



Reference No: SE/2022-23/06

To,
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001
Maharashtra

April 25, 2022

Dear Sir/ Madam

Scrip Code: 949694

Sub: Outcome of Board of Directors meeting of Utkarsh Small Finance Bank Limited

Pleased be informed that pursuant to Regulation 51 read with Part B of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Utkarsh Small Finance Bank Limited ("Bank") had at their meeting held on Monday, April 25, 2022 inter alia approved annual audited financial results.

Further in term of Regulation 52(3), we hereby declare that the M/s. Haribhakti & Co. LLP, Statutory Auditors of the Bank have submitted audit report with unmodified opinion for the annual audited financial results of the Bank for the year ended March 31, 2022.

The Financial Results shall be made available on the website of the Bank <https://www.utkarsh.bank>.

The meeting of Board of Directors concluded at 6:30 p.m.

We request you to take this on record.

Thanking you,

Yours Faithfully
For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary & Compliance Officer

Enc:
Audit Report
Audited Financial Result

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Utkarsh Small Finance Bank Limited

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying annual financial results of **Utkarsh Small Finance Bank Limited** ("the Bank") for the year ended March 31, 2022 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure as at March 31, 2022, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31, 2022, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of net profit and other financial information of the Bank for the year ended March 31, 2022.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 9 to the Statement which explains that the extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Board of Directors' Responsibility for the Financial Results

This Statement has been compiled from the annual audited financial statements. The Bank's Management and Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other financial information of the Bank in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, Banking Regulations Act, 1949 and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

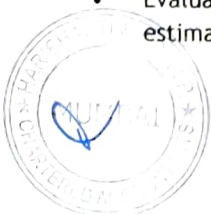
The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Statement includes the results for the quarter ended March 31, 2022, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP
Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Purushottam Nyati

Partner

Membership No. 118970

UDIN: 22118970AHTUEY9119



Place: Mumbai

Date: April 25, 2022

Utkarsh Small Finance Bank Limited
Registered office address: Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh – 221105
Statement of Audited Financial Results for the quarter and year ended 31 March 2022

| (₹ in lakhs) | | | | | | |
|---|---|--|---|-------------------------------------|-------------------------------------|--|
| | For the quarter ended 31 March 2022 | For the quarter ended 31 December 2021 | For the quarter ended 31 March 2021 | For the year ended 31 March 2022 | For the year ended 31 March 2021 | |
| | Audited # | Unaudited | Audited # | Audited | Audited | |
| 1 Interest Earned (a+b+c+d) | 53,602.62 | 44,062.56 | 41,543.52 | 184,881.26 | 158,098.73 | |
| (a) Interest/ discount on advances/ bill | 49,274.16 | 38,997.74 | 36,663.67 | 164,612.63 | 138,574.37 | |
| (b) Income on investments | 3,318.89 | 3,842.86 | 4,074.85 | 15,492.52 | 14,869.18 | |
| (c) Interest on balances with Reserve Bank of India and other interbank | 1,008.66 | 1,220.95 | 804.47 | 4,772.48 | 4,651.84 | |
| (d) Others | 0.91 | 1.01 | 0.53 | 3.63 | 3.34 | |
| 2 Other Income | 5,022.18 | 5,299.63 | 3,061.97 | 18,483.34 | 12,484.90 | |
| 3 Total Income (1+2) | 58,624.80 | 49,362.19 | 44,605.49 | 203,364.60 | 170,583.63 | |
| 4 Interest Expended | 20,138.47 | 19,384.65 | 18,214.38 | 78,796.25 | 74,174.07 | |
| 5 Operating Expenses (i)+(ii) | 22,008.08 | 18,740.15 | 16,445.25 | 73,634.46 | 54,505.72 | |
| (i) Employees cost | 12,727.95 | 11,154.19 | 9,934.49 | 42,982.55 | 32,620.41 | |
| (ii) Other operating expenses | 9,280.13 | 7,585.96 | 6,510.76 | 30,651.91 | 21,885.31 | |
| 6 Total Expenditure (4+5) excluding provisions and contingencies | 42,146.55 | 38,124.80 | 34,659.63 | 152,430.71 | 128,679.79 | |
| 7 Operating Profit before Provisions and Contingencies (3-6) | 16,478.25 | 11,237.39 | 9,945.86 | 50,933.89 | 41,903.84 | |
| 8 Provisions (other than tax) and Contingencies | 10,905.88 | 13,850.75 | 8,122.34 | 42,962.61 | 26,760.18 | |
| 9 Exceptional item | - | - | - | - | - | |
| 10 Profit / (Loss) before tax (7-8-9) | 5,572.37 | (2,613.36) | 1,823.52 | 7,971.28 | 15,143.66 | |
| 11 Tax expense | 729.63 | (150.13) | 455.92 | 1,825.12 | 3,962.15 | |
| 12 Net Profit / (Loss) after tax (10-11) | 4,842.74 | (2,463.23) | 1,367.60 | 6,146.16 | 11,181.51 | |
| 13 Paid-up equity share capital (of ₹ 10 each) | 89,552.15 | 89,550.37 | 84,833.39 | 89,552.15 | 84,833.39 | |
| 14 Reserves excluding Revaluation Reserves | | | | 67,677.53 | 52,001.87 | |
| 15 Analytical Ratios | | | | | | |
| (i) Capital Adequacy Ratio @ | 21.59% | 25.14% | 21.88% | 21.59% | 21.88% | |
| (ii) EPS Basic (₹) (not annualised for quarter) | 0.55 | (0.28) | 0.18 | 0.70 | 1.46 | |
| (iii) EPS Diluted (₹) (not annualised for quarter) | 0.55 | (0.28) | 0.18 | 0.70 | 1.46 | |
| (iv) NPA Ratios: | | | | | | |
| Gross NPA | 64,815.69 | 81,800.21 | 31,528.87 | 64,815.69 | 31,528.87 | |
| Net NPA | 23,579.55 | 34,308.75 | 10,881.75 | 23,579.55 | 10,881.75 | |
| % of Gross NPA to Gross advances | 6.10% | 8.91% | 3.75% | 6.10% | 3.75% | |
| % of Net NPA to Net advances | 2.31% | 3.94% | 1.33% | 2.31% | 1.33% | |
| (v) Return on Assets (not annualised for quarter) | 0.35% | -0.78% | 0.12% | 0.48% | 1.04% | |
| (vi) Net Worth* | 142,076.05 | 140,380.90 | 125,651.51 | 142,076.05 | 125,651.51 | |
| (vii) Total Debt to Total Assets ratio | 17.07% | 16.28% | 21.48% | 17.07% | 21.48% | |
| (viii) Asset Cover Ratio | 161.19% | 176.68% | 150.41% | 161.19% | 150.41% | |
| (ix) Debt Equity Ratio ** | 1.64 | 1.36 | 1.91 | 1.64 | 1.91 | |

* as per RBI guidelines

** Debt (excluding deposits) / Share Capital plus Reserves

Debt represents total borrowings of the Bank & Equity consists of Share Capital plus Reserves

The figures of the quarters ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year and the figures of nine months ended 31 December 2021 and 31 December 2020 respectively, which were subjected to limited review by the statutory auditors.

@ The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous year is not adjusted to consider the impact of subsequent changes if any, in the guidelines.

As per regulation 52(4) of SEBI (Listing Obligation & Disclosure Requirements) regulations 2015, the debt listed entities are required to disclose certain ratios. However the ratios which are not relevant to Banking sector are not disclosed above.



Notes:

1. Statement of Assets and Liabilities is given below:

(₹ in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| | Audited | Audited |
| CAPITAL AND LIABILITIES | | |
| Capital | 89,552.15 | 84,833.39 |
| Reserves and Surplus | 67,677.53 | 52,001.87 |
| Deposits | 1,007,418.26 | 750,756.81 |
| Borrowings | 257,193.49 | 260,782.52 |
| Other Liabilities and Provisions | 84,535.55 | 65,416.64 |
| | 1,506,376.98 | 1,213,791.23 |
| ASSETS | | |
| Cash and balances with Reserve Bank of India | 53,389.72 | 27,493.83 |
| Balances with banks and money at call and short notice | 133,775.19 | 89,487.77 |
| Investments | 234,792.38 | 231,393.56 |
| Advances | 1,022,814.73 | 821,685.75 |
| Fixed Assets | 28,653.35 | 18,117.12 |
| Other Assets | 32,951.61 | 25,613.20 |
| | 1,506,376.98 | 1,213,791.23 |



2. Statement of cash flow is given below:

(₹ in lakhs)

| S.No | Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-------|---|-------------------------------------|-------------------------------------|
| I | Cash flow from operating activities | | |
| | Profit before taxes | 7,971.28 | 15,143.66 |
| | Adjustments for:- | | |
| | Depreciation on fixed assets | 4,088.40 | 2,957.70 |
| | (Reversal of Depreciation) / Depreciation on investments, net | (1,494.09) | 1,930.11 |
| | Amortization of premium on Held to Maturity Investment | 1,749.21 | 1,056.30 |
| | Profit on sale & Redemption of HTM portfolio | (41.37) | (1,502.64) |
| | Unrealised loss on external commercial borrowings | (60.39) | (184.75) |
| | Write-off of non performing advances | 21,938.34 | 3,523.68 |
| | Provision for standard advances and other contingencies | (171.15) | 6,015.61 |
| | Provision for non performing advances (net of reversal) | 20,242.54 | 17,145.30 |
| | (Profit) / Loss on sale of fixed assets (Net) | (6.25) | 2.11 |
| | Other provisions and write off | 1,719.57 | 240.80 |
| | | 55,936.09 | 46,327.88 |
| | Adjustments for:- | | |
| | Decrease / (Increase) in investments | 55,636.28 | (68,328.82) |
| | (Increase) in advances | (243,444.84) | (214,195.13) |
| | Increase in deposits | 256,661.44 | 227,235.56 |
| | (Increase) / Decrease in other assets | (3,892.59) | 4,307.87 |
| | Increase in other liabilities and provisions | 17,456.93 | 5,936.43 |
| | | 82,417.22 | (45,044.09) |
| | Payment of direct taxes | (5,437.69) | (9,630.08) |
| | Net cash flow (used in) / generated from operating activities (A) | 132,915.62 | (8,346.29) |
| II | Cash flow from/(used in) investing activities | | |
| | Purchase of fixed assets including capital work in progress | (14,667.33) | (7,936.85) |
| | Proceeds from sale of fixed assets | 48.95 | 1.73 |
| | Purchase of held to maturity securities | (59,248.86) | (45,309.68) |
| | Net cash flow (used in) investing activities (B) | (73,867.24) | (53,244.80) |
| III | Cash flow from/(used in) Financing Activities | | |
| | Proceeds from issue of share capital (net of share issue expenses) | 14,663.57 | 23,703.84 |
| | Net (repayments of) borrowings | (3,528.64) | (6,536.41) |
| | Net cash flow generated from financing activities (C) | 11,134.93 | 17,167.43 |
| IV | Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C) | 70,183.31 | (44,423.66) |
| V | Cash and cash equivalents at the beginning of the year | 116,981.60 | 161,405.26 |
| VI | Cash and cash equivalents at the end of the year | 187,164.91 | 116,981.60 |
| | Notes to the Cash Flow Statement: | | |
| | Cash and cash equivalents includes the following: | | |
| (i) | Cash and Balances with Reserve Bank of India | 53,389.72 | 27,493.83 |
| (ii) | Balances with Banks in Current Accounts | 7,375.19 | 6,487.77 |
| (iii) | Money at Call and Short Notice | 126,400.00 | 83,000.00 |
| | Cash and cash equivalents at the end of the year | 187,164.91 | 116,981.60 |

3. The above financial results for the year ended 31 March 2022 have been reviewed by the Audit Committee at its meeting held on 25 April 2022 and recommended for adoption to the Board of Directors. The Board of Directors of the Bank have considered and approved the same at its meeting held on 25 April 2022.
4. The Statutory Auditors have carried out audit as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion on the financial results for the quarter and year ended 31 March 2022.
5. These financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).
6. During the year ended 31 March 2022, the Bank has issued 47,169,809 equity shares as fresh issue and 17,844 equity shares under ESOP scheme having face value of ₹10 each at a premium of ₹21.80 and ₹4.01 respectively for cash aggregating to ₹1,500,249,920.
7. RBI circular DBR.No BP/BC.U21.06.20.1/20.15-16 dated 1 July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No BP/BC.80121.06.20.1/2014-15 dated 31 March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards- Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.utkarshbank/basel-disclosures>. The disclosures have not been subjected to audit or review by the statutory auditors.
8. During the year the Bank has granted 15,611,500 options on 01 August 2021, 15,000 options on 01 October 2021, 20,000 options on 18 October 2021, 20,000 options on 08 November 2021 and 40,000 options on 01 January 2022 to the Bank's employees under USFBL Employee Stock Option Plan 2020 (ESOP 2020). Out of the options granted on 01 August 2021, 1,894,250 options have been cancelled. Further post RBI approval on 31 August 2021 Bank has granted 71,377 options as part of variable pay to MD & CEO for FY 19-20.
9. COVID-19 pandemic had an extraordinary impact on macroeconomic conditions in India and around the world during the previous financial years and which continued during the current financial with second and third wave year, though with comparatively less severity. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to volatility in global and Indian financial markets and a decrease in global and local economic activities. The uptake of economic activity has since improved supported by relaxation of restrictions mainly due to among others administration of the COVID vaccines to a large population in the country. The extent to which the COVID-19 pandemic including subsequent waves, if any, may impact the Bank operations and asset quality will depend on the future developments, which are highly uncertain. Basis the bank's assessment towards unforeseen risk and stress emanating from certain portfolio of advances, the Bank, as a prudent measure, has made contingency provision of Rs. 65 crores. The Bank also holds adequate provisions towards Non-performing and restructuring assets as at 31 March 2022. The stress test was undertaken by the Bank from time to time and complying with regulatory requirements under IRAC & provisioning norms prescribed. The Bank is well capitalised to be able to face any further upheavals, which the Bank may face in times to come due to the various socio-economic conditions.

10. (i) Details as on restructure date for resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 (Resolution Framework 1.0) are given below:

(₹ in lakhs except number of accounts)

| Type of borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) Exposure to accounts mentioned at (A) before implementation of the plan | (C) Of (B), aggregate amount of debt that was converted into other securities | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation | (E) Increase in provisions on account of the implementation of the resolution |
|--------------------|---|---|---|--|---|
| Personal Loans | 60,289 | 17,102.67 | - | - | 3,420.53 |
| Corporate persons* | - | - | - | - | - |
| Of which, MSMEs | - | - | - | - | - |
| Others | 38,186 | 11,260.04 | - | - | 2,252.01 |
| Total** | 98,475 | 28,362.71 | - | - | 5,672.54 |

Offer for restructuring of the loans made to customers based on asset classification as per Honourable Supreme Court ruling prevailing then

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** As on 31 March 2022 Out of above, restructured loans amounting to ₹25,846.85 lakhs, has been pre-closed or classified as NPA and accordingly restructuring provision as on 31 March 2022 is amounting to ₹419.84 lakhs

Details as on 31 March 2022 for resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 (Resolution Framework 1.0) are given below:

(₹ in lakhs except number of accounts)

| Type of borrower | (A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year | Of (A), aggregate debt that slipped into NPA during the year (1) | Of (A) amount written off during the year | Of (A) amount paid by the borrowers during the year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year |
|--------------------|---|--|---|---|---|
| Personal Loans | 15,863.90 | 9,696.43 | 0.25 | 4,807.60 | 1,359.62 |
| Corporate persons* | - | - | - | - | - |
| Of which, MSMEs | - | - | - | - | - |
| Others | 10,460.14 | 6,473.99 | 0.34 | 3,179.07 | 806.74 |
| Total** | 26,324.04 | 16,170.42 | 0.59 | 7,986.67 | 2,166.36 |

- (ii) Details as on 31 March 2022 for resolution plan implemented under the Resolution Framework - 2.0 for COVID-19-related Stress of Individuals and Small Businesses as per RBI circular dated 5 May 2021 are given below:

(₹ in lakhs except number of accounts)

| Sl. No | Description | Individual Borrowers | | Small businesses |
|--------|--|----------------------|----------------|------------------|
| | | Personal Loans | Business Loans | |
| (A) | Number of requests received for invoking resolution process | 6924 | 72224 | 87114 |
| (B) | Number of accounts where resolution plan has been implemented under this window | 6590 | 68312 | 82259 |
| (C) | Exposure to accounts mentioned at (B) before implementation of the plan | 1,642.19 | 19,393.11 | 20,214.20 |
| (D) | Of (C), aggregate amount of debt that was converted into other securities | - | - | - |
| (E) | Additional funding sanctioned, if any, including between invocation of the plan and implementation | - | - | - |
| (F) | Increase in provisions on account of the implementation of the resolution plan * | 83.15 | 1,040.21 | 794.64 |

* Excluding provision of restructured borrowers that have slipped to NPA classification

There were 24,775 borrowers with exposure of ₹ 4,625.45 Lakhs, where resolution plan was earlier implemented under RBI resolution framework 1.0 and now modified under RBI resolution framework 2.0

11. Details on loans not in default acquired during the year ended 31 March 2022 under the RBI Master Direction on Transfer of Loan Exposure dated 24th September, 2021 are given below:

(₹ in lakhs except number of accounts)

| Particulars | Retail Segment | |
|---|--------------------------|--------------------------|
| | Assignment (MSME)** | |
| | Wheels | MSME |
| Aggregate principal outstanding of loans acquired as at 31 March 2022 | 7808.59 | 1466.70 |
| Weighted average residual maturity (Number of months) | 44.09 | 104.47 |
| Weighted average holding period (Number of months)* | 12.67 | 10.26 |
| Retention of beneficial economic interest by the originator | 10% | 10% |
| Coverage of tangible security (Weighted average LTV) | Weighted Average LTV 90% | Weighted Average LTV 61% |
| Rating-wise distribution# of loans acquired by value | NA | NA |

* Weighted average holding period is contract origination date to pool cut off date

** As per SFB operational guidelines to meet the requirement of shortfall in meeting the



12. Bank had accelerated the provisioning matrix by 15% for all sub-standard advances in March 2021 Quarter, which was continued till June 2021. From July 21 onwards considering the current analysis of portfolio and collection, Bank has changed its provisioning matrix which is higher than prescribed by RBI. Further, with effect from January 2022, the Bank has revised its policy in relation to secured portfolio which is in line with RBI guidelines. The Impact of such change in provisioning is ₹8,975.74 Lakhs.
13. During the year ended 31 March 2022, the Bank recognized exposure in respect of 115 accounts with an outstanding of ₹29.95 crore (NPA: ₹11.62 crore) as fraud and provided in full, in accordance with the RBI Circular dated April 18, 2016, by debiting Rs 19.43 crores to Profit and Loss Account (NPA Provision ₹10.26 crore) and ₹10.52 crores to Balance in Profit and Loss Account under 'Reserves and Surplus'. In accordance with the said RBI Circular, the Bank has charged to the Profit and Loss account an amount of ₹19.43 crores during the year ended 31 March 2022. The balance amount will be reversed to Profit and Loss Account in the ensuing two quarters in the financial year 2022-23.
14. Figures of the previous 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 : 25 April 2022

