

No.CTL/DEB/18-19/Noting Certificate/1815

November 13, 2018

To Whomsoever It May Concern,

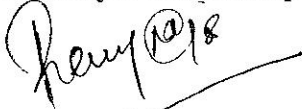
CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Utkarsh Small Finance Bank Limited (“the Company”)** for the Half year ended September 30, 2018.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorised Signatory



Encl: Results submitted by Company





Utkarsh Small Finance Bank

UTL/LTR/ SEC/ 2018-19

November 12, 2018

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Dear Sir/ Madam,

Subject: Submission of Un-Audited Financial Statements for the half year ending 30th September, 2018 in accordance with the provisions of 52 (2) of SEBI (Listing Obligations & Disclosure Requirements) ("LODR") Regulations, 2015

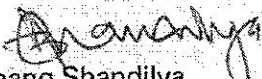
Reference: 952770, 953504, 953648, 953027, 955536, 955530, 955531, 955539, 955541, 955574, 958226 and 958095

Kindly refer to above mentioned scrip codes of Non- Convertible Debentures (NCDs) listed in the name of the Utkarsh Small Finance Bank Limited (Bank) under F Group-debt instruments, in pursuant to the debt listing agreement entered by the bank, we hereby submit the Un-Audited Financial Statement of the Bank for the Half Year ended on September 30, 2018 as approved by the Board of Directors.

This is for your information and records.

Thanking You,

Your faithfully
For Utkarsh Small Finance Bank Limited


Anang Shandilya
Company Secretary & Compliance Officer

November 13, 2018
Mumbai

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. : +91 542-2500506 | 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
Statement of Unaudited Financial Results for the half year ended 30 September 2018
Balance Sheet as at 30 September 2018

(₹ in lakhs)

	As at 30 September 2018	As at 31 March 2018
	Unaudited	Audited
CAPITAL and LIABILITIES		
Capital	73,705.00	47,005.00
Reserves and Surplus	134.78	(5,818.18)
Deposits	260,744.94	219,386.68
Borrowings	123,840.28	178,884.64
Other Liabilities and Provisions	18,687.36	12,914.32
	477,112.36	452,372.46
ASSETS		
Cash and balances with Reserve Bank of India	18,271.89	20,556.41
Balances with banks and money at call and short notice	14,068.42	36,319.04
Investments	75,629.63	66,127.37
Advances	348,714.76	310,171.86
Fixed Assets	9,186.91	8,726.65
Other Assets	11,240.75	10,471.13
	477,112.36	452,372.46
Contingent Liabilities	5,498.18	12,799.81
Bills for Collection	-	-

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

Place : Mumbai
Date: 13 November 2018


Govind Singh
Managing Director & CEO
DIN : 02470880

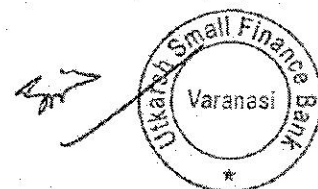


Utkarsh Small Finance Bank Limited
Registered office address: S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi, Uttar Pradesh, India, 221002
Statement of Unaudited Financial Results for the half year ended 30 September 2018

(₹ in lakhs)

		For the half year ended 30 September 2018	For the half year ended 30 September 2017	For the year ended 31 Mar 2018
		Unaudited	Unaudited	Audited
I	INCOME			
	Interest Earned	40,966.04	21,949.54	51,902.61
	Other Income	3,728.66	2,259.87	4,283.70
		44,694.70	24,209.41	56,186.31
II	EXPENDITURE			
	Interest Expended	17,967.02	11,450.20	25,073.05
	Operating Expenses	14,896.52	11,147.92	23,555.32
	Provisions and Contingencies	5,878.21	4,607.61	13,859.60
		38,741.75	27,205.73	62,487.97
III	PROFIT/LOSS			
	Net (Loss)/Profit for the period	5,952.95	(2,996.32)	(6,301.66)
	Balance in Profit and Loss account brought forward	(5,939.05)	362.61	362.61
		13.90	(2,633.71)	(5,939.05)
IV	APPROPRIATIONS			
	Transfer to Statutory Reserve	-	-	-
	Balance carried over to Balance Sheet	13.90	(2,633.71)	(5,939.05)
		13.90	(2,633.71)	(5,939.05)
V	EARNING PER EQUITY SHARE			
	EPS Basic (₹) (not annualised for six months)	0.94	(0.86)	(1.73)
	EPS Diluted (₹) (not annualised for six months)*	0.81	(0.86)	(1.73)
	Face Value of shares (₹)	10	10	10
VI	Debt-equity ratio	1.68	5.03	4.34
VII	Networth	73,839.78	39,492.16	41,186.82
VIII	Capital Redemption Reserve	-	-	-
IX	Capital Adequacy Ratio	27.53%	21.73%	17.40%

* The outstanding potential equity shares had an anti-dilutive effect on EPS for the half year ended 30 Sep 2017 and year ended 31 March 2018. Hence, basic earnings per share equals diluted earnings per share.



Notes:

1. The above results were reviewed by the Audit Committee on at their meeting held on 12 November 2018 and approved by the Board of Directors at their meeting held on 13 November 2018.
 2. The statutory auditors of the bank have reviewed the financial results of the Bank for the period ended 30 September 2018.
 3. During the period, the Bank has allotted 267,000,000 equity shares of Rs. 10 each to its holding company Utkarsh Micro Finance Limited by way of conversion of compulsorily convertible debentures into common equity.
 4. The Bank has followed Master Circular No. DBR.No.BP.BC.4/21.06.001/2015-16 on Prudential Guidelines on Capital Adequacy and Market Discipline-New Capital Adequacy Framework (NCAF) issued by RBI dated 1 July 2015 for the purpose of computing Capital Adequacy Ratio as at 30 September 2018.
 5. 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 112014-15 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.utkarsh.bank/basel-disclosures>. The disclosures have not been subjected to audit or review by the statutory auditors.
 6. These financial results includes prior period items as mentioned below:
 - a) The interest income is net of Rs. 2,012.34 lakhs pertaining to erroneous interest income recognized in prior periods.
 - b) The interest expenses and other expenses include prior period expenses of Rs 127.09 lakhs and Rs. 22.88 lakhs respectively
 7. During the period, the Bank identified few issues relating to reconciliation of certain accounts classified under Other Assets in the balance sheet. These also included control accounts relating to disbursement and collections of Microfinance loans. The Bank has undertaken a detailed exercise with the assistance of external experts to reconcile/ identify the root cause and impact of these matters. Basis the above, the Bank concluded that these arose as a result of operational and reconciliation issues and also resulted in excess credit given to borrowers but did not identify any other significant matters/ impacts. Accounting adjustments as a result of the above, on accounts other than those relating to microfinance loan accounts are interest expense charges of Rs. 127.09 lakhs and other expenses of Rs. 22.88 lakhs relating to prior years (refer note 6 above), have been provided in these financial results.
- With regard to the accounts relating to microfinance loan, an overall excess credit of Rs. 922.94 lakhs was determined to have been given to customers in earlier years. However, reconciliation of the same at the customer account level is pending. Pending reconciliation, a provision for the excess credit amount of Rs. 922.94 lakhs as well as an additional amount of Rs. 162.94 lakhs being the estimate of the impact of the above on Income Recognition and Provisioning, has been made on a prudent basis. These will be reassessed on completion of the reconciliation.
8. With regard to an exposure of Rs. 4,040.61 lakhs (including interest accrued) as at 30 September 2018 to a company in the Infrastructure development and finance sector, there have been certain events like reported defaults of debt, governance and management changes and a resolution plan being considered. As at 30 September 2018, this accounts has been classified as Standard Assets in accordance with the RBI Master Circular – Prudential norms on Income Recognition, Assets Classification and Provisioning pertaining to Advances ('the Master Circular'). The Bank's management will monitor the developments and take appropriate action in accordance with applicable RBI Regulation, as more information relating to any potential resolution plan becomes available. In the interim, as a prudential measure the Bank has made a general provision of Rs. 404.06 lakhs towards the said exposure.
 9. Figures of the previous period / year have been regrouped / reclassified, wherever necessary to conform current period classification.
 10. 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.

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: 13 November 2018

Utkarsh Small Finance Bank Limited
S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi, Varanasi, Uttar Pradesh, India, 221002
Statement of Unaudited Financial Results for the half year ended 30 September 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-Aug-18	26-Feb-21	26-Feb-19
2	INE396P07092	ICRA A-	ICRA A	-	27-May-18	27-Nov-21	27-Nov-18
3	INE396P08074	CARE A	CARE A	-	12-Jul-18	12-Jun-26	12-Jun-19
4	INE396P07064	CARE A	CARE A	-	13-May-18	13-Sep-19	13-Nov-18
5	INE396P08041	CARE A	CARE A	-	28-Sep-18	27-Dec-19	28-Dec-18
6	INE396P08066	CARE A	CARE A	-	30-Sep-18	30-Jun-22	30-Dec-18
7	INE396P08025	CARE A	CARE A	28-Sep-18	28-Sep-18	28-Dec-18	29-Oct-18
8	INE396P08038	CARE A	CARE A	-	15-Dec-17	13-Dec-19	17-Dec-18
9	INE396P07118	CARE A	CARE A	-	30-Sep-18	17-Mar-21	31-Oct-18
10	INE396P08082	CARE A	CARE A	-	16-Jul-18	16-Jan-20	16-Oct-18
11	JNE735W08012	-	CARE A	-	30-Sep-18	9-Jul-25	31-Dec-18
12	JNE735W08020	-	CARE A	-	-	30-Aug-25	31-Dec-18

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

Place : Mumbai
Date: 13 November 2018

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

Govind Singh
Managing Director & CEO
DIN : 62470880



Utkarsh Small Finance Bank Limited
Registered office address: S-24/1-2, First Floor, Mahavir Nagar, Orderly Bazar, Varanasi, Varanasi, Uttar Pradesh, India, 221002
Statement of Unaudited Financial Results for the half year ended 30 September 2018

(₹ in lakhs)

Particulars	For the half year ended 30 September 2018	For the half year ended 30 September 2017	For the year ended 31 March 2018
	Unaudited	Unaudited	Audited
1. Total income from operations	40,966.04	21,949.54	51,902.61
2. Net Profit / (Loss) for the period (before tax, exceptional and/or extraordinary items)	8,246.15	(4,587.68)	(9,481.03)
3. Net Profit / (Loss) for the period before tax (after exceptional and/or extraordinary items)	8,246.15	(4,587.68)	(9,481.03)
4. Net Profit / (Loss) for the period after tax (after exceptional and/or extraordinary items)	5,952.95	(2,996.32)	(6,301.66)
5. Paid up Equity Share Capital	73,705.00	42,005.00	47,005.00
6. Reserves (excluding Revaluation Reserve)	134.78	(2,512.84)	(5,818.18)
7. Net worth	73,839.78	39,492.16	41,186.82
8. Outstanding Debt	123,840.28	198,736.92	178,884.64
9. Outstanding Redeemable Preference Shares	-	-	-
10. Debt Equity Ratio	1.68	5.03	4.34
11. Earnings per share (of Rs. 10 each)			
- Basic (not annualised for six months)	0.94	(0.86)	(1.73)
- Diluted (not annualised for six months)*	0.81	(0.86)	(1.73)
12. Capital Redemption Reserve	-	-	-
13. Debenture Redemption Reserve	-	-	-

* The outstanding potential equity shares had an anti-dilutive effect on EPS for the half year ended 30 Sep 2017 and year ended 31 March 2018. Hence, basic earnings per share equals diluted earnings per share.

Notes to the financial results:

- The above is an extract of the detailed format of annual financial results filed with the Stock Exchanges under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the annual financial results are available on the websites of Bombay Stock Exchange (BSE) and the Company. (<http://www.utkarsh.bank>).
- For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Bombay Stock Exchange and can be accessed on the URL (<http://www.utkarsh.bank>).

Place : Mumbai
Date: 13 November 2018

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

Govind Singh
Managing Director & CEO
DIN : 02470880

