

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report on the Financial Results of Utkarsh Small Finance Bank Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Utkarsh Small Finance Bank Limited

1. We have audited the accompanying annual financial results of Utkarsh Small Finance Bank Limited (the 'Bank') for the year ended 31 March 2018 (the 'Financial Results'), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (the 'SEBI Regulations'). Attention is drawn to the fact that the figures for the half year ended 31 March 2018 and the corresponding half year ended in the previous financial year as reported in these Financial Results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the first half year of the relevant financial year. Also the figures up to the half year ended 30 September 2017 had only been reviewed and not subjected to audit and the financial information for the period ended 30 September 2016 have not been subjected to audit or limited review.
2. These Financial Results have been prepared on the basis of annual financial statements and reviewed half yearly financial results which are responsibility of the Bank's management. Our responsibility is to express an opinion on these Financial Results based on our audit of the annual financial statements, which have been prepared in accordance with the recognition and measurement principles prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder, provisions of Section 29 of the Banking Regulation Act, 1949, circulars, guidelines and directions issued by RBI from time to time and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditor's Report on the Financial Results of Utkarsh Small Finance Bank Limited pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Utkarsh Small Finance Bank Limited

4. In our opinion and to the best of our information and according to the explanations given to us, these Financial Results;
- i. have been presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - ii. give a true and fair view of the net loss and other financial information for the year ended 31 March 2018.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
8 May 2018



Utkarsh Small Finance Bank

Utkarsh Small Finance Bank Limited

Registered office address: S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi, Uttar Pradesh, India, 221002

Balance Sheet as at 31 March 2018

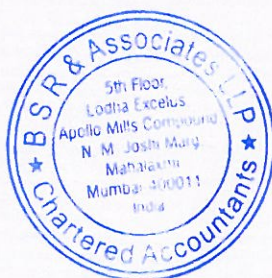
(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
	Audited	Audited
CAPITAL and LIABILITIES		
Capital	47,005.00	30,005.00
Reserves and Surplus	(5,818.18)	483.48
Deposits	219,386.68	1,872.23
Borrowings	178,884.64	228,882.83
Other Liabilities and Provisions	12,914.32	6,289.35
Total	452,372.46	267,532.89
ASSETS		
Cash and balances with Reserve Bank of India	20,556.41	4,238.44
Balances with banks and money at call and short notice	36,319.04	14,961.15
Investments	66,127.37	72,922.93
Advances	308,252.11	159,390.87
Fixed Assets	8,726.65	2,161.58
Other Assets	12,390.88	13,857.92
Total	452,372.46	267,532.89
Contingent Liabilities	12,799.81	4,101.26
Bills for Collection	-	-

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
 CIN: U65992UP2016PLC082804


Govind Singh
 Managing Director & CEO
 DIN : 02470880

Place : Mumbai
 Date : 8 May 2018



Registered & Corporate Office:

Utkarsh Small Finance Bank Ltd., S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazaar, Varanasi - 221002, Uttar Pradesh
 CIN: U65992UP2016PLC082804 | Tel.: +91-542-2500596 | Website: www.utkarsh.bank



Utkarsh Small Finance Bank Limited
Registered office address: S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi, Uttar Pradesh, India, 221002
Financial results for the year ended 31 March 2018

Utkarsh Small Finance Bank

(₹ in lakhs)

		Six months ended		Year ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Unaudited	Unaudited	Audited	Audited
I	INCOME				
	Interest Earned	29,953.07	8,688.94	51,902.61	8,688.94
	Other Income	2,023.83	331.53	4,283.70	331.53
		31,976.90	9,020.47	56,186.31	9,020.47
II	EXPENDITURE				
	Interest Expended	13,622.85	4,429.29	25,073.05	4,429.29
	Operating Expenses	12,407.40	3,489.35	23,555.32	3,489.35
	Provisions and Contingencies	9,251.99	618.35	13,859.60	618.35
		35,282.24	8,536.99	62,487.97	8,536.99
III	PROFIT/LOSS				
	Net (Loss)/ Profit for the year/period	(3,305.34)	483.48	(6,301.66)	483.48
	Balance in Profit and Loss account brought forward	(2,633.71)	-	362.61	-
		(5,939.05)	483.48	(5,939.05)	483.48
IV	APPROPRIATIONS				
	Transfer to Statutory Reserve	-	120.87	-	120.87
	Balance carried over to Balance Sheet	(5,939.05)	362.61	(5,939.05)	362.61
		(5,939.05)	483.48	(5,939.05)	483.48
V	EARNING PER EQUITY SHARE				
	Basic EPS (₹) (not annualised for six months)	(0.91)	0.51	(1.73)	0.51
	Diluted EPS (₹) (not annualised for six months)*	(0.91)	0.27	(1.73)	0.27
	Face Value of shares (₹)	10	10	10	10
VI	Debt-equity ratio	4.34	7.51	4.34	7.51
VII	Networth	41,186.82	30,488.48	41,186.82	30,488.48
VIII	Capital Redemption Reserve	-	-	-	-
IX	Capital Adequacy Ratio	17.40%	25.87%	17.40%	25.87%

*The outstanding potential equity shares has an anti-dilutive effect on EPS for the year and half year ended 31 March 2018. Hence, basic earnings per share equals diluted earnings per share.

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 08 May 2018.
- The statutory auditors of the Bank have audited the financial results of the Bank for the year ended 31 March 2018.
- The Company has been incorporated on 30 April 2016 and the Reserve Bank of India ("RBI") issued license no. MUM: 125 on 25 November 2016 to the Company to carry on business as a Small Finance Bank with certain terms and conditions and its banking operations commenced effective 23 January 2017 pursuant to RBI approval. As a result, the previous period figures are not strictly comparable with those of the current year. Scheduled Bank Status was accorded to the Bank by Reserve Bank of India vide notification No. DBR.NBD. (SFB-UMFL).No. 2689/16.13.216/2017-2018 dated 04 October 2017 and has been published in the Gazette of India on 7 November 2017.
- These financial results have been prepared in all material respects in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India including, circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the year, the Bank has allotted 120,000,000 equity shares of Rs. 10 each by way of conversion of compulsarily convertible debentures into common equity to its holding company, Utkarsh Micro Finance Limited. On 26 March 2018, the Bank allotted 50,000,000 equity shares of Rs. 10 each through a rights issue to its existing shareholders.
- The figures for the half year ended 31 March 2018 and the corresponding half year ended in the previous financial year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the first half year of the relevant financial year. Also the figures up to the half year ended 30 September 2017 had only been reviewed and not subjected to audit and the financial information for the period ended 30 September 2016 have not been subjected to audit or limited review.
- Refer Annexure I for details of credit ratings assigned, interest and principal repayment due dates on Non Convertible Debentures as per regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Figures of the previous period / year have been regrouped / reclassified, wherever necessary to conform current period classification.

for and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: U65992UP2016PLC082804

Govind Singh
Managing Director & CEO
DIN: 02470880

Place : Mumbai
Date : 8 May 2018



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Utkarsh Small Finance Bank

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Statement of Audited Financial Results for the year ended 31 March 2018

Annexure I

Details of Non Convertible Debentures are as follows:-

Sr. No.	ISIN	Credit Rating		Previous Due Date		Next Due Date	
		Previous rating	Revised rating	Principal	Interest	Principal	Interest
1	INE396P07100	ICRA A-	ICRA A-	-	26, Feb, 18	26, Feb, 21	26, Aug, 18
2	INE396P07092	ICRA A-	ICRA A-	-	27, Nov, 17	27, Nov, 21	27, May, 18
3	INE396P08074	CARE A*	CARE A	-	12, Jan, 18	12, Jan, 26	12, Jul, 18
4	INE396P07035	ICRA A-	ICRA A-	13, Nov, 17	13, Nov, 17	-	-
5	INE396P07084	CARE A	CARE A	-	13, Nov, 17	13, Sep, 19	13, May, 18
6	INE396P07050	ICRA A-	ICRA A-	15, Jun, 17	15, Jun, 17	-	-
7	INE396P07068	ICRA A-	ICRA A-	16, Sep, 17	16, Sep, 17	-	-
8	INE396P08041	CARE A*	CARE A	-	28, Mar, 18	27, Dec, 19	28, Jun, 18
9	INE396P08066	CARE A*	CARE A	-	30, Mar, 18	30, Jun, 22	30, Jun, 18
10	INE396P08025	CARE A*	CARE A	28, Mar, 18	28, Mar, 18	28, Jun, 18	30, Apr, 18
11	INE396P08058	CARE A*	CARE A	-	15, Dec, 17	13, Dec, 19	17, Dec, 18
12	INE396P07118	CARE A	CARE A	-	31, Mar, 18	17, Mar, 21	30, Apr, 18
13	INE396P08082	CARE A*	CARE A	-	16, Jan, 18	16, Jan, 20	16, Apr, 18

All the principal and interest due were paid on due dates.

* Ratings mentioned above are assigned at the time of issuance and has not undergone any changes from then

for Utkarsh Small Finance Bank Limited
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