



## Annexure-4

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT for the Financial Year ended March 31, 2025

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
UJJIVAN SMALL FINANCE BANK LIMITED  
Grape Garden, No. 27, 3rd "A" Cross, 18th Main,  
6th Block, Koramangala, Bengaluru – 560095, Karnataka.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practises by UJJIVAN SMALL FINANCE BANK LIMITED having CIN: L65110KA2016PLC142162 (hereinafter called "the Bank"/ "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing my opinion thereon.

Based on my verification of the Bank's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Bank and also the information provided by the Bank, its Officers, Agents and Authorised Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Bank has, during the Audit Period covering the Financial Year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Bank for the Financial Year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment. (There was no Overseas Direct Investment and External Commercial Borrowings by the Bank during the period under review);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Bank during the review period);
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Bank during the review period); and
  - (i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (Not applicable to the Bank during the review period).
- (vi) Following Specific Laws, the Rules, Regulations, Norms, Guidelines, circulars, and Directions as applicable specifically to Small Finance Banks in the Private Sector (SFB):



- (a) The Reserve Bank of India Act, 1934 read with rules, regulations, directions, guidelines, notifications and circulars issued by the Reserve Bank of India from time to time;
- (b) The Banking Regulation Act, 1949, read with all applicable rules, regulations, directions, guidelines, notifications, and circulars issued thereunder, as amended from time to time;
- (c) The Guidelines for Licensing of Small Finance Banks in the Private Sector;
- (d) Operating Guidelines and for Small Finance Banks;
- (e) The Rules, Regulations, Directions, Guidelines, Licenses and Circulars issued by RBI for compliance by Small Finance Bank;
- (f) The Payment and Settlement Systems Act, 2007;
- (g) The Credit Information Companies (Regulation) Act, 2005;
- (h) The Deposit Insurance and Credit Guarantee Corporation Act, 1961;
- (i) Prevention of Money-Laundering Act, 2002 and The Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions) Rules, 2005;
- (j) Negotiable Instruments Act, 1881;
- (k) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; and
- (l) Insurance Regulatory and Development Authority of India Act, 1999 read with the Rules, Regulations and notifications thereon.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Bank with BSE Limited and National Stock Exchange of India Limited; and
- (ii) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;

During the period under review, the Bank has complied with the applicable provisions of the Act, Rules, Laws, Regulations, Guidelines, and Standards mentioned above except for the following:

1. With respect to compliance of labour laws, there were few instances of delay in remittance of Provident Fund and Professional Tax in few cases due to UAN error and pending of KYC linking and technical challenges related to online registration.
2. The Company had submitted an intimation (disclosure of event) on June 11, 2024, regarding the schedule of an Investors/Analysts meet to be held on June 13, 2024. As per Regulation 30 read with sub-para 15(a) of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the schedule of such meeting is required to be disclosed at least two working days in advance (excluding the date of intimation and the date of the meeting) to the stock exchange(s). In this instance, the Company did not comply with the prescribed timeline for submission of the intimation. As confirmed by the management, this meeting was scheduled at a shorter notice and the same was intimated immediately on finalisation.

#### **I further report that:**

Based on the information provided by the Bank, its officers and authorised representatives, during the conduct of the audit and also on the review of the Details, Records, Documents and Papers provided, in my opinion, adequate systems and processes and control mechanism exist in the Bank to monitor and to ensure compliance with applicable general laws like Labour Laws, Competition Law and Environmental Law including the filing of returns with the Reserve Bank of India.

The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same are subject to review by statutory financial auditors and other designated professionals.

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Directors based on the approval from the Reserve Bank of India, wherever applicable.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act read with Rules made there under, Banking Regulation Act 1949, the Guidelines for Licensing of Small Finance Banks in the Private Sector and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and Independent Director was present wherein the Board meetings were held at a shorter notice to transact urgent matters and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried out with requisite majority and the dissenting members' views are captured and recorded as part of the minutes.

There were adequate systems and processes in the Bank which is commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.



I further report that during the audit period:

1. The Hon'ble National Company Law Tribunal ("NCLT"), Bengaluru Bench, sanctioned the Scheme of Amalgamation between Ujjivan Financial Services Limited (UFSL) (CIN: L65999KA2004PLC035329) ("Holding Company" / "Transferor Company") and Ujjivan Small Finance Bank Limited ("Transferee Company" / "Bank") vide its order "C.P. (CAA) No. 44/BB/2023" ("Order") dated April 19, 2024, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme became effective from the Appointed Date, i.e., April 01, 2023, as defined in the Scheme.
2. Pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble NCLT, Bengaluru Bench, between Ujjivan Financial Services Limited ("UFSL") and Ujjivan Small Finance Bank Limited ("the Bank"), the Merger & Placement Committee of the Bank, at its meeting held on May 06, 2024, approved the allotment of **1,412,702,033 (One Hundred and Forty One Crore Twenty Seven Lakh Two Thousand Thirty Three) Equity Shares** of the Bank to the shareholders of UFSL as on the record date (May 03, 2024), in the share exchange ratio of **116:10** (116 Equity shares of the Bank for every 10 Equity shares of UFSL).
3. The Bank has issued and allotted 3,575,134 (Thirty Five Lakh Seventy Five Thousand One Hundred and Thirty Four) Equity Shares under its ESOP Schemes.
4. The Bank has entered into related party transactions with its related parties at arm's length basis and in the ordinary course of business. Necessary approvals from the Audit Committee and the Board of Directors, wherever applicable, have been duly obtained in compliance with the relevant provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Date:** April 30, 2025

**Place:** Bengaluru

**Sd/-**

**K. Jayachandran**

**Company Secretary**

**ACS No.: 11309/CP No.: 4031**

**UDIN: A011309G000235161**

**Peer Review No: PR No: 6411/2025**



**Annexure A**

**To,**  
**The Members,**  
**UJJIVAN SMALL FINANCE BANK LIMITED**  
**CIN: L65110KA2016PLC142162**  
**Grape Garden, No. 27, 3rd "A" Cross, 18th Main,**  
**6th Block, Koramangala, Bengaluru – 560095, Karnataka.**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

**Date:** April 30, 2025

**Place:** Bengaluru

**Sd/-**

**K. Jayachandran**

**Company Secretary**

**ACS No.: 11309/CP No.: 4031**

**UDIN: A011309G000235161**

**Peer Review No: PR No: 6411/2025**