18% (March 31, 2024: 22.57% and March 31, 2023: 20.64%) and Tier-I CAR of 20.39% (March 31, 2024: 20.95% and March 31, 2023: 18.25%), as on June 30, 2024. The capitalisation is supported by regular equity raise and consistent internal accruals. The latest equity was raised through IPO of ₹500 crore in July 2023. The bank also raised ₹200 crore through lower Tier-II bonds in June 2024. CARE Ratings expects the bank to maintain sufficient cushion as it scales up its operations going forward.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications

#### Stable profitability

USFBL's net interest income (NII) grew by 23% from ₹1,529 crore in FY23 to ₹1,886 crore in FY24 supported by healthy growth in business in FY24. Bank's net interest margins (NIMs) declined marginally from 8.99% in FY23 to 8.81% in FY24 considering declining share of high yielding micro-banking loan portfolio and cost of fund increased in line with industry trend. Opex increased by 30% due to investment in technology, branch expansion, and manpower leading to increase in cost to income to 56% for FY24 compared to 54% for the previous year. USFBL's pre-provisioning operating profit (PPOP) increased by 19% year-on-year to ₹997 crore in FY24 compared to ₹838 crore in FY23. Credit cost was relatively lower at 1.58% for FY24 compared to previous year. The ROTA was stable at 2.32% for FY24 vs 2.38% for FY23. On an absolute basis, the bank's PAT increased by 23% in FY24 to ₹498 crore vs. ₹405 crore in FY23.

The bank reported net profit of ₹137 crore for Q1FY25 growing 28% YOY compared to ₹107 crore for Q1FY24. The ROTA was stable in Q1FY25 at 2.26% compared to 2.24% in Q1FY24. The credit cost increased in Q1FY25 due to deterioration in asset quality and increase in floating provision. However, CARE Ratings expects the profitability to remain stable over the medium term.

#### Sustained scaling up of operations, however, asset quality remains monitorable

The bank registered a 31% growth in the gross loan portfolio year-on-year and stood at ₹18,798 crore as on June 30, 2024. Majority of the portfolio continues to be micro-banking loans, though its share has seen a gradual decline from 95% as on March 31, 2017, to 61% as on June 30, 2024. While the bank will continue to grow micro-banking loans, it is focusing on increasing other non-micro banking segments, especially secured loans.

Going forward, while the bank intends to continuously grow microfinance portfolio at healthy pace, other lending verticals (being smaller in size) are expected to grow even faster than micro-banking business and hence the share of micro-banking loans in overall loan book is expected to reduce further.

The GNPA levels peaked at 6.10% as on March 31, 2022, due to COVID-19 and have since declined to 2.51% as on March 31, 2024. However, the asset quality has seen moderation in Q1FY25 with stress in the microfinance segment leading to increased slippages resulting in GNPA to increase to 2.78% as on June 30, 2024. The GNPA may remain elevated for Q2FY25 and the improvement may happen from Q3FY25 onwards. The bank-maintained provision coverage ratio (PCR) including floating provision of 91% on GNPA. Gross stressed assets to gross advances and net stressed to net worth stood comfortable at 2.82% and 1.64% as on June 30, 2024 compared to 3.46% and 4.23% as on March 31, 2023. CARE Ratings observes, the bank's ability to manage asset quality and credit cost remain critical for stability of its profitability and return ratios going forward.

#### Key weaknesses

##### Geographical and product concentration of loan portfolio

The bank has 916 banking outlets spread across 22 states and four union territories (UTs) as on June 30, 2024. The top two states - Bihar and UP, constitute ~46% of branches and 54% of gross loan portfolio (70% of micro-banking loans) as on June 30, 2024. However, the geographical concentration is improving gradually with the opening of new branches outside of these two states and diversification in product mix with scaling of other retail loans. The reduction in micro finance loan book and reduction in the geographical concentration would be critical for its credit profile and is a key rating monitorable.

##### Relatively low CASA

The bank's liability mix has undergone substantial change as deposits as a percentage of total liabilities has been increasing with reduction in dependence on borrowings as is evident from the improving credit to deposit ratio. USFBL's deposits have grown ~30% y-o-y and stood at ₹18,163 crore with CASA proportion remaining relatively modest at 19% as on June 30, 2024. The bank's CASA proportion remains lower compared to its peers in the small finance banking industry. The bank has been focusing on building its granular retail deposits book and its CASA plus retail term deposits (upto ₹3 crore) constituted 67% as on June 30, 2024. Its dependence on wholesale term deposits continues to be high at 33% as on June 30, 2024, although the same has been improving in the last few years. CARE Ratings expects the bank to focus on raising CASA deposits, which would provide the bank a stable depositor base and reduce cost of funding over the medium term.

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**Socio-political and regulatory risks inherent in the micro finance industry**

Micro-banking continues to be the key lending segment for the bank forming ~61% of the total loan portfolio as on June 30, 2024 (March 31, 2023: 66%). The microbanking customers have marginal credit profile being from the economically weaker section (EWS) and low-income group (LIG) segments remain vulnerable to economic downturns and political events, which affects their repayment capacity. Over the years, the bank has diversified its non-microbanking retail portfolio, leading to a steady reduction in the composition of the micro-finance loan portfolio. The portfolio continues to be impacted by the inherent risk involved, socio-political intervention risk, and risks emanating from unsecured lending.

**Liquidity: Strong**

Per the structural liquidity statement as on June 30, 2024, there were no negative cumulative mismatches for time buckets up to one year. The bank also maintained the excess SLR of ₹2,200 crore (12.35%) over and above regulatory requirements, which provides liquidity buffer. In addition, the bank has access to borrowing from Reserve Bank of India’s (RBI’s) liquidity adjustment facility (LAF) and marginal standing facility (MSF) and option to refinance from Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB), and National Bank for Agriculture and Rural Development (NABARD) among others, and access to call money markets. The bank’s liquidity coverage ratio was comfortable at 177.41% as on June 30, 2024, against the minimum regulatory requirement of 100%.

**Environment, social, and governance (ESG) risks:**

**Environment**

- Exclusion list which restricts funding to certain sectors.
- Energy saving drive across bank.

**Social**

- The bank serve bottom of pyramid through micro-banking and other retail products.
- Joint-liability group (JLG) loans are lent to women for income generation.

**Governance**

- Diversified Board with women representation.
- Bank has created separate committee ensuring strong governance.

**Applicable criteria**

- [Definition of Default](#)
- [Rating Outlook and Rating Watch](#)
- [Bank](#)
- [Financial Ratios - Financial Sector](#)
- [Rating Basel III - Hybrid Capital Instruments issued by Banks](#)

**About the company and industry**

**Industry classification**

| Macroeconomic Indicator | Sector             | Industry | Basic Industry |
|-------------------------|--------------------|----------|----------------|
| Financial services      | Financial services | Banks    | Other bank     |

USFBL, based out of Varanasi is a subsidiary of Utkarsh CoreInvest Limited (UCL), a non-banking financial company non-deposit taking systemically important core investment company (NBFC-NDSI-CIC) with the RBI. The company commenced banking operations on January 23, 2017, upon receipt of license from RBI on November 25, 2016, and subsequent transfer of business from UCL, which was carrying on the micro lending operations since September 2009. USFBL extends microfinance loans based on the JLG model to individuals, which constituted nearly 61% of the gross loan portfolio of the company as on June 30, 2024. The bank also extends wholesale

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loans, MSME loans, and housing loans to the borrowers. USFBL provides microfinance loans through Business Correspondence activities as well. USFBL's gross loan portfolio stood at ₹18,798 crore as on June 30, 2024. The bank's operations are currently spread across 22 states and four union territories (UTs). As on June 30, 2024, it had 916 banking outlets, 321 ATMs, and 641 micro-ATMs. The bank is headed by Govind Singh, MD & CEO, whose reappointment as MD & CEO has been approved by RBI for three years on September 21, 2024. USFBL vide announcement to the stock exchanges on September 20, 2024 informed the exchanges that its board of directors approved scheme of amalgamation of UCL, the holding company with USFBL, subject to the approval of shareholders, debenture holders, RBI, Stock exchanges, NCLT and other competent authority, as may be applicable. The scheme is subject to the expiry of the lock-in restriction on equity shares held by UCL in the USFBL which expires on January 19, 2025. The amalgamation would be through share exchange ratio of 669 equity shares of face value of ₹10 each of USFBL, for every 100 equity shares of face value of ₹10 each of UCL. The Scheme would result in increase of public shareholding in USFBL from 30.98% as on June 30, 2024 to 100%.

#### USFBL Financials

| Brief Financials (₹ crore) | 31-03-2023 (A) | 31-03-2024 (A) | 30-06-2024 (UA) |
|----------------------------|----------------|----------------|-----------------|
|                            | 12M            | 12M            | 3M              |
| Total income               | 2,804          | 3,579          | 1,071           |
| PAT                        | 405            | 498            | 137             |
| Total assets               | 19,030         | 23,798         | 24,780          |
| Net NPA (%)                | 0.39           | 0.03           | 0.26            |
| ROTA (%)                   | 2.38           | 2.32           | 2.26            |

A: Audited; UA: Unaudited; Note: these are latest available financial results  
All calculations per CARE Ratings

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

#### Annexure-1: Details of instruments

| Name of the Instrument | ISIN         | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|------------------------|--------------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Bonds-Tier-II Bonds    | INE735W08020 | 30-Aug-2018                   | 10.577          | 30-Aug-2025                | 15.00                       | CARE A+; Stable                           |
| Bonds-Tier-II Bonds    | Proposed     | -                             | -               | -                          | 200.00                      | CARE A+; Stable                           |

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**Annexure-2: Rating history of last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                 | Rating History                              |   |   |   |
|---------|--|-----------------|------------------------------|-----------------|---|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating          | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1       | Bonds-Tier II Bonds                    | LT              | -                            | -               | -   | -   | 1)Withdrawn (29-Sep-22)                     | 1)CARE A; Stable (20-Dec-21)                |
| 2       | Bonds                                  | LT              | 15.00                        | CARE A+; Stable | 1)CARE A+; Stable (24-Sep-24)               | 1)CARE A+; Stable (26-Sep-23)               | 1)CARE A; Positive (29-Sep-22)              | 1)CARE A; Stable (20-Dec-21)                |
| 3       | Bonds                                  | LT              | 200.00                       | CARE A+; Stable |   |   |   |   |

LT-Long term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

| Sr No | Name of the Instrument | Complexity Level |
|-------|------------------------|------------------|
| 1     | Bonds                  | Simple           |

**Annexure-5: Lender details** - Not applicable

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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Press Release



### Contact us

| Media Contact   | Analytical Contacts   |
|---|---|
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#### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

#### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For detailed Rationale Report and subscription information,  
please visit [www.careedge.in](http://www.careedge.in)

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**ANNEXURE VIII: FINANCIALS**

**Standalone Audited Financial Statement**

**[AS ANNEXED SEPARATELY]**

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**ANNEXURE IX: BOARD AND COMMITTEE RESOLUTION**

**[ATTACHED SEPARATELY]**