



Date: November 10, 2020

TO,
BSE LIMITED,
PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
MUMBAI - 400001
Maharashtra

Dear Sir/ Madam,

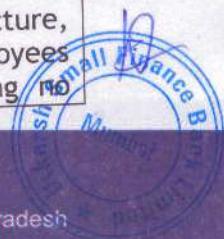
Subject: Disclosure pursuant SEBI Circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020

Pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20.05.2020, we hereby submit the disclosure of material impact of COVID-19 Pandemic on the Bank:

Sr. No.	Particulars	Disclosures
1	Impact of COVID 19 pandemic on the business the factories/units/office spaces functioning and closed down	Banking being categorised as essential services, Government of India advised banks to continue their operations during lockdown. Further, to contain the spread of COVID-19, the Indian Banks' Association (IBA) had put in place Standard Operating Procedures (SOPs) for banks to carry out certain essential banking activities. After partial relaxation of Lockdown norms by Central and State Governments, full-fledged banking operations resumed in most of the branches after following safety norms. The Bank offered moratorium to its customers as per Board approved policy in line with RBI directions.
2	Ability to maintain operations including the factories/units/office spaces functioning and closed down and schedule, if any for restarting the operations	Banking being categorised as essential services, the Bank continued to operate through its branches and digital platforms even during lockdown in line with regulatory and statutory guidelines.
3	Steps taken to ensure smooth functioning of operations	The Bank continued to operate during the lockdown and undertook safety measures such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization for its employees. The Bank also maintains VPN infrastructure, which enabled and equipped its employees to work from home thereby ensuring

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Utkarsh Small Finance Bank Ltd. S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi-221002, Uttar Pradesh
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		disruptions in customer service. The bank has issued detailed work from home guidelines to enable secured usage.
4	Estimation of the future impact of COVID 19 on its operations	Pandemic and nationwide lockdown resulted in severe impact on the business operations of the Bank in the month of April 2020 and May 2020. Overall collections and disbursements came to a standstill due to lockdown during these months. Since June 2020 onwards, Bank was able to operate at a much higher capacity compared to the previous two months. The Bank has shown considerable improvement in the overall business operations in Q2-FY21. During this time, the Bank has also successfully implemented business continuity plan and was able to service its customers with limited interruption. Post the unlocking announcement, focus of the Bank was to maximise the collections and to minimise impact on the overall P&L. As some of our customers are impacted due to COVID-19 situation, Bank may face increased NPAs as also impact on profitability in FY21. If COVID and the resultant lockdown situation recurs, leading to impact on the customers' business/income, the Bank's financial performance might be impacted to that effect.
5	Impact of COVID - 19 on capital and financial resources	The Bank is maintaining capital adequacy of 25.99% as of September 30, 2020 as against the regulatory requirement of 15%. Further, the Bank is maintaining adequate liquidity to meet its obligations from time to time. The Bank has Liquidity Coverage Ratio of 335% as of September 30, 2020 as against the minimum regulatory requirement of 80%.
6	Impact of COVID - 19 on Bank's assets and profitability	The Bank reported Profit After Tax (PAT) of Rs.77.9 crore during H1' FY21 (after creating a COVID-19 provision of ₹95 Crore in H1'FY21), as against Rs.115.4 crore during H1' FY20
7	Impact of COVID - 19, liquidity position, ability to service	The Bank has a very comfortable liquidity position. This is supported by strong Liquidity



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	debt and financial arrangements	Coverage Ratio figures and positive Structure Liquidity Statement Position. As on March 31, 2020 the Liquidity Coverage Ratio of the Bank was more than 200% against the regulatory requirement of 80%. The Liquidity Coverage Ratio position as on September 30, 2020 was at 335%.
8	Impact on internal financial reporting and control	The Bank functioned normally while COVID-19 was at its peak, taking necessary measures to ensure business continuity of banking services. There had been no impact as such, on the internal financial controls and reporting.
9	Impact of COVID - 19, Demand for its product / services	<p>As economic activities are picking up, the Bank does not envisage any material impact on demand for its products and services.</p> <p>Further, on account of the COVID-19 pandemic, we recently introduced the following products:</p> <p>(i) Utkarsh Sambal: This product is designed to meet the customers' livelihood support requirement on account of the COVID-19 pandemic. The loan is a need based loan and the quantum is decided based on the current credit assessments parameters applicable for our JLG customers. All existing JLG loan customers are eligible for such a loan, subject to certain conditions. These loans range between ₹ 6,000 and ₹ 10,000 with a tenor of 12 months and rate of interest being 15% per annum. This scheme was applicable till September 30, 2020.</p> <p>(ii) PM SVANidhi Loan Scheme: The Ministry of Housing and Urban Affairs has recently launched Prime Minister's Street Vendor's Atmanirbhar Nidhi ("PM SVANidhi"), a special Micro Credit Facility Scheme for providing</p>



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		affordable loans to street vendors to resume their livelihoods that have been adversely affected due to the COVID-19 pandemic. PM SVANidhi loan product is designed to meet such customers' current livelihood support requirement. The loan is for a maximum amount of ₹ 10,000 and the tenor of the loan is 12 months with rate of interest being 15% per annum.
10.	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	There are no such contracts for non-fulfilment of obligations by any party and hence no impact observed on the Bank's Business

Thanking you,

Sincerely yours,

For Utkarsh Small Finance Bank Limited

Nutan Anand Rane
Company Secretary



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