

INDEPENDENT AUDITORS' REPORT

ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

To the Members of Ujjivan Small Finance Bank Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of Ujjivan Small Finance Bank Limited (the "Bank"), which comprise the Balance Sheet as at March 31, 2025, Profit and Loss account and the Cash Flow Statement for the year ended on that date, and notes to the financial statements, a summary of significant accounting policies and other explanatory information ("financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act ("Accounting Standards") as applicable to bank and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2025, and its profit, its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p>Identification of Non-Performing Advances and Provisioning for Advances</p> <p>(Refer Schedule 9 read with Note 18.4 to the financial statements)</p> <p>Advances constitute a significant portion of the Bank's assets, and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. The Bank has gross advances amounting to ₹ 3,193,346 Lakhs (Previous Year ₹ 2,741,915 Lakhs) and the gross NPA ratio of Bank is 2.18% (Previous Year 2.23%) as at March 31, 2025.</p> <p>The Reserve Bank of India's ('RBI') guidelines on income recognition, asset classification and provisioning ('IRAC norms') and other RBI guidelines (herein after referred as "RBI guidelines") prescribes the norms for identification and classification of NPAs and the minimum provision required for such assets.</p> <p>The Bank is also required to apply its judgement to determine the identification and provisioning for NPAs by applying quantitative as well as qualitative factors.</p> <p>Since the identification of NPAs and provisioning for advances is significant to the overall audit, we have ascertained this as a key audit matter.</p>	<p>Our audit approach in relation to the key audit matter, included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular:</p> <ul style="list-style-type: none"> We have evaluated the Bank's policies and internal control system in adhering to the relevant RBI guidelines and understood the provisioning as per Bank's policy; We have analysed and understood key IT systems/applications used and tested the design and implementation as well as operational effectiveness of relevant controls, including manual process and controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to relevant RBI guidelines and provisioning pertaining to advances; We have performed walkthrough of the NPA automation process and tested the core functionality for selected sample and tested the identification of NPA and computation of provisions. We test checked advances to examine the validity and accuracy of the recorded amounts with the underlying documents, impairment provision for NPAs, and compliance with IRAC norms and other RBI Guidelines.

Sl. No.	Key Audit Matter	Auditor's Response
2	<p>Key Information technology (IT) systems used in financial reporting process</p> <p>As a Scheduled Commercial Bank that operates on core banking solutions ("CBS") and other applications across its branches, the reliability and security of IT systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>The IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial accounting and reporting.</p> <p>Due to the pervasive nature and complexity of the IT environment we have ascertained Key Information technology ("IT") systems used in financial reporting process as a key audit matter.</p>	<p>We involved our IT specialists to obtain an understanding of the Bank's IT related control environment. Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant for our audit. For the key IT systems used to prepare accounting and financial information, our areas of audit focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular, our procedures include:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit; • We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit; • We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Bank's Board of Directors is responsible for the other information. The other information comprises the Director's Report including annexures to the Director's report and the Basel II Disclosures under New Capital Adequacy Framework (Basel II Disclosures) included in the Annual report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and Basel II Disclosures available in the website of the Bank and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act and provisions of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India from time to time ("RBI Guidelines") as applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and RBI Guidelines for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 financial statements, 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 financial controls 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 management.
- Conclude on the appropriateness of management's 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORTING ON COMPARATIVES IN CASE THE PREVIOUS YEAR WAS AUDITED BY THE PREDECESSOR AUDITOR

The financial statements of the Bank for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on May 18, 2024.

Our opinion on the financial statements is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act and Section 30(3) of the Banking regulation Act, 1949, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the bank.
 - c) As explained in the paragraph 2 below, the financial accounting system of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches.
 - d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books, except for not complying with requirement of audit trail as stated in (k)(vi) below.
 - e) The Balance Sheet, Profit and Loss account, the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act as applicable to the Banks.
 - g) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - h) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (d) above.

- i) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a Banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations, as at March 31, 2025 on its financial position in its financial statements - Refer Schedule 12 to the financial statements;
 - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 18(31) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 18(31) to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Bank during the year is in accordance with section 123 of the Act, as applicable.
 - vi. Based on our examination, which included test checks, the Bank has used accounting software systems for maintaining its books of account for the year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (Refer note 18(26.11) of the financial statements) except that the audit trail feature was not enabled for certain master records in one application system relating to accounts payable, fixed assets, chart of accounts for the period April 1, 2024 till February 24, 2025. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Bank as per the statutory requirements for record retention.
2. We report that during the course of our audit we have visited and performed select relevant procedures at 33 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Head Office based on the records and data required for the purpose of Audit being made available to us.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 25109839BMOFUX1486

Place: Mumbai
Date: 30 April 2025

For **Abarna & Ananthan**
Chartered Accountants
(Firm Registration No. 000003S)

Mohan Rao G
Partner
Membership No. 203737
UDIN: 25203737BMKSIQ1298

Place: Bengaluru
Date: 30 April 2025

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")

We have audited the internal financial controls with reference to financial statements of Ujjivan Small Finance Bank Limited (the "Bank") as at March 31, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Bank's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on "the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, the Banking Regulation Act, 1949 and the guidelines issued by the Reserve Bank of India.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements of the Bank based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 25109839BMOFUX1486

Place: Mumbai
Date: 30 April 2025

For **Abarna & Ananthan**
Chartered Accountants
(Firm Registration No. 0000035)

Mohan Rao G
Partner
Membership No. 203737
UDIN: 25203737BMKSIQ1298

Place: Bengaluru
Date: 30 April 2025

BALANCE SHEET

as on March 31, 2025

(₹ in 000's)

Particulars	Schedule	As on March 31, 2025	As on March 31, 2024
CAPITAL AND LIABILITIES			
Capital	1	19,350,036	19,314,285
Employees Stock Options Outstanding	18(27)	896,386	723,238
Reserves and Surplus	2	40,587,647	36,097,398
Deposits	3	376,304,842	314,621,598
Borrowings	4	28,453,630	21,708,153
Other Liabilities and Provisions	5	11,298,974	11,757,490
TOTAL		476,891,515	404,222,162
ASSETS			
Cash and Balances with Reserve Bank of India	6	31,333,703	25,183,148
Balances with Banks and Money at Call and Short Notice	7	364,250	184,768
Investments	8	117,299,902	97,660,182
Advances	9	313,900,040	268,829,191
Fixed Assets	10	4,569,131	4,266,643
Other Assets	11	9,424,489	8,098,230
TOTAL		476,891,515	404,222,162
Contingent Liabilities	12	730,868	1,449,074
Bills for collection		-	-
Significant Accounting Policies	17		
Notes forming part of the financial statements	18		

The schedules referred to above form an integral part of the Balance sheet

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

FRN: 117365W

For Abarna & Ananthan

Chartered Accountants

FRN:000003S

For and on behalf of Board of Directors of

Ujjivan Small Finance Bank Limited

G. K. Subramaniam

Partner

Membership No. 109839

Mohan Rao G

Partner

Membership No. 203737

Sanjeev Nautiyal

DIN: 08075972

Managing Director & CEO

B A Prabhakar

DIN: 02101808

Independent Director

Sudha Suresh

DIN: 06480567

Independent Director

Bengaluru

April 30, 2025

S Balakrishna Kamath

Chief Financial Officer

Sanjeev Barnwal

Company Secretary



PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2025

(₹ in 000's)

Particulars	Schedule	For the year ended March 31, 2025	For the year ended March 31, 2024
I. INCOME			
Interest Earned	13	63,543,896	56,771,541
Other Income	14	8,461,974	7,867,519
Total		72,005,870	64,639,060
II. EXPENDITURE			
Interest Expended	15	27,181,225	22,677,039
Operating Expenses	16	27,932,379	22,790,991
Provisions and Contingencies	18(14)(e)	9,631,235	6,356,123
Total		64,744,839	51,824,153
III. PROFIT			
Net profit for the year		7,261,031	12,814,907
Profit brought forward		18,184,000	5,068,695
Total		25,445,031	17,883,602
IV. APPROPRIATIONS			
I) Additions - Pursuant to scheme of amalgamation (refer note 18(30))		-	4,401,272
II) Transfer to			
a) Statutory Reserves		1,815,258	3,203,727
b) Capital Reserve		120,961	-
c) Equity dividend		2,900,752	683,410
d) Investment Fluctuation Reserve		71,006	43,737
e) Transfer to Special Reserve U/S 36 (1)(viii) Income tax Act 1961		210,000	170,000
Balance Carried over to Balance Sheet		20,327,054	18,184,000
Total		25,445,031	22,284,874
V. Earnings per Equity Share (Face value of ₹ 10 per share)			
Basic (₹)		3.75	6.65
Diluted (₹)		3.71	6.54
Significant Accounting Policies	17		
Notes forming part of the financial statements	18		

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

FRN: 117365W

For Abarna & Ananthan

Chartered Accountants

FRN:000003S

For and on behalf of Board of Directors of

Ujjivan Small Finance Bank Limited

G. K. Subramaniam

Partner

Membership No. 109839

Mohan Rao G

Partner

Membership No. 203737

Sanjeev Nautiyal

DIN: 08075972

Managing Director & CEO

B A Prabhakar

DIN: 02101808

Independent Director

Sudha Suresh

DIN: 06480567

Independent Director

S Balakrishna Kamath

Chief Financial Officer

Sanjeev Barnwal

Company Secretary

Bengaluru

April 30, 2025

CASH FLOW STATEMENT

for the year ended March 31, 2025

Particulars	(₹ in 000's)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) After taxation	7,261,031	12,814,907
Tax adjustment	2,154,638	4,206,748
Net Profit/(Loss) before taxation	9,415,669	17,021,655
Adjustments for :		
Depreciation on Bank's Property	1,347,239	982,896
Loss on sale of Land, Building & Other assets (net)	4,849	14,722
Expense on employee stock option	173,148	116,216
Provision for Non Performing Assets	7,251,614	1,885,324
Provision for Standard Assets	225,407	264,125
Profit/ (Loss) on Revaluation of Investments (net)	354,792	-
(Profit)/loss on sale of securities other than HTM securities	(131,319)	(117,063)
Amortisation of premium on investments	220,336	241,464
Preference dividend to eUFSL adjusted pursuant to the scheme of amalgamation	-	110,000
Operating Profit/(Loss) before Working Capital changes	18,861,735	20,519,339
Adjustments for :		
(Increase) /Decrease in Advances	(52,322,463)	(57,817,904)
(Increase)/Decrease in Investments in other than HTM securities	(3,775,698)	(4,900,637)
(Increase)/Decrease in Other Assets	(897,271)	(4,396,509)
Increase/ (Decrease) in Deposits	61,683,244	60,958,136
Increase/ (Decrease) in Other Liabilities	(683,923)	2,058,921
Cash generated from Operations	22,865,625	16,421,346
Income Taxes paid	(2,583,627)	(492,930)
Net Cash Flow generated from Operating Activities (A)	20,281,998	15,928,416
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed Assets	17,502	21,612
Investment in HTM securities (Net)	(16,279,820)	(7,780,871)
Deposits (created)/encashed with Banks and financial institutions (Net)	-	1,570,687
Purchase of Fixed Assets including WIP	(1,672,079)	(2,456,818)
Net Cash Flow used in Investing Activities (B)	(17,934,397)	(8,645,390)

Cash Flow Statement
for the year ended March 31, 2025 (Contd.)

		(₹ in 000's)	
Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares (net of issue expenses)		137,711	202,635
Increase/(Decrease) in Borrowings (Net)		6,745,477	(4,706,487)
Equity dividend paid during the year		(2,900,752)	(683,410)
Net Cash Flow generated from/ (used in) Financing Activities (C)		3,982,436	(5,187,262)
Net Increase in Cash and Cash Equivalents (A+B+C)		6,330,037	2,095,764
Cash and Cash Equivalents at the beginning of the year		25,239,622	23,136,947
Cash and Cash Equivalents acquired pursuant to scheme of amalgamation (refer note 18(30))		-	6,911
Cash and Cash Equivalents at the end of the year		31,569,659	25,239,622
Notes to Cash Flow Statement:			
1	Cash and Cash equivalents includes the following:		
	Cash and Bank Balances with Reserve Bank (Schedule 6)	31,333,703	25,183,148
	Balance with Bank and Money at Call & Short Notice (Schedule 7)	364,250	184,768
		31,697,953	25,367,916
	Balances not considered as part of Cash and Cash equivalents		
	Less: Fixed Deposits with original maturity more than 3 months or Bank Deposits under lien	(128,294)	(128,294)
	Cash and Cash Equivalents at the end of the year	31,569,659	25,239,622

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

FRN: 117365W

For Abarna & Ananthan

Chartered Accountants

FRN:000003S

For and on behalf of Board of Directors of

Ujjivan Small Finance Bank Limited

G. K. Subramaniam

Partner

Membership No. 109839

Mohan Rao G

Partner

Membership No. 203737

Sanjeev Nautiyal

DIN: 08075972

Managing Director & CEO

B A Prabhakar

DIN: 02101808

Independent Director

Sudha Suresh

DIN: 06480567

Independent Director

Bengaluru

April 30, 2025

S Balakrishna Kamath

Chief Financial Officer

Sanjeev Barnwal

Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

for the year ended March 31, 2025

Particulars	(₹ in 000's)	
	As on March 31, 2025	As on March 31, 2024
SCHEDULE -1 CAPITAL		
Authorised Capital		
2,625,000,000 Equity Shares of ₹ 10 each (Previous Year: 2,625,000,000 Equity Shares of ₹ 10 each)	26,250,000	26,250,000
Issued, Subscribed and Called up Capital		
1,935,003,643 Equity Shares of ₹ 10 each (Previous Year: 1,958,763,276 Equity Shares of ₹ 10 each)	19,350,036	19,587,633
Less: Current Year: Nil (Previous Year: Cancellation of 1,440,036,800 Equity shares of ₹ 10 each held by the holding Company due to amalgamation (refer note 18(30)))	-	14,400,368
	19,350,036	5,187,265
Current Year: Nil (Previous Year: 200,000,000 11% Preference Shares (Perpetual Non-Cumulative Non-Convertible) of ₹ 10 each)	-	2,000,000
Less: Current Year: Nil (Previous Year: Cancellation of 200,000,000 11% Preference Shares (Perpetual Non-Cumulative Non-Convertible) of ₹ 10 each held by the holding company due to amalgamation (refer note 18(30)))	-	2,000,000
	-	-
Share Capital pending Allotment		
Current Year: Nil (Previous Year: 1,412,702,033 equity shares of ₹ 10 each to be issued to share holders of UFSL (Ujjivan Financial Services Limited) on amalgamation (refer note 18(30)))	-	14,127,020
	-	14,127,020
	19,350,036	19,314,285
Paid up Capital		
518,726,476 Equity Shares of ₹ 10 each (Previous Year: 1,954,706,625 Equity Shares of ₹ 10 each)	5,187,265	19,547,066
Less: Current Year: Nil (Previous Year: Cancellation of 1,440,036,800 Equity shares of ₹ 10 each held by the holding Company due to amalgamation (refer note 18(30)))	-	14,400,368
Add: 3,575,134 Equity Shares of ₹ 10 each (Previous Year: 4,056,651 Equity Shares of ₹ 10 each in pursuant to exercise of employee stock option)	35,751	40,567
Add: 1,412,702,033 Equity Shares of ₹ 10 each (Previous Year: Nil) in pursuant to amalgamation (refer note 18(30)))	14,127,020	-
	19,350,036	5,187,265
Current Year: Nil (Previous Year: 200,000,000 11% Preference Shares (Perpetual Non-Cumulative Non-Convertible) of ₹ 10 each)	-	2,000,000
Less: Current Year: Nil (Previous Year: Cancellation of 200,000,000 11% Preference Shares (Perpetual Non-Cumulative Non-Convertible) of ₹ 10 each held by the holding company due to amalgamation (refer note 18(30)))	-	2,000,000
	-	-
Share Capital pending Allotment		
Current Year: Nil (Previous Year: 1,412,702,033 equity shares of ₹ 10 each to be issued to share holders of eUFSL (Ujjivan Financial Services Limited) on amalgamation (refer note 18(30)))	-	14,127,020
	-	14,127,020
TOTAL	19,350,036	19,314,285

Schedules forming part of the Balance Sheet
for the year ended March 31, 2025 (Contd.)

(₹ in 000's)		
Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -2 RESERVES AND SURPLUS		
I. Statutory Reserves		
Opening balance	8,797,188	4,160,630
Additions during the year	1,815,258	3,203,727
Additions - Pursuant to scheme of amalgamation (refer note 18(30))	-	1,432,831
Closing balance	10,612,446	8,797,188
II. i) Capital Reserve		
Opening balance	207,127	207,127
Additions during the year	120,961	-
Less: Deductions during the year	-	-
	328,088	207,127
ii) General Reserve		
Opening balance	-	-
Additions during the year (Refer schedule 18(3)(b))	30,232	-
Less: Deductions during the year	-	-
	30,232	-
Closing balance	358,320	207,127
III. Share Premium		
Opening balance	7,718,959	9,618,960
Additions during the year	101,960	177,119
Deductions - Pursuant to scheme of amalgamation (refer note 18(30)) Net	-	1,827,120
Deductions - Share issue expenses. (refer note 18(30))	-	250,000
Closing balance	7,820,919	7,718,959
IV. Special Reserve u/s 36(i)(viii) of Income Tax Act 1961		
Opening balance	470,000	300,000
Additions during the year	210,000	170,000
Less: Deductions during the year	-	-
Closing balance	680,000	470,000
V. Revenue and Other Reserves		
i. Investment Reserve Account		
Opening balance	3,404	3,404
Additions during the year	-	-
Deductions during the year *	3,404	-
Closing balance	-	3,404
ii. Investment Fluctuation Reserve		
Opening balance	716,720	672,983
Additions during the year	71,006	43,737
Closing balance	787,726	716,720
iii. Available For Sale (AFS)-Reserve (Net of Taxes)		
Opening balance	-	-
Additions during the year	1,182	-
Deductions during the year	-	-
Closing balance	1,182	-
	788,908	720,124
VI. Balance of Profit and Loss Account	20,327,054	18,184,000
TOTAL (I + II + III + IV + V + VI)	40,587,647	36,097,398

* As per the RBI guidelines the balance from IRA transferred to General Reserve (HTM/ FVTPL)

Schedules forming part of the Balance Sheet
for the year ended March 31, 2025 (Contd.)

(₹ in 000's)

Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -3 DEPOSITS		
A. I. Demand Deposits		
(i) From banks	321,504	731,028
(ii) From others	10,925,099	7,609,621
II. Savings Bank Deposits	84,940,932	75,662,415
III. Term Deposits		
(i) From banks	81,275,844	62,633,090
(ii) From others	198,841,463	167,985,444
TOTAL (I + II + III)	376,304,842	314,621,598
B. Deposits of branches		
I. In India	376,304,842	314,621,598
II. Outside India	-	-
TOTAL (I + II)	376,304,842	314,621,598

(₹ in 000's)

Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -4 BORROWINGS		
I. Borrowings in India		
(a) Reserve Bank of India	9,900,000	6,500,000
(b) Other banks	-	1,500,000
(c) Other institutions and agencies	18,553,630	13,708,153
TOTAL	28,453,630	21,708,153
II. Borrowings Outside India	-	-
TOTAL (I + II)	28,453,630	21,708,153
Secured borrowings included in I and II above	25,453,630	17,208,153

(₹ in 000's)

Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -5 OTHER LIABILITIES AND PROVISIONS		
(i) Bills payable	2,602,635	2,771,593
(ii) Inter-office adjustments (net)	-	-
(iii) Interest accrued	2,475,174	2,361,114
(iv) Standard asset provisions (Refer schedule 18(4)(j))	1,626,788	1,401,381
(v) Others (including provisions)*	4,594,377	5,223,402
TOTAL	11,298,974	11,757,490

*includes floating provision (Refer schedule 18(4)(a))

(₹ in 000's)

Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in Hand	1,951,300	1,947,989
II. Balances with Reserve Bank of India		
(a) In Current Account	15,412,403	11,445,159
(b) In Other Accounts	13,970,000	11,790,000
TOTAL (I + II)	31,333,703	25,183,148

Schedules forming part of the Balance Sheet
for the year ended March 31, 2025 (Contd.)

(₹ in 000's)		
Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
(i) Balances with Banks		
(a) in Current Accounts	235,956	56,474
(b) in Other Deposit Accounts*	128,294	128,294
(ii) Money at Call and Short Notice		
(a) with Banks	-	-
(b) with Other Institutions	-	-
TOTAL (i + ii)	364,250	184,768
II. Outside India		
(i) In Current Accounts		
(ii) In Other Deposits Accounts	-	-
(iii) Money at Call and Short Notice	-	-
TOTAL (I + ii + iii)	-	-
TOTAL (I+II)	364,250	184,768

* Includes Fixed Deposits of held under lien Current Year: ₹ 1,28,294/- (Previous Year: ₹ 1,28,294/-)

(₹ in 000's)		
Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -8 INVESTMENTS		
I. Investments in India in (Refer schedule 18(3)(b)) (net of provisions)		
(i) Government Securities	90,190,321	86,426,836
(ii) Other approved Securities	-	-
(iii) Shares	4,247	1,002
(iv) Debentures and Bonds	4,765,550	-
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others [Certificate of Deposits (CD), Commercial Paper (CP), Pass Through Certificates (PTC), Security Receipts (SR)]	22,339,784	11,232,344
TOTAL	117,299,902	97,660,182
II. Investments Outside India in (net of provisions)		
(i) Government Securities (Including local authorities)	-	-
(ii) Subsidiaries and/or Joint Ventures abroad	-	-
(iii) Other Investments	-	-
TOTAL	-	-
TOTAL (I+II)	117,299,902	97,660,182
III. Gross Value of Investments	117,672,955	97,660,182
Less: Provision for depreciation (Refer schedule 18(4)(F)(ii))	373,053	-
Net value of investments	117,299,902	97,660,182

Schedules forming part of the Balance Sheet
for the year ended March 31, 2025 (Contd.)

(₹ in 000's)		
Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -9 ADVANCES (NET OF PROVISIONS)		
A (i) Bills Purchased and Discounted	-	-
(ii) Cash Credits, Overdrafts and Loans repayable on demand	29,604,328	12,635,273
(iii) Term Loans	284,295,712	256,193,918
TOTAL	313,900,040	268,829,191
B (i) Secured by Tangible Assets (Including Own Fixed Deposits and Book Debts)	133,324,714	62,235,748
(ii) Covered by Bank/Government Guarantees	446,109	624,211
(iii) Unsecured (Refer schedule 18(5)(d))	180,129,217	205,969,232
TOTAL	313,900,040	268,829,191
C I. Advances in India		
(i) Priority Sectors	215,473,126	209,942,007
(ii) Public Sector	-	-
(iii) Banks	-	-
(iv) Others	98,426,914	58,887,184
TOTAL	313,900,040	268,829,191
II. Advances Outside India	-	-
(i) Due from Banks	-	-
(ii) Due from Others	-	-
a) Bills purchased and discounted	-	-
b) Syndicated loans	-	-
c) Others	-	-
TOTAL	-	-
TOTAL (I+II)	313,900,040	268,829,191

(₹ in 000's)		
Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -10 FIXED ASSETS		
I. Premises	-	-
At cost as on 31st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
II. Other Fixed Assets (Including Furniture and Fixtures) (Refer Schedule 18(26.2) & 18(26.3))		
At cost as on 31st March of the preceding year	8,774,745	6,877,992
Additions during the year	1,858,453	2,315,077
Deductions during the year	(248,322)	(418,324)
Depreciation to date	(5,947,474)	(4,826,204)
TOTAL	4,437,402	3,948,541
III. Capital Work In Progress (Including Capital Advances)*	131,729	318,102
*Includes intangible asset for the current year ₹ 1,31,729 (for previous year ₹ 3,14,940) ₹ in'000		
TOTAL (I+II+III)	4,569,131	4,266,643

Schedules forming part of the Balance Sheet
for the year ended March 31, 2025 (Contd.)

(₹ in 000's)

Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE -11 OTHER ASSETS		
I. Inter Office Adjustment (net)	-	-
II. Interest Accrued	4,654,545	4,064,554
III. Tax paid in Advance / Tax Deducted at Source (Net of provision for tax).	750,738	-
IV. Stationery and Stamps	-	-
V. Nonbanking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax Assets	2,212,306	2,274,763
VII. Others	1,806,900	1,758,913
TOTAL	9,424,489	8,098,230

(₹ in 000's)

Particulars	As on March 31, 2025	As on March 31, 2024
SCHEDULE - 12 CONTINGENT LIABILITIES (REFER SCHEDULE 18(26.4))		
I. Claims against the Bank not acknowledged as debts	221,072	66,684
II. Liability for partly paid Investments	-	-
III. Liability on account of Outstanding Forward Exchange Contracts	-	-
IV. Guarantees given on behalf of Constituents		
(a) In India	10,976	304,367
(b) Outside India	-	-
V. Acceptances, Endorsements and Other Obligations	-	-
VI. Other items for which the Bank is contingently liable - Capital commitments not provided/Others	498,820	1,078,023
TOTAL	730,868	1,449,074

(₹ in 000's)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
SCHEDULE -13 INTEREST EARNED		
I. Interest /Discount on Advance/bills	55,257,043	49,730,129
II. Income on Investments	8,058,277	6,786,154
III. Interest on Balances with Reserve Bank of India and Other inter-bank funds	109,584	105,565
IV. Others*	118,992	149,693
*includes income from securitisation.		
TOTAL	63,543,896	56,771,541

(₹ in 000's)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
SCHEDULE- 14 OTHER INCOME		
I. Commission, Exchange and Brokerage	5,886,256	5,076,858
II. Profit on Sale of Investments (net)	429,314	240,294
III. Profit/ (Loss) on Revaluation of Investments (net)	(354,792)	-
IV. Profit/ (Loss) on sale of Land, Building and Other Assets (net)	(4,849)	(14,722)
V. Profit/ (Loss) on Exchange Transactions (net)	-	-
VI. Income earned by way of Dividends etc. from subsidiaries/companies and/or joint ventures abroad/in India	2,500	-
VII. Miscellaneous Income (Refer note 18(26.6))	2,503,545	2,565,089
Total	8,461,974	7,867,519

Schedules forming part of the Balance Sheet
for the year ended March 31, 2025 (Contd.)

Particulars	(₹ in 000's)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
SCHEDULE- 15 INTEREST EXPENDED		
I. Interest on Deposits	24,988,943	20,307,057
II. Interest on Reserve Bank of India/ Inter-Bank Borrowings	837,543	885,691
III. Others	1,354,739	1,484,291
TOTAL	27,181,225	22,677,039

Particulars	(₹ in 000's)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
SCHEDULE -16 OPERATING EXPENSES		
I. Payments to and Provision for Employees	14,994,926	11,831,824
II. Rent, Taxes and Lighting (including operating lease rentals)	2,103,054	1,783,063
III. Printing and Stationery	305,872	328,408
IV. Advertisement and Publicity	269,094	585,103
V. Depreciation on Banks Property	1,347,239	982,896
VI. Director's Fees, Allowances and Expenses *	31,893	37,989
VII. Auditors' Fees and Expenses (Refer Note 18(19))	18,653	19,589
VIII. Law Charges	152,852	91,185
IX. Postages, Telegrams, Telephones etc.	664,717	539,460
X. Repairs and Maintenance	564,799	493,372
XI. Insurance	374,579	296,125
XII. Other Expenditure (Refer note 18(26.6))	7,104,701	5,801,977
TOTAL	27,932,379	22,790,991

* Sitting fees for current year paid to eUFSL Directors - ₹ 2,154 (previous year - ₹ 8,378)

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

Schedule 17

1 CORPORATE INFORMATION

Ujjivan Financial Services Limited (UFSL), was established as a non banking financial services company in the year 2005 with the mission to provide a full range of financial services to the 'economically poor' who were not adequately served by financial institutions. In 2015, the Reserve Bank of India (RBI) licenced the formation of small finance banks - a new category of specialised banks to serve the financially unserved and underserved population, especially the micro-enterprises, workers, small and marginal farmers.

On November 11, 2016, UFSL received a banking licence from RBI to carry out small finance bank business in India. Ujjivan Small Finance Bank Limited (USFB or the Bank) (CIN-L65110KA2016PLC142162) took over the business of UFSL and started its operations on February 01, 2017. The Bank is governed by the Banking Regulation Act, 1949, Operating guidelines issued by the RBI on Small Finance Bank 2016, and the Companies Act, 2013 (the Act). A scheduled bank status was accorded by Reserve Bank of India vide Notification: DBR.PSBD.No. 467/16.02.006/2017-2018 published in the Gazette of India on August 25, 2017. The Bank has its registered and corporate office in Bengaluru and regional offices in Noida, Kolkata, Bengaluru and Pune. The Bank operates in India and branches only in India.

USFB is a mass market focused bank in India, catering to financially unserved and underserved segments and committed to building financial inclusion in the country. USFB has a diversified portfolio with branches spread across 22 states and two union territories. Apart from the network of branches, ATMs and automated cash recyclers, USFB has phone banking unit that serves customers in nine languages, a mobile banking application that is accessible in five languages as well as internet banking facility for individual and corporate customers. USFB also has a portfolio of loans to financial institutions.

The shares of the Bank are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

2 BASIS OF PREPARATION

The accompanying financial statements have been prepared under the historical cost convention and on accrual basis except where otherwise stated, and in compliance with the Generally Accepted Accounting Principles ("GAAP") in India and in accordance with statutory requirements prescribed under the Third Schedule of the Banking Regulation Act 1949, the Master Direction on Financial Statements - Presentation and Disclosures issued by Reserve Bank of India dated on August 30, 2021, as amended from time to time and various other orders/circulars/directions issued by the RBI and applicable accounting standards referred to in Section 133 of the Act. The financial statements are presented in Indian Rupees rounded off to the nearest thousands unless otherwise stated. These standalone financial statements have been prepared on a going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year other than the change in accounting policy relating to investments (Refer Note 3.3)

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities (including contingent liability) and the reported income and expenses during the period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the future periods.

3.2 ADVANCES

Advances are classified as Performing Advances (Standard) and Non- Performing Advances (NPAs) in accordance with the RBI guidelines on Income Recognition and Asset Classification (IRAC). Further, NPAs are classified into sub-standard, doubtful and loss assets. Advances are stated net of specific loan loss provision and Inter Bank Participating Certificates (IBPC) with risk sharing issued. The Bank transfers advances through Inter- Bank Participation arrangements with and without risk, which are accounted for in accordance with the RBI guidelines, as follows:

- a) In the case of participation with risk, the aggregate amount of participation transferred out of the Bank is reduced from Advances; and participations transferred in to the Bank are classified under Advances.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

- b) In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings; and where the Bank is participating, the aggregate amount of participation is reported as due from banks under Advances.

The Bank transfers advances through securitisation arrangements to special purpose vehicles setup for this purpose. Upon due execution/delivery of the requisite transaction documents and payment of purchase consideration, the value of amounts transferred is reduced from advances reported in Schedule 9 to financial statements if the criteria for transfer of receivables in terms of the master directions of the Reserve Bank of India on "Reserve Bank of India (Securitisation of standard assets) Directions, 2021" are satisfied, based on appropriate legal advice regarding compliance with true sale criteria stipulated in the said directions. In case these criteria are not fulfilled, the amount received is reported as borrowings.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e., book value less provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

Provisioning:

Specific provisions for Non- Performing Advances and floating provisions are made in conformity with the RBI guidelines or the policy of the Bank, whichever is higher. While framing this policy, the Bank has stipulated accelerated provisioning based on past experience, value/stature of securities and other related factors.

Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account.

Loans reported as fraud are classified appropriately as per relevant RBI guidelines and fully provided for immediately without considering the value of security.

A general provision on standard assets is made in accordance with RBI guidelines or the policy of the Bank whichever is higher. Provision made for standard assets is included in 'Other Liabilities and Provisions'.

Floating Provisions:

Provisions made in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to the level approved by the Board of Directors. In accordance with the RBI guidelines, floating provisions are used up to a level approved by the Board only for contingencies under extraordinary circumstances and for making specific provisions as permitted. Based on the approval of the Board of Directors, Floating provisions considered towards calculation of Net NPA and PCR are netted off against advances. If considered as tier-II capital or if unallocated, the same is disclosed under Other Liabilities.

Restructured assets

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines.

An adjustment to the quantum of provisions based on the current status of the assets is made from provisions and contingencies reported in the profit and loss account.

Priority Sector Lending Certificates (PSLCs):

The Bank enters into transactions for the sale of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the priority sector assets. There is no transfer of risks or loan assets. The fee received from the sale of PSLCs is recognised at the inception and recorded as 'Miscellaneous Income'.

3.3 INVESTMENTS

Classification and Valuation of the Bank's Investments are carried out in accordance with RBI Master Direction on Classification, Valuation and Operations of Investment Portfolio of Commercial Banks, 2023 dated September 12, 2023 and updated from time to time ("Master Directions"), Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark India Private Limited ('FBIL') guidelines prescribed in this regard from time to time as follows:

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

Categorisation of Investments:

Based on the intent or duration for which investments shall be held as well as the ability to hold the securities, the Bank classifies its Investment Portfolio(except investments in their own subsidiaries, joint ventures and associates) into 'Held to Maturity' (HTM), Fair Value through Profit and Loss (FVTPL) and 'Available for Sale' (AFS). Held for Trading (HFT) will be a subcategory within FVTPL.

Classification of Investments:

For the purpose of disclosure in the Balance Sheet, Investments in India are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures and (vi) Other Investments.

Investments outside India are classified under three groups viz., (i) Government Securities (Including local authorities), (ii) Subsidiaries and/or Joint Ventures abroad and (iii) Other Investments

Purchase and sale transactions in securities are recorded under 'Settlement Date' accounting, except in the case of equity shares where 'Trade Date' accounting is followed.

Acquisition cost and profit/loss on disposal:

- (i) Broken period interest on debt instruments is treated as a receivable at the time of acquisition and post acquisition broken period interest treated as a revenue item
- (ii) Brokerage, commission, etc. pertaining to Investments, paid at the time of acquisition is charged to the Profit and Loss Account.
- (iii) Profit or loss arising on disposal of investments are computed based on the weighted average cost method.

Classification and Valuation of Investments:

(1) Held to Maturity (HTM) –

- i) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows, that are Solely Payments of Principal and Interest (SPPI) on principal outstanding on specified dates.
- ii) Securities held in HTM shall be carried at cost and are not be marked to market (MTM) after initial recognition. However, they are subject to income recognition, asset classification and provisioning norms as specified in the Master Directions.
- iii) Any discount or premium on the securities under HTM are amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'."

(2) Available for Sale (AFS) –

- a) Securities that meet the following conditions are classified under AFS:
 - i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
 - ii) The contractual terms of the security meet the 'SPPI criterion' that are Solely Payments of Principal and Interest (SPPI) on principal outstanding on specified dates. Provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.
 - iii) AFS securities shall inter-alia include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the Bank's intent is flexible with respect to holding to maturity or selling before maturity.
- b) Any discount or premium on the acquisition of debt securities under AFS are amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

- c) The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS are aggregated. The net appreciation or depreciation is directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.
- d) Securities under AFS are subject to income recognition, asset classification and provisioning norms as specified in Master Directions.
- e) The AFS-Reserve is reckoned as Common Equity Tier (CET) 1. However, net unrealised gains on Level 3 investments (as defined in Master directions) recognised in the Profit and Loss Account or in the AFS-Reserve will be deducted from CET 1 Capital. The unrealised gains transferred to AFS-Reserve will not be available for any distribution such as dividend and coupon on Additional Tier 1.
- f) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve is transferred from the AFS Reserve and recognised in the Profit and Loss Account under item II 'Profit on sale of investments' under Schedule 14-Other Income.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is not transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss is transferred from AFS-Reserve to the Capital Reserve.

(3) Fair Value through Profit and Loss (FVTPL) –

Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL. These shall inter-alia include:

- i) Equity shares, other than (a) equity shares of subsidiaries, associates or joint ventures and (b) equity shares where, at initial recognition, the irrevocable option to classify at AFS has been exercised
- ii) Investments in Mutual Funds
- iii) Alternative Investment Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts (currently not allowed)
- iv) Investment in securitisation notes which represent the equity tranche of a securitisation transaction.
- v) Bonds, debentures, etc. where the payment is linked to the movement in a particular index such as an equity index rather than an interest rate benchmark.
- vi) Instruments with compulsorily, optionally or contingently convertible features.
- vii) Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.
- viii) Instruments whose coupons are not in the nature of interest as defined in Master Direction
- ix) Preference shares and Equity shares.
- x) The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on a daily basis, whereas other securities in FVTPL are fair valued on fortnightly basis.
- xi) Any discount or premium on the acquisition of debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount will be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- xii) Securities under FVTPL are subject to income recognition, asset classification and provisioning norms as specified in Master Directions.

(4) Held for Trading/FVTPL HFT –

Held for Trading (HFT), which is a sub-category of Fair Value through Profit and Loss (FVTPL) shall consist of all instruments that meet the specifications for HFT instruments set out in the investment policy of the Bank.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

Reclassification between categories:

As per RBI circular RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated 12th September 2023, bank shall not reclassify investments between categories (viz. HTM, AFS and FVTPL) without the approval of the Board of Directors, the ALCO or IC shall recommend the proposal for approval. Further, reclassification shall also require the prior approval of the Department of Supervision (DoS), RBI. The reclassification should be applied prospectively from reclassification date. As and when such shifting is initiated by the Bank, accounting entries will be made in line with Master directions.

- (5) Market value of government securities (excluding treasury bills) is determined based on the prices / YTM declared by Financial Benchmarks India Pvt Limited (FBIL)
- (6) Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.
- (7) Provision for non-performing Investments is made in conformity with RBI guidelines.

(8) Equity Shares-

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions shall be the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the Company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares shall be valued at ₹ 1 per company.

(9) Mutual Funds Units (MF Units)-

- i. Investment in un-quoted MF units shall be valued on the basis of the latest repurchase price declared by the MF in respect of each scheme.
 - ii. In case of funds with a lock-in period or any other Mutual Fund, where repurchase price/ market quote is not available, units are valued at Net Asset Value (NAV) of the scheme. If NAV is not available, these are valued at cost, till the end of the lock-in period.
- (10) In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions is accounted for as interest income
 - (11) Security Receipts shall be marked to market on half yearly basis as per NAV shared by the trust/ARC

(12) Sale of investments from HTM:

Any profit or loss on the sale of investments in HTM shall be recognised in the Profit and Loss Account under Item II of Schedule 14: 'Other Income'. The profit on sale of an investments in HTM is appropriated (Net of taxes and the amount required to be transferred to Statutory Reserve) below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.

Investment Fluctuation Reserve:

As per the RBI circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, to build up adequate reserves to protect against increase in yields in future, the Bank has created an Investment Fluctuation Reserve (IFR) to the extent of the lower of following:

- a) net profit on sale of investments during the year;
- b) net profit for the year less mandatory appropriations.

This reserve will be created until the amount of IFR is at least 2 % of the HFT and AFS portfolio, on a continuing basis and where feasible, this should be achieved within a period of three years.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

3.4 REVENUE RECOGNITION

- 1) Interest income on performing assets and deposits with banks and other institutions are recognised in the Profit and Loss Account on accrual basis. Interest Income on Non- Performing Assets is recognised upon realisation as per the prudential norms of the RBI.
Any income recognised and remaining unrealised, before the asset became non-performing or before disposal is reversed in the profit and loss account. Overdue interest is recognised on realisation basis.
- 2) Interest on advances transferred under securitisation arrangements meeting the criteria stipulated in para 3.2 above are not recognised in Profit and Loss Account. The Bank's share of the securitisation income is recognised on receipt basis. Profit / premium arising at the time of securitisation / assignment of loan portfolio is amortised over the life of the underlying loan portfolio / securities and any loss arising therefrom is recognised immediately. Income from interest strip (excess interest spread) is recognised in the profit and loss account net of any losses when redeemed in cash. Interest retained under assignment of loan receivables is recognised on realisation basis over the life of the underlying loan portfolio.
- 3) Revenues from loan documentation charges and processing fees are recognised at the inception of the loan , except in cases where the Bank is uncertain of its ultimate collection.
- 4) For Micro Finance Loans recoveries are appropriated towards instalment(s) outstanding and on partial collection appropriation will be in the sequence of first Interest component of oldest EMI followed by Principal component of oldest EMI, and so on both for standard and NPA accounts
- 5) For other than Micro Finance Loans and Relationship Management based products, recoveries in respect of all EMI based performing assets is appropriated towards interest, principal of each EMI followed by penal interest and then charges. For Non-performing assets, appropriation is made towards principal, interest of each EMI followed by oldest penal interest due and then oldest charges for the product defined.
- 6) Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a constant Yield to Maturity method.
- 7) Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.
- 8) Income from distribution of third party products is recognised on the accrual basis.
- 9) Recoveries in respect of purchase of Direct Assignment pools are to be appropriated as per appropriation methodology followed by the originators
- 10) Charges such as penal charges, EMI bounce charges, Cheque return charges, Legal charges, Seizing charges etc. are recognised on realisation basis. These charges are treated to accrue on realisation, due to the uncertainty of their realisation; and
- 11) All other fees are accounted for as and when they become due and when service is rendered.

3.5 EMPLOYEE BENEFITS

Provident Fund: Contribution towards provident fund of employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as defined contribution schemes and are charged as an expense as they fall due based on the amount of contribution required to be made when the services are rendered by the employees. The Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Bank or retirement, whichever is earlier.

The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognised based on actuarial valuation at the Balance Sheet date. The present value of the of the defined benefit obligation at the balance sheet date less the fair value of plan assets is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognises each period of service, give rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognised in the Profit and Loss Account in the year in which they arise. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

Short term Employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long term Employee benefits:

The Bank accrues the liability for compensated absences based on the actuarial valuation as on the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as on the Balance Sheet date. Actuarial gains / losses are recognised in the Profit and Loss Account in the period in which they arise.

Employee Stock Option Plan (ESOP)

The Employee Stock Option Schemes (ESOSs) of the Bank are in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Schemes provide for grant of options on equity shares to employees of the Bank to acquire the equity shares of the Bank that vest in a cliff vesting or in a graded manner and that are to be exercised within a specified period. In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the fair value method. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 18 (27). The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

In accordance with the RBI circular RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 "Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff – Clarification" dated August 30, 2021, Share-linked instruments granted to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff after the accounting period ended March 31, 2021, is fair valued on the date of grant using Black-Scholes model.

The options that do not vest because of failure to satisfy vesting condition are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion. In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding accounts is transferred to Profit & Loss Account.

Employee Stock Purchase Scheme (ESPS)

ESPS is a contractual promise that permits an employee to acquire an employer's stock at a future date under the terms and conditions established on the grant date. The fair value of the entire purchase discount represents employee compensation. The compensation expense will be the difference between the value of the stock on the date of shareholder approval and the purchase/Exercise price for that offering.

Cash-settled Stock Appreciation Rights (SARs)

The cost of cash-settled transactions, stock appreciation rights (SARs) is measured on fair value basis.

The fair value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in fair value recognised in the profit and loss account in 'Payments to and provision for employees'.

The SARs that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense, equal to the amortised cost in respect of the lapsed portion.

3.6 FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment if any. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on Fixed Asset after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

When significant parts of the plant and equipment are required to be replaced at intervals, the Bank depreciates them separately based on its specific useful lives. Tangible fixed assets under construction and tangible fixed assets acquired but not ready for their intended use will be disclosed as capital work-in-progress.

Depreciable amount for Fixed Asset is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Fixed asset has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act. Leasehold improvements are amortised over the primary lease period. 'Point of Sale' terminals are fully depreciated in the year of purchase.

The useful life being followed by the Bank as prescribed in Schedule II to the Act is as under:

Asset	Estimated Useful Life as specified under Schedule II of the Act (years)
Computer	3
Furniture and Fittings	10
Office Equipment	5
Motor Vehicle	8
Server	6

Fixed Asset purchased/sold during the year are depreciated on a pro-rata basis.

Fixed Asset costing less than ₹ 5,000/- each are fully depreciated in the year of purchase.

The salvage value considered for computing depreciation is as per Schedule II of the Act (i.e. 5% of Cost) except for Software and Lease hold assets.

Gains or losses arising from disposal or retirement of Fixed Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, under "Other Income" as Profit/(Loss) on sale of Fixed Asset, as the case maybe, in the Profit and Loss Account in the year of disposal or retirement.

Fixed Asset held for sale is valued at lower of their carrying amount and net realisable value, any write-down is recognised in the Profit and Loss Account. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life.

3.7 INTANGIBLE ASSETS

Intangible Assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises of its purchase price, trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use following initial recognition. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates to.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The Bank uses a rebuttable assumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Software with perpetual license and system development expenditure, if any, is amortised over an estimated economic useful life of 6 years or license period, whichever is lower.

The amortisation period and the amortisation method are reviewed at each Balance Sheet date. For assets purchased/ sold during the year, amortisation is being provided on pro rata basis by the Bank. If the expected useful life of the asset significantly differs from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

3.8 IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at the Balance Sheet date are reviewed for indications of impairment, if any. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case, any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and the value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account.

3.9 LEASES

Lease arrangements where risk and rewards incidental to ownership of an assets substantially vest with the lessor are recognised as operating leases.

Lease rentals under operating lease are charged to the Profit and Loss Account on straight line basis over the lease term in accordance with AS-19, Leases.

3.10 SEGMENT REPORTING

In accordance with guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007 and Accounting Standard 17 on "Segment Reporting", the Bank's business has been segregated into Treasury, Retail Banking and Corporate/ Wholesale Segments.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses, inter segment costs based on a transfer pricing mechanism and provisions. Segment results are net of segment revenues and segment expenses.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth, dividend and tax related liability, if any.

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

3.11 EARNINGS PER SHARE

Basic and diluted earnings per share is computed in accordance with Accounting Standard-20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the period. For the purpose of calculating diluted earnings per share, the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except when its results are anti-dilutive.

3.12 TAXES ON INCOME

Income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in Profit and Loss Account.

Deferred tax

Deferred income-tax relating to items recognised directly in equity is recognised in equity and not in the Profit and Loss Account

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying cost of the deferred tax assets are reviewed at each balance sheet date. The Bank writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis.

Significant Accounting Policies forming part of the Financial Statements for the year ended March 31, 2025 (Contd.)

3.13 PROVISIONS AND CONTINGENCIES

A provision is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- i) a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- ii) a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent liability also arises where there is a liability that cannot be recognised because it cannot be measured reliably. The Bank does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

3.14 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents includes cash in hand (including balance in ATM), balances with RBI, balances with other Banks and money at call and short notice. Cash and Cash Equivalents for the purpose of Cash Flow Statement comprises of Cash at Bank and in hand and short term Investments with an original maturity of less than three months.

3.15 CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

3.16 PROPOSED DIVIDEND

Dividend proposed/declared after the balance sheet date is accounted in the books of the Bank in the year in which the dividend is declared.

As per revised Accounting Standard 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016 the Bank will not appropriate the proposed dividend from the Profit and Loss account and the same will be recognised in the year of actual payment post shareholder's approval.

3.17 TRANSACTIONS INVOLVING FOREIGN EXCHANGE

All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

Initial recognition

Transactions in foreign currencies entered into by the Bank are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items, if any, of the Bank, outstanding at the balance sheet date are restated at the rates prevailing at the year-end as notified by Foreign Exchange Dealers Association of India ('FEDAI'). Non-monetary items of the Bank are carried at historical cost.

Contingent liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

Treatment of Exchange differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Bank are recognised as income or expense in the Profit and Loss Account.

3.18 CORPORATE SOCIAL RESPONSIBILITY

Expenditure towards CSR, in accordance with section 135 of the Act are recognised in the profit and loss account.

3.19 SHARE ISSUE EXPENSES

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Act.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

SCHEDULE 18

1 CAPITAL

1.1 Capital Infusion

During the year ended March 31, 2025, the Bank allotted 3,575,134 equity shares pursuant to the exercise of stock options under the approved Employee Stock Option Plan (ESOP) 2019. Further, the Bank has granted 4,275,492 fresh stock options to its eligible employees. Refer note 18(27) for further details.

During the year ended March 31, 2024, the eUFSL allotted 106,564 equity shares pursuant to the exercise of stock options under the approved Employee Stock Option Plan (ESOP) 2015 which are equivalent to 1,236,142 shares of Ujjivan Small Finance Bank having nominal value of ₹ 10 per share.

1.2 Capital Adequacy Ratio

The Bank computes its Capital Adequacy Ratio as per New Capital Adequacy Framework- BASEL-II and Operating Guidelines for Small Finance Banks (issued by RBI on October 06, 2016) and Basel III Capital regulations.

Under the New Capital Adequacy Framework and Operating Guidelines for Small Finance Banks issued on October 06, 2016, the Bank has to maintain a Minimum Total Capital of 15% of the Credit Risk Weighted Assets (Credit RWA) on an on-going basis. Out of the Minimum Total Capital, at least 7.5% shall be from Minimum Tier I Capital of which Common Equity Tier I capital shall be 6% and 1.50% from additional Tier I capital and remaining Tier II Capital shall be 7.5%. Further as per RBI's directions given in the circular DBR.NBD.No. 4502/16.13.218/2017-18, dated November 08, 2017, no separate risk charge has been calculated for Market Risk and Operational Risk for capital ratios.

The capital adequacy ratio of the Bank is set out below:

Particulars	(₹ in Crores)	
	As on March 31, 2025	As on March 31, 2024
i) Common Equity Tier 1 capital (A)	5,610.29	5,155.05
ii) Additional Tier 1 capital (B)	-	-
iii) Tier 1 capital (A+B) (Refer note (a) below)	5,610.29	5,155.05
iv) Tier 2 capital	451.45	482.15
v) Total capital (Tier 1+ Tier 2)	6,061.75	5,637.20
vi) Total Risk weighted assets (RWA) (Refer note (b) below)	26,240.07	22,828.49
vii) Common Equity Tier I Capital Ratio (as a percentage of Credit RWA)	21.38%	22.58%
viii) Tier I Capital Ratio (as a percentage of Credit RWA)	21.38%	22.58%
ix) Tier II Capital Ratio (as a percentage of Credit RWA)	1.72%	2.11%
x) Total Capital to Risk weighted asset Ratio (CRAR) (as a percentage of Credit RWA)*	23.10%	24.69%
xi) Leverage Ratio	11.77%	12.75%
xii) Percentage of shareholding		
a) Government of India	Nil	Nil
b) State Government		
c) Sponsor Bank		
xiii) Amount of paid up equity capital raised during the year	3.58	4.06
xiv) Amount of non-equity Tier-I Capital raised during the year; of which		
Perpetual Non Cumulative Preference Shares (PNCPS)	-	-
xv) Amount of Tier II Capital raised during the year; of which	-	-
Debt Capital Instrument	-	-

Note:

- (a) The Tier 1 capital for the previous year includes Share Capital pending allotment as detailed in Note 18(30).
- (b) The RWA for the previous year includes the risk weighted assets taken over from eUFSL vide scheme of amalgamation as detailed in Note 18(30).

1.3 Reserves and Surplus

Statutory Reserve

The Bank has made an appropriation of ₹ 181.53 (Previous Year: ₹ 320.37) to the statutory reserve for the year ended March 31, 2025 out of profits, to the Statutory Reserve, pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Capital Reserve

The Bank made an appropriation of ₹ 12.10 (Previous Year: Nil) from the Profit and Loss Account to the Capital Reserve during the year ended March 31, 2025 on account of profit on sale of HTM.

General Reserve

The Bank has created a reserve of ₹ 3.93/3.02 (net of taxes) on transition to the new framework on Classification, valuation and operation of Investment Portfolio of Commercial Banks as per the RBI Master Direction DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023 (Previous Year- ₹ Nil).

Investment Fluctuation Reserve (IFR)

In accordance with RBI guidelines, Banks are required to create an IFR equivalent to 2% of their HFT and AFS Investment portfolios, within a period of three years starting fiscal 2019. Accordingly, during the year ended March 31, 2025, the Bank has made an appropriation of ₹ 7.10 (Previous year- ₹ 4.37) to IFR from the profit and loss account so as to reach to the figure of 2% of its HFT and AFS Investment portfolio.

Investment Reserve Account (IRA)

In accordance with RBI Master Direction DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023 on Classification, valuation and operation of Investment Portfolio of Commercial Banks, the Bank has transferred ₹ 0.34 of IRA to General Reserve, after meeting the minimum regulatory requirement of IFR.

Share Premium

During the FY 2024-25 there was an addition of ₹ 10.20 in the share premium (Previous year- ₹ 17.71). During the previous year, the Bank has taken over the securities premium account pertaining to UFSL (erstwhile holding company) amounting to ₹ 1,108.21 and adjusted ₹ 1,290.92 from the share premium during the year ended March 31, 2024 in terms of the said Scheme as detailed in Note 18(30) of financial statements. The same has resulted in net deduction from share premium of ₹ 182.71. Further, the Bank based on a legal opinion, adjusted the stamp duty payable amounting to ₹ 25.00 in the said share premium account as per the relevant provisions of the Companies Act, 2013.

Drawdown from Reserves

The Bank has not made a drawdown from the share premium during the year ended March 31, 2025 and March 31, 2024, other than the adjustment made pursuant to the merger (Refer note 18(30)).

2 ASSET LIABILITY MANAGEMENT (ALM)

a) Maturity Pattern of certain items of Assets and Liabilities

Specified Assets and Liabilities As on March 31, 2025:

(₹ in Crores)				
Maturity Buckets	Advances	Investments	Deposits	Borrowings
1 day	25.11	2,011.94	98.03	-
2 days to 7 days	300.40	1,458.85	983.70	1,326.49
8 days to 14 days	552.35	168.39	812.50	-
15 days to 30 days	782.38	282.98	1,356.17	-
31 days to 2 months	1,511.74	608.97	1,251.83	-
Over 2 months up to 3 months	1,588.79	561.71	2,100.70	90.50
Over 3 months up to 6 months	4,952.56	1,845.84	10,317.34	61.51
Over 6 months up to 12 months	6,712.65	2,782.14	10,050.08	123.00
Over 1 year up to 3 years	7,630.25	1,847.24	10,467.62	431.96
Over 3 years up to 5 years	1,493.45	140.46	180.55	556.85
Over 5 years	5,840.32	21.47	11.96	255.05
Total	31,390.00	11,729.99	37,630.48	2,845.36

Note:

- There are no Foreign Currency Assets or Liabilities with the Bank as at March 31, 2025.
- Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Specified Assets and Liabilities as on March 31, 2024

(₹ in Crores)

Maturity Buckets	Advances	Investments	Deposits	Borrowings
1 day	15.10	3,259.56	129.36	-
2 days to 7 days	238.63	481.66	719.48	553.86
8 days to 14 days	463.23	89.67	666.47	-
15 days to 30 days	576.95	432.14	620.32	-
31 days to 2 months	1,195.69	380.41	1,621.56	87.50
Over 2 months up to 3 months	1,337.98	458.46	2,584.35	90.50
Over 3 months up to 6 months	3,693.70	1,503.00	6,437.24	335.70
Over 6 months up to 12 months	6,477.76	1,609.29	8,015.29	271.40
Over 1 year up to 3 years	8,001.91	1,448.04	10,406.55	348.10
Over 3 years up to 5 years	932.92	84.86	251.62	413.60
Over 5 years	3,949.04	18.94	9.91	70.16
Total	26,882.92	9,766.02	31,462.16	2,170.82

Note:

- There are no Foreign Currency Assets or Liabilities with the Bank as at March 31, 2024.
- Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

b) Liquidity Coverage Ratio (LCR)

The Bank adheres to RBI guidelines on Liquidity Coverage Ratio given in "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and the LCR Disclosure Standards" and "Operating Guidelines for Small Finance Banks".

(A) Qualitative disclosure around LCR

LCR is the ratio of unencumbered High Quality Liquid Assets (HQLA) to Net Cash Outflows over the next 30 calendar days. The liquidity management is centralised with treasury with active interactions between the Bank's Business Units. LCR measures the Bank's ability to manage and survive under combined idiosyncratic and market-wide liquidity stress condition that would result in accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements, unscheduled draw down of unused credit lines, etc. These stress conditions are captured as a part of the Net Cash Outflows. HQLA of the Bank consist of cash, unencumbered excess SLR, a portion of statutory SLR as allowed under the guidelines and cash balance with RBI in excess of statutory cash reserve requirements.

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the liquidity risk tolerance/limits and accordingly decides the strategy, policies and procedures of the Bank for managing liquidity risk. The Board has constituted Risk Management Committee (RMC), which reports to the Board, and consisting of MD & CEO, Chairman of the Board and other independent directors. The Committee is responsible for evaluating the overall risks faced by the Bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee.

Asset Liability Committee (ALCO) of the Bank is the primary governing body for Liquidity Risk Management. Treasury is entrusted with the responsibility of liquidity management within the Bank under the guidance of the ALCO. ALM Risk unit independently measures, monitors & reports Liquidity Risk as per the Regulatory and internal guidelines.

LCR aims to ensure that the Bank has an adequate stock of unencumbered HQLA to meet its liquidity needs for a 30 calendar day liquidity stress scenario. As mentioned in the "Operating Guidelines for Small Finance Banks", the Bank has to maintain the prescribed level of LCR of 100% effective from January 01, 2021.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)	-	7,645.66	-	7,637.55	-	7,684.10	-	8,695.10
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	19,079.07	1,848.20	18,353.34	1,780.60	17,857.67	1,727.80	16,971.35	1,632.48
(i) Stable deposits	1,194.20	59.71	1,094.72	54.74	1,159.29	57.96	1,293.09	64.65
(ii) Less stable deposits	17,884.87	1,788.49	17,258.62	1,725.86	16,698.38	1,669.84	15,678.26	1,567.83
3. Unsecured wholesale funding, of which:	6,673.20	4,731.50	6,703.57	4,741.79	7,036.77	5,232.04	6,289.64	4,607.93
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,421.00	140.86	1,310.24	129.99	1,297.14	128.65	1,195.73	118.42
(iii) Unsecured debt	5,252.21	4,590.64	5,393.33	4,611.81	5,739.63	5,103.39	5,093.92	4,489.51
4. Secured wholesale funding	1,761.06	43.74	1,416.08	44.16	1,294.39	44.90	495.16	37.50
5. Additional requirements, of which	1,413.75	242.59	1,155.77	196.05	1,079.21	151.99	1,013.03	133.79
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,413.75	242.59	1,155.77	196.05	1,079.21	151.99	1,013.03	133.79

(B) Quantitative disclosure around LCR

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
6. Other contractual funding obligations	414.49	414.49	356.81	356.81	375.25	375.25	416.95	416.95
7. Other contingent funding obligations	7.06	0.21	23.45	0.70	30.36	0.91	30.44	0.91
8. Total Cash Outflows	29,348.63	7,280.73	28,009.02	7,120.11	27,673.65	7,532.89	25,216.57	6,829.56
Cash Inflows	0	0	0	0	0	0	0	0
9. Secured lending (e.g. reverse repos)	0.45	-	1.39	-	6.06	-	9.23	-
10. Inflows from fully performing exposures	2,102.02	1,291.42	2,133.96	1,338.52	2,426.64	1,609.74	2,350.86	1,524.26
11. Other cash inflows	50.00	-	50.00	-	50.00	-	50.00	-
12. Total Cash Inflows	2,152.47	1,291.42	2,185.35	1,338.52	2,482.70	1,609.74	2,410.09	1,524.26
13. Total HQLA	-	7,645.66	-	7,637.55	-	7,684.10	-	8,695.10
14. Total Net Cash Outflows	-	5,989.31	-	5,781.60	-	5,923.16	-	5,305.32
15. Liquidity Coverage Ratio (%)		127.66%		132.10%		129.73%		163.89%

*Average weighted and unweighted amounts are calculated taking simple daily average for all quarters.



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

The table sets out Quantitative Information for all four quarters of the financial year ended March 31, 2024 as follows:

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)	0	7,078.94	-	7,795.20	-	8,813.50	-	8,310.87
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	16,498.39	1,298.17	15,575.30	1,180.24	14,304.78	1,076.63	13,430.53	1,007.35
(i) Stable deposits	7,033.40	351.67	7,545.83	377.29	7,076.90	353.84	6,714.01	335.70
(ii) Less stable deposits	9,464.99	946.50	8,029.47	802.95	7,227.89	722.79	6,716.52	671.65
3. Unsecured wholesale funding, of which:	6,226.97	4,473.68	5,506.41	3,892.20	6,068.56	4,636.27	5,054.80	3,654.85
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	980.80	91.93	856.09	78.89	753.57	69.00	695.75	63.70
(iii) Unsecured debt	5,246.17	4,381.75	4,650.32	3,813.32	5,315.00	4,567.28	4,359.05	3,591.15
4. Secured wholesale funding	1,708.05	71.06	1,583.67	58.37	325.34	39.04	284.97	20.32
5. Additional requirements, of which	1,001.91	142.07	1,002.02	136.22	1,175.50	144.40	638.54	31.93
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-

(₹ in Crores)

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Particulars	(₹ in Crores)					
	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,001.91	142.07	1,002.02	136.22	638.54	31.93
6. Other contractual funding obligations	488.75	488.75	262.48	262.48	192.19	192.19
7. Other contingent funding obligations	23.59	0.71	20.00	0.60	462.09	184.84
8. Total Cash Outflows	25,947.66	6,474.44	23,949.88	5,530.11	20,076.46	5,091.87
Cash Inflows						
9. Secured lending (e.g. reverse repos)	1.00	-	1.86	-	1.33	-
10. Inflows from fully performing exposures	2,099.97	1,298.04	1,831.75	1,027.18	1,665.96	984.01
11. Other cash inflows	50.00	-	50.00	-	50.00	-
12. Total Cash Inflows	2,150.97	1,298.04	1,883.61	1,027.18	1,717.29	984.01
13. Total HQLA	-	7,078.94	-	7,795.20	-	8,310.87
14. Total Net Cash Outflows	-	5,176.40	-	4,502.93	-	4,107.87
15. Liquidity Coverage Ratio (%)		136.75%		173.11%		202.32%

*Average weighted and unweighted amounts are calculated taking simple daily average for all quarters.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
(c) Net Stable Funding Ratio as on March 31, 2025
i) Qualitative Disclosure

Ujjivan Small Finance Bank, as per the RBI guideline on Net Stable Funding Ratio (NSFR) dated May 17, 2018, is required to maintain the NSFR on an ongoing basis. The minimum NSFR requirement set out in the RBI guideline is 100%.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available Stable Funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required Stable Funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

Available Stable Funding -

An increase in available stable funding will impact the NSFR positively. The Bank shall aim for higher available stable funding, which in the form of deposits, and will increase the long-term funding of the Bank. The Bank has been focusing on retail deposits albeit reducing reliance on bulk deposits.

Required Stable Funding-

An increase in required stable funding will impact the NSFR negatively. The required stable funding of the Bank is increasing as it is building loan portfolio between unsecured and secured loans across various products.

ii) Quantitative Disclosure

Particulars	Unweighted value by residual maturity				(₹ in Crores)
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
ASF Item					
1 Capital: (2+3)	6,383.41	-	-	-	6,383.41
2 Regulatory capital	6,083.41	-	-	-	6,083.41
3 Other capital instruments	300.00	-	-	-	300.00
4 Retail deposits and deposits from small business customers: (5+6)	9,616.23	12,702.64	61.26	14.17	20,221.83
5 Stable deposits	1,081.27	229.65	-	-	1,245.37
6 Less stable deposits	8,534.96	12,472.99	61.26	14.17	18,976.46
7 Wholesale funding: (8+9)	-	1,010.75	4,727.97	1,437.54	4,306.90
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	1,010.75	4,727.97	1,437.54	4,306.90
10 Other liabilities: (11+12)	1,570.52	10,047.10	106.90	10.67	-
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	1,570.52	10,047.10	106.90	10.67	-
13 Total ASF (1+4+7+10)	-	-	-	-	30,912.14
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	382.09
15 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16 Performing loans and securities: (17+18+19+21+23)	-	9,257.13	10,021.02	14,775.78	20,318.17
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,766.91	506.98	506.91	1,025.43
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	7,331.11	9,329.24	7,114.57	14,377.56

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	74.65	134.54	518.88	441.87
21 Performing residential mortgages, of which:	-	159.11	184.80	6,689.63	4,520.21
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	464.67	394.97
24 Other assets: (sum of rows 25 to 29)	456.46	24.34	0.87	1,650.29	1,913.81
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	1,377.20	1,170.62
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	456.46	24.34	0.87	273.09	743.19
30 Off-balance sheet items	-	1,147.40	497.38	1.10	82.27
31 Total RSF (14+15+16+20+24+30)	-	-	-	-	23,138.21
32 Net Stable Funding Ratio (%)					133.60%

Net Stable Funding Ratio as on March 31, 2024

(₹ in Crores)

Particulars		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	5,913.49	-	-	-	5,913.49
2	Regulatory capital	5,613.49	-	-	-	5,613.49
3	Other capital instruments	300.00	-	-	-	300.00
4	Retail deposits and deposits from small business customers: (5+6)	19,383.47	-	-	-	17,519.69
5	Stable deposits	1,491.39	-	-	-	1,416.82
6	Less stable deposits	17,892.08	-	-	-	16,102.87
7	Wholesale funding: (8+9)	-	837.98	2,922.48	788.88	2,669.11
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	837.98	2,922.48	788.88	2,669.11
10	Other liabilities: (11+12)	939.64	9,542.27	67.09	26.93	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	939.64	9,542.27	67.09	26.93	-
13	Total ASF (1+4+7+10)	-	-	-	-	26,102.29
RSF Item		-	-	-	-	-
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	388.96
15	Deposits held at other financial institutions for operational purposes	-	5.60	-	0.05	2.82
16	Performing loans and securities: (17+18+19+21+23)	-	7,250.68	8,414.91	8,184.08	17,735.95

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	525.81	632.59	567.72	962.89
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	6,724.87	7,782.33	7,603.63	13,716.68
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	23.19	18.68	165.71	128.65
21 Performing residential mortgages, of which:	-	92.78	108.68	4,530.50	3,045.56
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	12.73	10.82
24 Other assets: (sum of rows 25 to 29)	426.66	-	-	903.14	1,200.29
25 Physical traded commodities, including gold	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	863.46	733.95
27 NSFR derivative assets	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29 All other assets not included in the above categories	426.66	-	-	39.68	466.34
30 Off-balance sheet items	-	687.66	297.95	30.44	50.19
31 Total RSF (14+15+16+24+30)	-	-	-	-	19,506.87
32 Net Stable Funding Ratio (%)					133.81%

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
3. INVESTMENTS
a) Composition of Investment Portfolio as on March 31, 2025

₹ in Crores

	Investments in India							Investments outside India				Total Investments
	Government securities	Other approved securities	Shares	Debentures and bonds	Subsidiaries and /or Joint Ventures	Others -Security receipts, pass through certificate of deposit etc.*	Total Investments in India(including local authorities)	Government securities	Subsidiaries and /or Joint Ventures	Others -Security receipts, pass through certificate of deposit etc.*	Total Investments outside India	
Held to Maturity												
Gross	7,791.36	-	-	-	-	-	7,791.36	-	-	-	-	7,791.36
Add/(Less): Provision for NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	7,791.36	-	-	-	-	-	7,791.36	-	-	-	-	7,791.36
Available For Sale												
Gross	1,051.99	-	-	-	-	-	1,051.99	-	-	-	-	1,051.99
Add/(Less): Provision for Depreciation	0.16	-	-	-	-	-	0.16	-	-	-	-	0.16
(Net Off) *												
Net	1,052.15	-	-	-	-	-	1,052.15	-	-	-	-	1,052.15
Held for Trading												
Gross	175.07	-	-	475.50	-	2,221.35	2,871.92	-	-	-	-	2,871.92
Add/(Less): Provision for Depreciation	0.45	-	-	1.05	-	0.00	1.50	-	-	-	-	1.50
(Net Off) *												
Net	175.52	-	-	476.56	-	2,221.35	2,873.43	-	-	-	-	2,873.43
FVTPL												
Gross	-	-	0.10	-	-	49.93	50.03	-	-	-	-	50.03
Add/(Less): Provision for Depreciation	-	-	0.32	-	-	(37.30)	(36.98)	-	-	-	-	(36.98)
(Net Off) *												
Net	-	-	0.42	-	-	12.63	13.05	-	-	-	-	13.05
Total Investments												
Gross	9,018.43	-	0.10	475.50	-	2,271.28	11,765.31	-	-	-	-	11,765.31
Add/(Less): Provision for NPI	-	-	-	-	-	-	-	-	-	-	-	-
Add/(Less): Provision for Depreciation	0.61	-	0.32	1.05	-	(37.30)	(35.32)	-	-	-	-	(35.32)
(Net Off) *												
Net	9,019.04	-	0.42	476.55	-	2,233.98	11,729.99	-	-	-	-	11,729.99

* Security Receipts arising from two ARC transactions undertaken during the year have been fully provided for in the books
Please refer to Note under 18(3)(b) with reference to changes effected post the RBI's Master direction dated 12, September 2023.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

	Investments in India											Investments outside India			Total Investments (₹ in Crores)
	Government Securities	Other approved securities	Shares	Debentures and bonds	Subsidiaries and /or Joint Ventures	Others -Security receipts, pass through certificates, certificate of deposit etc.	Total Investments in India	Government securities (including local authorities)	Subsidiaries and /or Joint Ventures	Others -Security receipts, pass through certificates, certificate of deposit etc.	Total Investments outside India				
Held to Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross	6,182.42	-	-	-	-	-	6,182.42	-	-	-	-	-	6,182.42		
Less: Provision for non-performing Investments(NPI)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net	6,182.42	-	-	-	-	-	6,182.42	-	-	-	-	-	6,182.42		
Available For Sale	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross	2,412.36	-	0.10	-	-	1,123.23	3,535.69	-	-	-	-	-	3,535.69		
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net	2,412.36	-	0.10	-	-	1,123.23	3,535.69	-	-	-	-	-	3,535.69		
Held for Trading	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross	47.91	-	-	-	-	-	47.91	-	-	-	-	-	47.91		
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net	47.91	-	-	-	-	-	47.91	-	-	-	-	-	47.91		
Total Investments	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross	8,642.68	-	0.10	-	-	1,123.23	9,766.02	-	-	-	-	-	9,766.02		
Less: Provision for non-performing Investments(NPI)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net	8,642.68	-	0.10	-	-	1,123.23	9,766.02	-	-	-	-	-	9,766.02		

Note: Please refer to Note under 18(3)(b) with reference to changes effected post the RBI's Master direction dated September 12, 2023.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

b) Details of Investments

Particulars	(₹ in Crores)	
	As on March 31, 2025	As on March 31, 2024
Value of Investments		
(i) Gross Value of Investments		
(a) In India	11,765.31	9,766.02
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	37.31	-
(b) Outside India	-	-
(iii) Appreciation made		
(a) In India	1.98	-
(b) Outside India	-	-
(iv) Net Value of Investments		
(a) In India	11,729.99	9,766.02
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	37.30	-
(iii) Less : Write-off / (write-back) of excess provisions during the year	-	-
(iv) Closing balance	37.30	-
Movement of Investment Fluctuation Reserve		
a) Opening balance	71.67	67.30
b) Add: Amount transferred during the year	7.10	4.37
c) Less: Drawdown	-	-
d) Closing balance	78.77	71.67
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

The RBI, vide its Master Direction dated September 12, 2023 issued revised norms for the classification, valuation and operation of the investment portfolio of banks, which became applicable from April 01, 2024. While hitherto the investment portfolio was classified under the Held To Maturity (HTM), Available For Sale (AFS) and Held For Trading (HFT) categories, the revised norms bring in a principle-based classification of investment portfolio and a symmetric treatment of fair value gains and losses. In accordance with the revised norms and the Bank's Board approved policy, the Bank has classified its investment portfolio as on April 01, 2024, under the categories of Held To Maturity (HTM), Available For Sale (AFS), Fair Value Through Profit and Loss (FVTPL) and Held For Trading (HFT) as a sub category of FVTPL, and from that date, measures and values the investment portfolio under the revised framework. On transition to the framework on April 01, 2024, the Bank has recognised a net gain of ₹ 3.59 (₹ 2.68 - net of tax) as General Reserve in accordance with the said norms. The impact of the revised framework for the previous period (FY 2023-24) is not ascertainable and as such the profit or loss from the investments, included in other income for the year ended March 31, 2025 is not comparable with that of the previous period/s. Any circular/ direction issued by RBI is implemented prospectively when it becomes applicable, unless specifically required otherwise/ for retrospective application under those circulars / directions.

c) Sale and transfer of securities to/ from HTM Category

During the current and previous year, the value of sales, with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year, has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year. In line with RBI guidelines, specific disclosure on book value/market value and provisions if any, relating to such transfer is not required to be made.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
d) Non-SLR Investment Portfolio

i) The Bank does not have any Non-Performing Non-SLR Investments as at March 31, 2025 and March 31, 2024.

ii) Issuer Composition of Non-SLR Investments

Issuer Composition of Non-SLR Investments as at March 31, 2025 are as follows:

(₹ in Crores)

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted securities'
1	2	3	4	5	6
i) Public Sector Undertakings	100.08	-	-	-	-
ii) Financial Institutions	1,143.42	-	-	-	-
iii) Banks	1,454.40	-	-	-	-
iv) Private Corporates	0.42	-	-	-	0.42
v) Subsidiaries/Joint ventures	-	-	-	-	-
vi) Others	49.93	12.63	-	37.30	37.30
vii) Provision held towards depreciation	(37.30)	-	-	(37.30)	(37.30)
Total	2,710.95	12.63	-	-	0.42

Note:

- Amounts reported under columns 3,4,5 and 6 above are not mutually exclusive
- Amount reported under above columns include Mark to Market appreciation/ depreciation as per RBI Master Direction dated September 12, 2023.

Issuer Composition of Non-SLR Investments as at March 31, 2024 are as follows:

(₹ in Crores)

Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted securities'
1	2	3	4	5	6
i) Public Sector Undertakings	-	-	-	-	-
ii) Financial Institutions	-	-	-	-	-
iii) Banks	943.84	-	-	-	-
iv) Private Corporates	0.10	-	-	-	0.10
v) Subsidiaries/Joint ventures	-	-	-	-	-
vi) Others*	179.40	12.63	-	-	-
vii) Provision held towards depreciation	-	-	-	-	-
Total	1,123.33	12.63	-	-	0.10

Note: Amounts reported under columns 3,4,5 and 6 above are not mutually exclusive

e) Details of Repos/Reverse Repos including Liquidity Adjustment Facility (LAF) transactions (in face value terms) as at March 31, 2025:

(₹ in Crores)

Particulars	Minimum outstanding during the Year	Maximum outstanding during the Year	Daily average outstanding during the Year*	Outstanding As on March 31, 2025 (in Face value terms)	Outstanding As on March 31, 2025 (in Market value terms)
Securities sold under repo					
i) Government Securities	2.00	1,140.00	328.04	1,025.00	1,035.84
ii) Corporate debt securities	-	-	-	-	-
iii) Any other securities	-	-	-	-	-
Security purchased under reverse repo					
i) Government Securities	5.00	200.00	6.41	-	-
ii) Corporate debt securities	-	-	-	-	-
iii) Any other securities	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Details of Repos/Reverse Repos including Liquidity Adjustment Facility (LAF) transactions (in face value terms) as at March 31, 2024:

(₹ in Crores)

Particulars	Minimum outstanding during the Year	Maximum outstanding during the Year	Daily average outstanding during the Year	Outstanding as on March 31, 2024
Securities sold under repo				
i) Government Securities	250.00	997.87	20.89	400.00
ii) Corporate debt securities	-	-	-	-
iii) Any other securities	-	-	-	-
Security purchased under reverse repo	5.00	52.00	2.10	-
i) Government Securities	-	-	-	-
ii) Corporate debt securities	-	-	-	-
iii) Any other securities	-	-	-	-

*Daily average outstanding balance during the year has been computed on deal basis excluding LTRO deal of ₹250.00

- f) Government Security Lending (GSL) Transactions (in market value terms)-** There are no trades done through GSL product during the current year as well as previous year.

4 ASSET QUALITY

- a) Classification of advances and provisions held :**

As at March 31, 2025

(₹ in Crores)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	26,806.63	379.94	218.51	14.07	612.52	27,419.15
Add: Additions during the year	-	-	-	-	1,128.83	-
Less: Reductions during the year*	-	-	-	-	1,045.47	-
Closing balance	31,237.58	583.85	101.61	10.42	695.88	31,933.46
*Reductions in Gross NPAs due to:	-	-	-	-	-	-
(i) Upgradations	-	-	-	-	64.54	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-	-	-	115.50	-
(iii) Technical/ Prudential Write-offs (only principal amount)	-	-	-	-	325.10	-
(iv) Write-offs other than those under (iii) above	-	-	-	-	540.34	-
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	140.14	191.89	210.27	14.07	416.23	-
Add: Fresh provisions made during the year	-	-	-	-	475.58	-
Less: Excess provision reversed/ Write-off loans ²	-	-	-	-	478.36	-
Closing balance of provisions held	162.68	312.95	90.09	10.42	413.46	576.14
	-	-	-	-	413.46	-
Net NPAs	-	-	-	-	-	-
Opening balance	-	188.05	8.24	-	76.29	-
Add: Additions during the year	-	-	-	-	678.03	-
Less: Reductions during the year	-	-	-	-	591.90	-
Less: Floating provision made/(reversed) during the year(not considered as part of Tier-II capital)*	-	-	-	-	130.00	-

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Closing balance	-	270.91	11.52	-	152.43	-
Floating Provisions						
Opening Balance	-	-	-	-	-	250.00
Add: Additional provisions made during the year	-	-	-	-	-	-
Less: Amount draw down during the year	-	-	-	-	-	69.33
Closing balance of floating provisions ³	-	-	-	-	-	180.67
Technical write-offs and the recovery made thereon						
Opening balance of technical / prudential write-offs accounts	-	-	-	-	-	1,162.79
Add: Technical/Prudential write offs during the Year	-	-	-	-	-	325.10
Less: Recoveries made from previously technically / prudentially written-off accounts during the Year 4	-	-	-	-	-	218.51
Closing balance of technical / prudential write-offs accounts	-	-	-	-	-	1,269.38

- 1 Includes ₹ 502.49 pertaining to the NPA accounts sold to ARC during the year.
- 2 Includes ₹ 364.97 pertaining to the NPA accounts sold to ARC during the year.
- 3 During the Financial Year, the Bank utilised ₹ 69 out of the ₹ 250 floating provision to write off the additional credit cost on transfer of stressed loan to ARC and the Bank carries a floating provision of ₹ 181 as on March 31, 2025 (Previous Year ₹ 250). Of which, ₹ 130 (Previous Year ₹ 120) is used for calculation of net NPA and provision coverage ratio and remaining ₹ 51 is disclosed under other liabilities and provisions. Out of ₹ 51, ₹ 30 is used for calculation of Tier II capital and ₹ 21 is unutilised, which can be utilised in future for calculation of net NPA and provision coverage ratio. The Bank has informed RBI about the same.
- 4 Includes balance of technically / prudentially written-off accounts sold to ARC during the Year ₹132.37.

As at March 31, 2024

(₹ in Crores)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	21,280.62	236.04	392.40	2.17	630.61	21,911.23
Add: Additions during the year	-	-	-	-	479.78	-
Less: Reductions during the year*	-	-	-	-	497.86	-
Closing balance	26,806.63	379.94	218.52	14.07	612.52	27,419.15
*Reductions in Gross NPAs due to:	-	-	-	-	-	-
(i) Upgradations	-	-	-	-	63.42	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-	-	-	160.57	-
(iii) Technical/ Prudential Write-offs (only principal amount)	-	-	-	-	238.54	-
(iv) Write-offs other than those under (iii) above	-	-	-	-	35.33	-
Provisions (excluding Floating Provisions)	-	-	-	-	-	-
Opening balance of provisions held	113.73	119.71	379.69	2.17	501.57	615.30
Add: Fresh provisions made during the year	-	-	-	-	255.78	-
Less: Excess provision reversed/ Write-off loans	-	-	-	-	341.12	-

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Closing balance of provisions held	140.14	191.89	210.27	14.07	416.23	556.37
Net NPAs	-	-	-	-	-	-
Opening balance	-	116.33	12.71	-	9.04	-
Add: Additions during the year	-	-	-	-	258.46	-
Less: Reductions during the year	-	-	-	-	191.20	-
Less: Floating provision made/(reversed) during the year(not considered as part of Tier-II capital)	-	-	-	-	-	-
Closing balance	-	188.05	8.24	-	76.29	-
Floating Provisions						
Opening Balance	-	-	-	-	-	250.00
Add: Additional provisions made during the year	-	-	-	-	-	-
Less: Amount draw down during the year	-	-	-	-	-	-
Closing balance of floating provisions ¹	-	-	-	-	-	250.00
Technical write-offs and the recovery made thereon						
Opening balance of technical / prudential write-offs accounts	-	-	-	-	-	1,040.17
Add: Technical/Prudential write offs during the Year	-	-	-	-	-	238.54
Less: Recoveries made from previously technically / prudentially written-off accounts during the Year	-	-	-	-	-	115.93
Closing balance of technical / prudential write-offs accounts	-	-	-	-	-	1,162.79

- 1 As per RBI guidelines, as at March 31, 2024, the Bank carries a floating provision of ₹ 250. Of which, ₹ 120 (Previous Year ₹ 250) is used for calculation of net NPA and provision coverage ratio and remaining ₹ 130 is disclosed as other liabilities. Out of ₹130, ₹ 30 is used for calculation of Tier II capital and ₹ 100 is unutilised, which can be utilised in future for calculation of net NPA and provision coverage ratio. The Bank has informed RBI about the same.

Ratios :

Particulars	As on March 31, 2025	As on March 31, 2024
Gross NPA to Gross Advances	2.18%	2.23%
Net NPA to Net Advances	0.49%	0.28%
Provision Coverage Ratio *	78.10%	87.28%

* includes floating provision of ₹ 130 for current year (previous year- ₹ 120)

b) Sector-wise Advances and Gross NPAs:
As on March 31, 2025

(₹ in Crores)

Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
Priority sector:			
Agriculture and allied activities	6,312.20	176.40	2.79%
Advances to industries eligible as priority sector lending	1,308.23	48.44	3.70%
Services	4,282.31	119.11	2.78%
Personal loans	10,092.73	210.94	2.09%
-of which Housing Loans	6,248.06	92.05	1.47%
Sub-Total (A)*	21,995.47	554.89	2.52%

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
Non-Priority sector:	-	-	-
Agriculture and Allied activities	-	-	-
Industry	-	-	-
Services	2,787.50	4.42	0.16%
-of which NBFC Loans	2,787.50	4.42	0.16%
Personal loans	7,150.49	136.58	1.91%
-of which Housing Loans	4,245.69	39.53	0.93%
Sub-Total (B)	9,937.99	141.00	1.42%
Total (A) + (B)	31,933.46	695.89	2.18%

* The above mentioned Priority Sector includes PSLC amounting to ₹3,300.00

As on March 31, 2024

(₹ in Crores)

Sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
Priority sector:			
Agriculture and allied activities	5,641.98	137.33	2.43%
Advances to industries eligible as priority sector lending	969.92	258.62	26.66%
Services	3,283.95	42.89	1.31%
Personal loans	11,453.27	86.99	0.76%
-of which Housing Loans	5,700.15	86.44	1.52%
Sub-Total (A)*	21,349.13	525.83	2.46%
Non-Priority sector:	-	-	-
Agriculture and Allied activities	-	-	-
Services	1,732.34	4.42	0.25%
-of which NBFC Loans	1,732.34	4.42	0.25%
Personal loans	4,337.69	86.04	1.98%
-of which Housing Loans	2,771.34	29.57	1.07%
Sub-Total (B)	6,070.02	90.45	1.49%
Total (A) + (B)	27,419.15	616.29	2.25%

* The above mentioned Priority Sector includes PSLC amounting to ₹3,625.00

c) Overseas Assets, NPAs and Revenue

The Bank does not have any overseas branches and hence the disclosure regarding overseas assets, NPAs and revenue is not applicable.

d) Disclosures Resolution of Stressed Assets

There were no accounts that have been restructured under prudential framework on resolution of stressed assets as per the circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 during the year ended March 31, 2025 (Previous year: Nil).

e) Divergence in Asset Classification and Provisioning for NPAs

"RBI vide its circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, Notification dated April 01, 2019 and notification dated October 11, 2022 has directed banks shall make suitable disclosures, if either or both of the following conditions are satisfied:

- the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period, and
- the additional Gross NPAs identified by RBI exceed 5% of the published incremental Gross NPAs for the reference period."

As part of Supervisory process through the mode of Annual Financial Inspection and consequent RBI AFI Report (Position as on March 2023), there is no qualified financial divergence reported (based on the defined threshold as per Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021 (updated as on April 01, 2025) – Annex III Para 4 e)

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18**f) Transfer of loan exposure****i) Disclosure of transfer of loan not in default**

The Bank has not transferred any loans under securitisation during the year. The details of loans transferred during the previous years as given under;

Disclosure of transfer of loan exposures as on March 31, 2025

(₹ in Crores)

	Securitisation	DA
No: of accounts	2,090	867
Total amount of loans transferred	127.52	67.67
weighted average residual maturity (in years)	8.40	9.27
weighted average holding period (in years)	13.25	13.61
Retention of beneficial economic interest	NA	10%
Tangible security coverage	NA	NA

Disclosure of transfer of loan exposures as on March 31, 2024

(₹ in Crores)

	IBPC	Securitisation	DA
No: of accounts	1,179,793	2,411	992
Total amount of loans transferred	4,699.80	156.46	83.31
weighted average residual maturity (in years)	1.26	9.48	10.42
weighted average holding period (in years)	2.14	13.37	13.75
Retention of beneficial economic interest	NA	NA	10%
Tangible security coverage	NA	NA	NA

ii) Disclosure of transfer of stressed asset

The Bank has transferred stressed asset to other entities during the year ended March 31, 2025. (March 31, 2024- Nil)

(₹ in Crores)

Particulars	PARAS	ARCIL
Number of Accounts	102,476	119,478
Aggregate principal outstanding of loans transferred (on the date of transfer)*	270.35	364.51
Weighted average residual tenor of the loans transferred (years)	0.15	0.50
Net book value of the loans transferred (at the time of transfer)	38.90	98.62
Aggregate consideration	40.56	34.26
Additional consideration realised in respect of accounts transferred in earlier years	NA	NA

* including advances which had been technically written off and fully provided thereof

Pursuant to the sale, the shortfall between the aggregate consideration and the net book value of the NPA loans transferred, amounting to ₹ 69.33 has been debited to the profit and loss account. Pursuant to the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, the Bank has utilised an equivalent amount of shortfall from the floating provision during the current year (Refer- Schedule 18(4)(a)). Cash consideration received pursuant to the transfer of technically written off loans amounting to ₹ 6.63 has been recognised under other income.

The Bank has received Security Receipts (SRs) as part of the consideration for transfer of stressed loans to other entities. Investments in SR's as at March 31, 2025 amounting to ₹ 37 are valued at Nil/fully provided for in the books of account on a prudent basis and the same has been debited to other income in the profit and loss account.

The determination of the recovery rating for the security receipts is in progress as at March 31, 2025 and will be completed within the prescribed regulatory timelines.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
g) Fraud Accounts

Provision pertaining to fraud accounts reported during the year :

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Number of frauds reported - Borrowal & Non borrowal accounts	315	401
Number of digital payment related frauds where credentials have been compromised by the customers themselves & no loss has been caused to the Bank	766	2,312
Total	1,081	2,713
Amount involved in fraud including digital payment related frauds	9.16	24.16
Amount of provision made for such frauds *	3.22	10.81
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

* Note: The provision amount is net of recovery and write off's as at the end of the year.

h) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circulars dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) is given below:

(₹ in Crores)					
Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year i.e., September 30, 2024 (A)	(B) Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	(C) Of (A) amount written off during the half-year ended March 31, 2025	(D) Of (A) amount paid by the borrowers during the half-year ended March 31, 2025	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year i.e., March 31, 2025
Personal Loans	18.58	0.65	2.91	1.45	14.21
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	15.24	0.31	5.53	1.85	7.87
Total	33.82	0.96	8.44	3.30	22.08

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

i) Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Bank:

During the current and previous year there are no instances of SBL/GBL limit exceeding the sanctioned limit or outstanding whichever is higher.

j) Provisions on Standard Assets:

Bank has followed the prudential norms on income recognition, asset classification and provisions. The excess provisions over and above the same is as per the Board approved policy.

The provision on standard assets is included in 'Other Liabilities and Provisions – (iv) Standard asset-General Provisions' in Schedule 5, and is not netted off from Advances.

There is no provision written back in respect of standard assets during the current year and previous year.

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Provisions towards Standard Assets	162.68	140.14

k) Details of Financial Assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for Asset Reconstruction

The details of Securitisation to a special purpose vehicle is furnished in Schedule 18(8).

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18**l) Details of Book Value of Investment in Security Receipts**

During the current year the Bank has made investment in Security Receipts of ₹ 37.30 as part of the ARC deal (Previous Year - Nil).

m) Details of NPA Purchase/Sold

During the current year the Bank has sold NPA to Asset Reconstruction Company (ARC) as mentioned in note 18 (4)(f)(ii) (Previous Year - Nil).

5 EXPOSURE**a) Exposure to Real Estate Sector:**

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
A) Direct Exposure	-	-
i) Residential Mortgages	9,353.66	6,245.96
(of which housing loans eligible for Inclusion in priority sector Advances)	3,243.19	3,442.03
ii) Commercial Real Estate	117.96	126.25
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	-
- Residential	-	-
- Commercial Real Estate	-	-
Total (A)	9,471.62	6,372.21
B) Indirect Exposure	-	-
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	128.14	76.91
Total (B)	128.14	76.91
Total Real Estate Exposure (A+B)	9,599.76	6,449.12

b) Exposure to Capital Market:

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
1 Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	476.98	0.10
2 Advances against shares / bonds / debentures or other securities or on clean basis to individuals for Investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
3 Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
4 Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the Advances;	-	-
5 Secured and Unsecured Advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	30.00
6 Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
7 Bridge loans to companies against expected equity flows / issues;	-	-
8 Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
9 Financing to stockbrokers for margin trading;	-	-
10 All exposures to Venture Capital Funds (both registered and unregistered);	-	-
Total Exposure to Capital Market	476.98	30.10

Note: During the Year, Bank has not converted any debt to equity as a part of strategic debt restructuring which is exempt from Capital Market Exposure limit.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
c) Country wise risk exposure

The Bank does not have any country wise Risk Exposure as at March 31, 2025 and as at March 31, 2024.

d) Unsecured advances

The Bank has not extended any project advances where the collateral is an intangible asset such as a charge over rights, licenses, authorisations, etc. The Advances as at March 31, 2025 of ₹ 18,012.92 (PY. ₹ 20,596.92) disclosed in Schedule 9B (iii) are without any primary or collateral security.

e) Details of factoring exposure

The Bank does not have any factoring exposure of the Bank as at March 31, 2025 and as at March 31, 2024.

f) Intra-Group Exposure

The Bank does not have any Intra Group Exposure during the current and previous year.

g) Unhedged foreign currency exposure

The Bank does not have any unhedged foreign country exposure as at March 31, 2025 and as at March 31, 2024.

6 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES & NPAS
a) Concentration of Deposits

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Total Deposits of the twenty largest Depositors	6,456.00	5,220.86
Percentage of Deposits of twenty largest Depositors to Total Deposits of the Bank	17.16%	16.59%

b) Concentration of Advances*

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Total Advances to the twenty largest Borrowers	3,016.00	1,313.08
Percentage of Advances of twenty largest Borrowers to Total Advances of the Bank	6.14%	4.79%

*Advances are computed as per the definition of Credit Exposure including derivatives as prescribed in Master Circular on Exposure Norms DBR.No. Dir.BC.12/13.03.00/2015-16 dated July 1, 2015. Total advances is the aggregate advances of the Bank before subtracting provisions for NPA and Floating provision

c) Concentration of Exposures*

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Total Exposure to the twenty largest Borrowers/Customers	3,016.00	1,313.08
Percentage of Exposures of twenty largest Borrowers/Customers to Total Exposure of the Bank on borrowers/customers	6.14%	4.79%

*Exposures are computed based on Credit and Investment Exposure as prescribed in the Master Circular on Exposure Norms DBR. No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

d) Concentration of NPAs

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Total Exposure to the top twenty NPA accounts	26.90	20.61
Percentage of Exposures to the twenty largest NPA exposure to total Gross NPAs	3.87%	3.34%

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18**7 DERIVATIVES****a) Derivatives/ Exchange Traded Interest Derivatives/Forward rate agreement/Interest rate swap/ Risk Exposure In Derivatives**

The Bank has not entered into any derivative instruments for trading /Forward rate agreement/Interest rate swap/ speculative purposes either in Foreign Exchange or domestic treasury operations. The Bank does not have any Forward Rate Agreement or Interest rate swaps.

b) Credit default Swaps

The Bank has not entered into any credit default swap transactions during the current and previous year.

8 SECURITISATION TRANSACTION

The details of Securitisation deals outstanding as at March 31, 2025 and as at March 31, 2024 as below.

		(₹ in Crores)	
Particulars		As on March 31, 2025	As on March 31, 2024
1	No. of SPEs holding assets for securitisation transactions originated by the originator (only SPV relating to outstanding securitisation exposure to be reported here)	2	2
2	Total amount of securitised assets as per books of the SPEs as on the date of Balance sheet	127.63	156.47
3	Total amount of exposures retained by the Bank to comply with MRR as on the date of balance sheet	-	-
	Off balance sheet exposures	-	-
a)	First loss	-	-
	Others	-	-
	On-balance sheet exposures	-	-
b)	First loss (Fixed Deposit)	12.63	12.63
	Others(Investments in Equity Tranche)	12.63	12.63
4	Amount of exposures to securitisation transactions other than MRR		
	Off balance sheet exposures		
	Exposure to own securitisations		
i)	First loss		
a)	Loss		
	Exposure to third party securitisations		
ii)	First loss		
	Others		
	On balance sheet exposures	-	-
	Exposure to own securitisations	-	-
i)	First loss	7.58	7.58
b)	Others	-	-
	Exposure to third party securitisations	-	-
ii)	First loss	-	-
	Others	-	-
5	Sale Consideration received for the securitised assets and gain/loss on sale on account of securitisation	245.01	245.01
6	Form and quantum (outstanding value) of services provided by way of credit enhancement, liquidity support, post-securitisation asset servicing, etc	-	-
	Services Provided	Form of Facility	
	Liquidity support	Fixed Deposits	12.63
			-
	Post-securitisation asset servicing	Servicing Agent	127.63
			156.47
			-

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

		(₹ in Crores)	
Particulars	As on March 31, 2025	As on March 31, 2024	
7 Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-	
As a Liquidity Support	-	-	
a) Amount paid	12.63	12.63	
b) Repayment received (Inclusive of Principle and interest)	-	-	
c) Outstanding amount	12.63	12.63	
As a Credit Enhancement	-	-	
a) Amount paid	7.58	7.58	
b) Repayment received (Inclusive of Principle and interest)	-	-	
c) Outstanding amount	7.58	7.58	
8 Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e., Housing Loans.	3.16%	1.91%	
9 Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. Housing Loans.			
For Housing Loans-			
Amount of top up loans	3.21	3.10	
No.of loans	52	61	
10 Investor complaints	NIL	NIL	
(a) Directly/Indirectly received and;			
(b) Complaints outstanding			

9 INTER- BANK PARTICIPATION WITH RISK SHARING

The aggregate amount of participation issued by the Bank and reduced from advances as per regulatory guidelines as at March 31, 2025 ₹ : Nil Previous Year ₹ : 2,129.00)

10 DISCLOSURE RELATING TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF):

The details of amount transferred to Depositor Education and Awareness Fund during the current and previous year.

		(₹ in Crores)	
Particulars	Year ended March 31, 2025	Year ended March 31, 2024	
Opening balance of amounts transferred to DEAF	1.31	1.25	
Add: Amounts transferred to DEAF during the year	0.01	0.07	
Less: Amounts reimbursed by DEAF towards claims	-	0.00	
Closing balance of amounts transferred to DEAF	1.32	1.31	

As per RBI circular DBR. No. DEA Fund Cell. BC. 67/30.01.002/2014-15 dated February 02, 2015, the details of unclaimed Security Deposits has been displayed on our website with respect to amount transferred to DEAF.

The closing balance of the amount transferred to DEA Fund, as disclosed above, are also included under 'Schedule 12 - Contingent Liabilities-Other items for which the Bank is contingently liable'

11 DISCLOSURE OF COMPLAINTS
a) Summary information on complaints received by the Bank from customers and from the Offices of Banking Ombudsman (OBOs)

		(₹ in Crores)	
Sl. No	Particular	Current Year FY 2024 - 2025	Previous Year FY 2023 - 2024
Customer complaints received by the Bank from its customers			
1	Number of complaints pending at beginning of the year	303	292
2	Number of complaints received during the year	15,553	19,610
3	Number of complaints disposed during the year	15,682	19,599
3.1	Of which, number of complaints rejected by the Bank	1,601	874
4	Number of complaints pending at the end of the year	174	303



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Sl. No	Particular	Current Year FY 2024 - 2025	Previous Year FY 2023 - 2024
Maintainable complaints received by the Bank from OBOs			
5	Number of maintainable complaints received by the Bank from OBOs	222	201
5.1	Of 5, number of complaints resolved in favour of the Bank by BOs	101	97
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by BOs	121	104
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the scheme.

b) Top five grounds of complaints received by the Bank from customers:

For the year ended March 31, 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
ATM/Debit Cards	108	6,499	-29%	74	16
Internet/Mobile/Electronic Banking	86	2,287	-33%	7	
Account opening/difficulty in operation of accounts	2	1,932	-5%	4	
Others*	62	3,040	-3%	67	
Loans and advances	8	718	28%	10	
Miscellaneous Items**	37	1,077	-13%	12	
Total	303	15,553		174	16

For the year ended March 31, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
ATM/Debit Cards	175	9,217	-17%	108	14
Internet/Mobile/Electronic Banking	25	3,413	-27%	86	6
Account opening/difficulty in operation of accounts	2	2,039	-18%	2	-
Others*	73	3,137	33%	62	-
Loans and advances	10	561	-16%	8	-
Miscellaneous Items**	7	1,243	-15%	37	-
Total	292	19,610		303	20

*Others Include complaints related to Deposit such as 'Delay in Closure of FD, FD Interest clarification, TDS Clarification,' etc

** Miscellaneous items include following category of complaint It includes levy of charges without prior notice/excessive charges/ foreclosure charges, Mis-selling/ Para-banking, Staff behavior, Non-observance of Fair Practices Code, Cheques/drafts/bills, Exchange of coins and issuance/acceptance of small denomination notes and coins.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

12 DISCLOSURE OF PENALTIES IMPOSED BY RBI

Year ended March 31, 2025

During the FY 24-25, RBI vide an order dated February 14, 2025 imposed a monetary penalty of ₹ 0.07 on the Bank for non-compliance with certain directions issued by RBI on 'Loans and Advances - Statutory and Other Restrictions'. This penalty was imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

There was no other regulatory/operational penalty levied by RBI under the provisions of the (i) Banking Regulations Act 1949, (ii) Payment and Settlement Act, 2007 and (iii) Government Securities Act, 2006 (for bouncing of SGL) as per the Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021

Year ended March 31, 2024

During the FY 23-24, RBI has not levied any penalty under the provisions of the (i) Banking Regulations Act 1949, (ii) Payment and Settlement Act, 2007 and (iii) Government Securities Act, 2006 (for bouncing of SGL) as per the Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021.

During the FY 23-24, RBI levied an operational penalty of ₹ 0.02 for downtime in ATMs for more than 10 hours in a month, due to cash-out in such ATMs.

13 DISCLOSURES ON REMUNERATION:

13.1 Qualitative Disclosures

(A) Information relating to the composition and mandate of the Remuneration Committee.

Bank has constituted a Nomination and Remuneration Committee (NRC). The NRC comprises of five members where four are Independent Directors and one Non-Executive, Non-Independent Director. Mandate of the Nomination and Remuneration Committee is to oversee the framing, review and implementation of the Bank's Compensation Policy and Nomination & Remuneration Policy for Whole Time Director/Chief Executive Officer/ Material Risk Takers and Control Function staff for ensuring effective alignment between remuneration and risks. The Committee also ensures that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks. The Nomination and Remuneration Committee reviews Compensation policy and Nomination & Remuneration Policy of the Bank with a view to attract, retain and motivate employees.

(B) Information relating to the design and structure of remuneration processes and the key features and objectives of Compensation Policy and Nomination & Remuneration Policy

The Compensation Policy and Nomination & Remuneration Policy has been laid out keeping the following perspectives into considerations:

- (a) Our Compensation principles should support us in achieving our mission of providing a full range of financial services to the economically active poor of India who are not adequately served (unserved and underserved) by financial institutions. Therein, this policy should support us to attract and retain talent and skills required to further the organisations purpose and ideology.
- (b) The pay structure and amounts confirms and shall always conform to applicable Income Tax and other similar statutes.
- (c) All practices of the Bank shall comply with applicable labour laws.
- (d) The pay structure should be standardised for a level of employees.
- (e) Elements eligible for tax exemption may be introduced at appropriate levels to enable employees take applicable tax breaks. Amounts related to certain benefits may undergo change due to change in grade/ roles/ function/ state/ region in the organisation.
- (f) The compensation structure shall be easy to understand for all levels of employees.
- (g) The compensation policy is designed to promote meritocracy in the organisation i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.
- (h) The directors are paid sitting fees as approved by the Board for attending the Board and Board Committee Meetings.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18**(C) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.**

- (a) Structurally, the Control functions such as Credit, Risk and Vigilance are independent of the business functions and each other, thereby ensuring independent oversight from various aspects on the business functions.
- (b) The Bank is in the process of comprehensively measuring and reviewing material risks to which Bank is exposed to under IGAAP. The Bank also complies with Basel II requirements.

(D) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.

- (a) The compensation policy is designed to promote meritocracy in the organisation i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.
- (b) The Bank shall, from time to time, benchmark its compensation against identified market participants to define its pay structure and pay levels.
- (c) The merit increments will be finalised and approved by the NHRC year on year, basis organisation's budgets and accomplishments as well as market reality.
- (d) The Bank believes in paying its employees in an equitable and fair manner basis the incumbent's Role, Personal Profile (Education/Experience etc.) as well as Performance on the Job.
- (e) Employees rated "Below Expectations" shall not be provided any increments, unless statutorily required.

(E) A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

The performance bonus pay-out shall be Annual. Discretion is typically applied related to staggered pay-out in case large pay-outs, particularly for functions like Credit and Risk. Bonus is to be prorated for employees who have worked for part of the year at the Bank.

The Bank believes in the philosophy of collective ownership by its employees. Thus, Employee Stock Options of the eUFSL are distributed amongst employees basis their criticality and performance.

Typically, all Stock option schemes at the Bank vest in a staggered manner. Besides the statutory requirement of grant and 1 year vesting, the total set of options vest in various tranches for up to a period of 3 years.

Malus/ Clawback: In the event of negative contributions of the individual towards the achievements of the Banks objectives in any year, the deferred compensation should be subjected to Malus/Clawback arrangements. Similar provisions shall apply in case the individual is found guilty of any major non-compliance or misconduct issues.

(F) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilises and the rationale for using these different forms.

Variable Compensation at the Bank has the following distinct forms:

1. Statutory Bonus
2. Performance Pay:
 - a. Performance Bonus
 - b. Monthly Variable Pay
3. Rewards & Recognition

The policy has been laid out keeping the following perspectives into considerations:

The Variable pay structure and amounts shall always conform to applicable Income Tax statutes, Labour Laws, Regulatory Requirements, any other applicable statutes and prevalent market practice.

It is designed to promote meritocracy in the organisation i.e. other things being equal, performers in a given role are expected to earn more than his/her peer group.

Statutory Bonus: Statutory Bonus in India is paid as per Payment of Bonus Act, 1965.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Performance Bonus: All employees who are not a part of any Monthly Variable Pay but part of the year end performance review will be covered under the Performance Bonus Plan of the Bank. However, the actual pay-out of performance bonus shall be paid only to employees who have met our performance criteria.

Sales Awards: Employees in the Sales function, directly responsible for revenue generation shall be covered under the Sales Award Scheme if meeting the criteria of the respective scheme. Typically some of the entry level roles and up to two levels of supervision thereof shall be covered by sales awards.

Rewards & Recognition: The Bank shall design schemes and practices from time to time to celebrate employees / departmental/ organisational success. These celebrations may include offering tokens of appreciation to employees as defined in specific schemes. Fairness of application and transparency of communication shall be the hallmark of all such schemes. These will be subject to income tax laws, as applicable. Examples of such schemes may include: Long Service Awards (currently at one, three, five, ten and Fifteen yrs. of completion of service with the Bank), Portfolio Improvement Reward Scheme; Functional R&R Schemes; Organisational Rewards Schemes such as: Service Champion; Process Excellence; Customer Connect Awards; Above and Beyond; Recognition programme for Liabilities Branches for Retail Deposits; Recognition programme for Asset growth in Branches. The EDGE (Executive Development for Growth and Excellence) programme is aimed at identifying high performers and assessing their potential for future leadership roles at the Bank. A mix of behavioural assessments, blended training & development journey and IDPs are deployed to make the identified individuals (EDGE selects) ready for future leadership roles.

13.2 Quantitative Disclosures

The quantitative disclosures cover the Bank's Whole Time Director (WTD) and Material Risk Takers (MRT). The Bank's MRT includes Managing Director and Chief Executive Officer (MD & CEO), Executive Director, Business Head-Micro Banking, Chief Operating Officer, Chief Credit Officer & Chief Financial Officer

(₹ in Crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Number of meetings held by Nomination & Remuneration Committee (NRC) and remuneration paid to its members	6 meetings of Nomination & Remuneration Committee (NRC) were held during April 01, 2024 to March 31, 2025. NRC members were paid total sitting fees of ₹ 0.28 for six meetings.	8 meetings of Nomination & Remuneration Committee (NRC) were held during April 01, 2023 to March 31, 2024. NRC members were paid total sitting fees of ₹ 0.40 for eight meetings.
Number of employees having received a variable remuneration award.	Chief Executive Officer & Managing Director, Executive Director, Business Head-Micro Banking, Chief Financial Officer, Chief Credit Officer, Chief Operating Officer. No. of Employees-6 Nos.	Chief Executive Officer & Managing Director, Business Head-Micro Banking, Chief Operating Officer, Chief Credit Officer, Chief Business Officer. No. of Employees-5 Nos.
Number and total amount of 'sign on' awards	₹ 2.5 worth of ESOP issued as Sign on award. 2,872,400 Lakhs shares allocated for this.	NIL
Details of guaranteed bonus if any paid as sign on bonus.	NIL	NIL
Details of severance pay in addition to the accrued benefits.	₹ 0.01 amount paid as severance pay	NIL
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms.	Cash : ₹ 0.99 Non Cash: Nil Chief Executive Officer & Managing Director, Executive Director, Business Head-Micro Banking, Chief Operating Officer, Chief Credit Officer, Chief Financial Officer	Cash : ₹ 0.35 Non Cash: Nil Chief Executive Officer & Managing Director, Business Head-Micro Banking, Chief Operating Officer, Chief Credit Officer, Chief Business Officer.
Total amount of deferred remuneration paid.	Cash : ₹ 0.99 Non Cash: ₹ 1.79 ESOP grants : 1,099,211 Shares	Cash : ₹ 0.78 Non Cash: ₹ 2.9 ESOP grants : 1,490,021 Shares

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Breakdown of amount of remuneration awards for the financial Period to show fixed and variable, deferred and non-deferred	Fixed gross : ₹ 8.27 * Variable deferred Cash : ₹ 0.99 **Variable non cash(ESOP) : ₹ 1.79 (ESOP No. of Shares 1,099,211 granted) ***CSAR executed for ₹ 2.01(2,309,415 option considered for the same) Chief Executive Officer&Managing Director, Executive Director, Business Head-Micro Banking, Chief Operating Officer, Chief Credit Officer, Chief Financial Officer	Fixed gross : ₹ 6.80 * Variable deferred Cash : ₹ 0.78 **Variable non cash(ESOP) : ₹ 2.86 (ESOP No. of Shares 1,490,021 granted) Chief Executive Officer&Managing Director, Business Head-Micro Banking, Chief Operating Officer, Chief Credit Officer, Chief Business Officer.
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments.	Provisioned-Cash : ₹ 3.11 Non Cash: ₹ 3.82 ESOP grants : 4,390,591 Shares(Approx.)	Provisioned-Cash : 3.25 Non Cash: 5.84 ESOP grants : 3,128,288 Shares(Approx.)
Total amount of reductions during the FY due to ex – post explicit adjustments	Nil	Nil
Total amount of reductions during the FY due to ex – post implicit adjustments	Nil	Nil
Number of Material Risk Takers (MRT) identified	6	5
Number of cases where malus has been exercised ³	Nil	Nil
Number of cases where clawback has been exercised ³	Nil	Nil
Number of cases where both malus and clawback have been exercised ³	Nil	Nil
General Quantitative Disclosure³		
The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	₹ 0.06 (excluding MD & CEO/ ED) MD & CEO: 36.27 X ED: 27.20 X	₹ 0.05 (excluding MD & CEO) 34.94 X

Note:

* ESOPs of Active MRT's and sign-on grant included. ESOPs are granted not exercised.

** Annual Performance Bonus included as Variable deferred.

*** CSAR executed for Ex-MD, the same has not exercised yet.

1. Current year disclosure is for WTD and MRTs. Previous year disclosure is for WTD and Key Risk Takers (KRTs).

2. For cash component - payment to be made as per guidance and approval of regulatory authority.

3. As per RBI circular 2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 04, 2019, new disclosure have been presented for current year only.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
14 OTHER DISCLOSURES
a) Business Ratios:

Particulars	As on March 31, 2025	As on March 31, 2024
Interest income as a percentage to working funds ¹	14.65%	15.38%
Non-interest income as a percentage to working funds ¹	1.95%	2.13%
Cost of Deposits	7.54%	7.36%
Net interest Margin	8.67%	9.06%
Operating profit as a percentage to working funds ^{1,4}	3.89%	5.20%
Return on assets ²	1.67%	3.47%
Business (deposits plus gross advances) per employee ³	24,275	25,989
Profit/(Loss) per employee	309.37	633.82

Notes:

- Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the Year. Working funds for the previous year includes assets of eUFSL.
- Returns on assets are computed with reference to average working funds.
- Business is defined as total of average of gross advances and deposits (net of inter-bank deposits and Deposits from Bank -Certificate of Deposits).
- Operating profit is net profit for the Year before provisions and contingencies and profit / (loss) on sale of building and other assets (net).

b) Bancassurance Business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

(₹ in Crores)

Nature of Income	As on March 31, 2025	As on March 31, 2024
Towards selling of life insurance policies	108.86	104.06
Towards selling of non life insurance policies	6.54	7.31
Towards selling of mutual fund and other products*	0.47	0.25

*Includes income earned from Atal Pension yojana (APY) of ₹ 0.29 (Previous Year: ₹0.06) and National pension scheme (NPS) of ₹0.001 (Previous Year: ₹ Nil)

c) Marketing and distribution

There are no fees/remuneration received in respect of the marketing and distribution function(excluding bancassurance business) undertaken by the Bank for current year and previous year.

d) Priority Sector Lending Certificates (PSLC)

(₹ in Crores)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	PSLC Sold	PSLC Purchased	PSLC Sold	PSLC Purchased
1) PSLC Agriculture	-	-	-	-
2) PSLC Small Farmers / Marginal Farmers	2,800.00	-	3,625.00	-
3) PSLC Micro Enterprises	500.00	-	-	-
4) PSLC General	-	-	-	-
Total	3,300.00	-	3,625.00	-



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18**e) Provisions and Contingencies**

Particulars	(₹ in Crores)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision for NPA (including bad debts written off)	725.16	188.53
Provision for Standard Assets	22.54	26.41
Provision for Income tax (Net of deferred tax liability/(asset) of ₹ 1,45,657 (PY-₹ 752,455) refer schedule 18 (26.1)	215.46	420.67
Other Provisions and Contingencies	(0.04)	(0.01)
Total	963.12	635.61

f) Implementation of IFRS converged Indian Accounting Standards (IND AS)

Reserve Bank of India (RBI) through press release RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/2018-19, dated March 22, 2019, updated all Scheduled Commercial Banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI had decided to defer the implementation of Ind AS till further notice. Bank is gearing itself to bring the necessary systems in place to facilitate the Proforma submission to RBI. With respect to various instructions from Ministry of Corporate Affairs and Reserve Bank of India (RBI), the actions taken by the Bank are as follows:

1. Bank is in the process of Implementing changes required in existing IT architecture and other processes to enable smooth transition to Ind AS.
2. As directed by RBI, the Bank is submitting half yearly Proforma Ind AS financial statements to RBI within the stipulated timelines.
3. Training to the employees is imparted in phased manner
4. The Bank will continue its preparedness towards adoption of Ind AS as per the regulatory requirement, and liaise with RBI and Industry Bodies on various aspects pertaining to Ind AS implementation.

g) Payment of DICGC Insurance premium

Particulars	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Payment of DICGC Insurance premium	32.00	25.53
Arrears in Payment of Insurance premium	-	-

h) Disclosure of Letters of Comfort issued by the Bank:

The Bank has not issued any Letter of Comfort during the current and previous year.

15 DISCLOSURE ON REMUNERATION TO NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board and its Committees. As per the board resolution dated June 8, 2022, the sitting fee per director per meeting is as given as below. During the year the Bank has paid sitting fee (inclusive of GST) of ₹2.75 (PY. ₹2.77).

Meeting	Revised Sitting Fees per director per meeting
Board	₹ 100,000
1. Audit Committee	
2. Risk Management Committee	
3. Nomination and Remuneration Committee	₹ 100,000
4. IT Strategy Committee	
5. Business Strategy Committee	
1. CSR Committee	
2. Stakeholders Relationship Committee	
3. Customer Service Committee	
4. Special Committee of Board for Monitoring and Follow-up of cases of Frauds	₹ 75,000
5. Review Committee of Wilful defaulters	
6. Other Committees	

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Name of Directors	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Ms. Rajni Mishra	0.40	0.36
Mr. Rajesh Kumar Jogi	0.43	0.47
Mr. Banavar Anantharamaiah Prabhakar	0.47	0.49
Mr. Ravichandran Venkataraman	0.43	0.44
Mr. Samit Kumar Ghosh**	0.27	0.44
Ms. Sudha Suresh	0.28	0.32
Mr. Satyaki Rastogi (SIDBI)*	-	0.01
Ms. Anita Ramchandran	0.23	0.23
Ms. Mona Kachhwaha***	0.23	-
Total	2.75	2.77

* Mr. Satyaki Rastogi ceased to be the Director on the Bank's Board w.e.f. July 17, 2023.

** Mr. Samit Kumar Ghosh ceased to be the Director on the Bank's Board w.e.f. November 30, 2024.

***Ms. Mona Kachhwaha was appointed as an Independent Director on the Bank's Board w.e.f. May 18, 2024.

- 16** Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

17 CORPORATE SOCIAL RESPONSIBILITY

Particulars	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Gross amount required to be spent including deficit of previous year (a)	18.54	6.32
Amount spent during the year		
Construction/acquisition of any asset	-	-
Other projects	15.02	5.34
Total amount spent # (b)	15.02	5.34
Unspent as at the year end (c = (a - b))	3.52	0.98
Previous year short fall	-	-
Reason for short fall / unspent balance	Project under implementation	Project under implementation
Nature of CSR activities	As given below	As given below

The shortfall of ₹ 0.98 Crores as at March 31, 2024 was spent during the year ending March 31, 2025.

As per Bank's CSR Policy upto 2% of the average net profit of the last 3 preceeding 3 years is allocated for CSR activities. During the year the Bank has set aside 2% as CSR funds. (March 31, 2024 : 2%)

Nature of CSR activities :-

Children education, Sustainable village development, waste management, liveable city projects, community school infrastructure, Skill training for rural youth, flood rehabilitation, sustainable development initiatives, Health care support.

Pursuant to Section 135(5) & 135(6) of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014(Amended), Bank has transferred ₹ 3.52 Crores to the "Unspent CSR Account" as on March 31, 2025 (March 31, 2024 : ₹ 0.98 Crores) towards the Ongoing projects approved by the CSR Committee.

Refer note 18(23) for the related parties involved in activities relating to Corporate Social Responsibility.

18 PORTFOLIO-LEVEL INFORMATION ON THE USE OF FUNDS RAISED FROM GREEN DEPOSITS

In reference to the RBI Notification No: DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 with respect to the disclosure related to acceptance of green deposits, the Bank has not raised any funds from green deposits in the current year.



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

19 PAYMENTS TO AUDITOR'S (SCHEDULE -16 AUDITOR'S FEES AND EXPENSES)

Particulars	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Audit Fees*	1.66	1.55
Tax Audit Fees	-	0.06
Certification and other attest services	-	0.02
Out-of Pocket Expenses*	0.21	0.32
Total	1.87	1.96

*Audit Fees and Out of pocket expenses for the Previous year of ₹0.12 paid by erstwhile Ujjivan Financials services Limited ,merged with the Bank pursuant to the scheme of Amalgamation as detailed in the note. 18(30).

20 DEFERRED TAX

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", the Company has recognised deferred tax (asset)/ Liability as detailed below:

As at March 31, 2025

Particulars	(₹ in Crores)			
	Deferred Tax (Assets) / Liabilities as at April 01, 2024 of USFB	Previous years (credit) / charge	Current year (credit) / charge	Deferred Tax (Assets) / Liabilities As at March 31, 2025
Deferred Tax Liability	-	-	-	-
Difference between book and tax depreciation	6.37	(0.99)	2.68	8.06
Special reserve u/s 36(1)(viii)	11.70	-	5.29	16.99
AFS Reserve	-	-	0.04	0.04
Deferred Tax Asset	-	-	-	-
Provision for Employee benefits recognised in the financial statements, but to be allowed on payment	(32.69)	(4.31)	(6.62)	(43.62)
Provision for non performing advances/ standard advances recognised in financial statements, but to be allowed on write off	(199.53)	(1.20)	12.47	(188.26)
On account of unobserved losses and allowance	-	-	-	-
Others	(13.33)	0.02	(1.13)	(14.44)
Net Deferred Tax (Asset) / Liability	(227.48)	(6.48)	12.73	(221.23)

As at March 31, 2024

Particulars	(₹ in Crores)				
	Deferred Tax (Assets) / Liabilities as at April 01, 2023 of USFB	Deferred Tax (Assets) / Liabilities as at April 01, 2023 of USFL **	Previous years (credit) / charge	Current year (credit) / charge	Deferred Tax (Assets) / Liabilities As at March 31, 2024
Deferred Tax Liability	-	-	-	-	-
Difference between book and tax depreciation	2.72	(0.00)	-	3.65	6.37
Special reserve u/s 36(1)(viii)	7.55	-	-	4.15	11.70
Deferred Tax Asset	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)					
Particulars	Deferred Tax (Assets) / Liabilities as at April 01, 2023 of USFB	Deferred Tax (Assets) / Liabilities as at April 01, 2023 of USFL **	Previous years (credit) / charge	Current year (credit) / charge	Deferred Tax (Assets) / Liabilities As at March 31, 2024
Provision for Employee benefits recognised in the financial statements, but to be allowed on payment	(67.68)	(0.01)	38.75	(3.75)	(32.69)
Provision for non performing advances/ standard advances recognised in financial statements, but to be allowed on write off	(201.82)	-	(12.54)	14.83	(199.53)
On account of unobserved losses and allowance	-	-	-	-	-
Others	(10.44)	-	-	(2.89)	(13.33)
Net Deferred Tax (Asset) / Liability	(269.68)	(0.01)	26.22	15.99	(227.48)

**The opening balance of Deferred Tax (Assets) of ₹ 0.01 pertaining to eUFSL is in pursuance with the scheme of amalgamation as detailed in Note 18(30).

21 EMPLOYEE BENEFITS (AS-15) REVISED
21.1 Gratuity:

Gratuity is a defined benefits plan. The Bank has obtained qualifying insurance policies from an Insurance Company. The following table summarises the components of net expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet on the basis of actuarial Valuation. Actuarial losses/ gains are recognised in the Profit and Loss Account in the year in which they arise.

Details of defined benefit plan of gratuity are given below:

(₹ in Crores)		
Changes in the present value of the obligation	As on March 31, 2025	As on March 31, 2024
Opening balance of Present Value of Obligation	80.05	67.91
Interest Cost	5.47	4.65
Current Service Cost	15.31	13.90
Benefits Paid	(7.42)	(7.13)
Actuarial loss / (gain) on Obligation	3.48	0.71
Acquisitions/Divestures/Transfers	-	-
Closing balance of Present Value of Obligation	96.89	80.05
Reconciliation of opening and closing balance of the fair value of the Plan Assets		
Opening balance of Fair value of Plan Assets	63.66	56.54
Adjustment to Opening Balance	-	-
Transfer In/Acquisitions	-	-
Expected Return on Plan assets	4.88	4.24
Contributions	16.40	11.38
Other charges (Service tax, FMC, Mortality charges, etc)	-	-
Benefits Paid	(7.42)	(7.13)
Actuarial Gain/(loss) Return on Plan Assets	2.05	(1.37)
Closing balance of Fair Value of Plan Assets	79.57	63.66
Actual Return on Plan Assets	6.93	2.87



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

(₹ in Crores)

Profit and Loss – Expenses	Year ended March 31, 2025	Year ended March 31, 2024
Current Service Cost	15.31	13.90
Interest Cost	5.47	4.65
Expected Return on Plan assets	(4.88)	(4.24)
Net Actuarial loss/(gain) recognised in the year	1.05	2.09
Add: Expenses of erstwhile Ujjivan Financial Services Limited, merged pursuant to the scheme of amalgamation detailed in Note 18(30)	-	0.00
Expenses recognised in the Profit and Loss Account	16.95	16.40

Funded status (100% Insurance managed funds)	As on March 31, 2025	As on March 31, 2024
Actuarial Assumptions		
Discount Rate	6.71%	7.16%
Expected Rate of Return on Plan Assets	7.16%	7.23%
Expected Rate of Salary Increase	9.00%	9.00%
Employee Attrition Rate	25.15%	26.26%

Experience Adjustments

Particulars	As on March 31, 2025	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Plan Assets	79.56	63.66	56.54	48.77	45.94
Defined benefit obligation	96.89	80.05	67.91	60.18	56.15
Surplus/ (Deficit)	(17.33)	(16.40)	(11.38)	(11.41)	(10.21)
Actuarial (Gain)/ Losses due to Experience on Defined Benefit Obligation	(1.18)	1.39	0.09	(0.06)	(0.87)

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

Category of Plan Assets	As on March 31, 2025	As on March 31, 2024
Assets Under Insurance Schemes	100%	100%

- The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.
- During the current and previous year the Bank does not have unamortised gratuity and pension liability.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as on the Balance Sheet date for the estimated term of the obligation.
- The Code on Wages, 2019 ("Code") and other connected legislations enacted by the Government of India envisages payment of wages (as defined) which is not less than 50% of all monthly remuneration paid to employees (as defined). The effective date of these legislations and the rules relevant thereto have not yet been notified by the Government of India. The current wages as a percentage to the remuneration for certain employees as per Company's salary structure is less than that envisaged in these legislations. As and when the legislations are notified, there may be an increase in the accrued gratuity liability of the employees of the Company. This possible additional liability has currently not been quantified.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

21.2 Compensated Absences

The Actuarial liability of compensated absences of accumulated privileged leaves of the employees is given below:

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Privileged Leave Actuarial Liability as per actuarial report	(66.24)	56.74
Add: Liability of erstwhile Ujjivan Financial Services Limited, merged pursuant to the scheme of amalgamation detailed in Note 18(30)	-	0.02
Privileged Leave Actuarial Liability	(66.24)	56.76
Assumptions		
Discount Rate	6.71%	7.16%
Salary Escalation Rate	9.00%	9.00%

21.3 Defined Contribution Plans

(₹ in Crores)		
Amount recognised in the Statement of Profit and Loss	As on March 31, 2025	As on March 31, 2024
(i) Provident fund Contributed to the Authorities	40.33	31.50
(ii) Pension fund Contributed to the Authorities	29.13	26.74
(iii) Fund contributed to authorities by erstwhile Ujjivan Financial Services Limited, merged pursuant to the scheme of amalgamation detailed in Note 18(30)	-	0.02
(iii) National pension scheme Contributed to Authorities	3.24	2.32

22 SEGMENT REPORTING

In accordance with the guidelines issued by RBI & AS-17, the Bank has adopted Segment Reporting as under:

A) Treasury :

The Treasury Segment primarily consists of net interest earnings from the Bank's Investment portfolio, money market borrowing and lending, gains or losses on Investment operations and income from sale of PSLC.

B) Retail Banking:

The Retail Banking Segment serves retail customers through a branch network and other delivery channels. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment. This segment raises deposits from customers and provides loans and other services to customers. Revenues of the retail banking segment are derived from interest earned on retail loans, processing fees earned and other related incomes. Expenses of this segment primarily comprise interest expense on deposits & Borrowings, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

As per the RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment reporting, 'Digital Banking' has been identified as a sub-segment under Retail Banking by Reserve Bank of India (RBI). However, as the proposed Digital Banking Unit (DBU) of the Bank has not yet commenced operations and having regard to the discussions of the DBU Working Group formed by Indian Banks' Association (IBA) (which included representatives of banks and RBI), held on July 14, 2022, reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank based on the decision of the DBU Working Group.

C) Corporate/ Whole Sale Banking:

The Wholesale Banking Segment provides loans to Corporates and Financial Institutions. Revenues of the wholesale banking segment consist of interest earned on loans made to customers. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses of delivery channels, specialist product groups, processing units and support groups.



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

As on March 31, 2025

(₹ in Crores)

Part A: Business segments				
Business Segments →	Treasury	Retail Banking	Corporate/ Wholesale Banking	Total
Particulars ↓	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025
1 Revenue	863.93	6,140.56	196.10	7,200.59
2 Unallocated Revenue	-	-	-	-
3 (less) Inter Segment Revenue	-	-	-	-
4 Total Income (1+2-3)	863.93	6,140.56	196.10	7,200.59
5 Segment Result	73.95	844.37	79.13	997.45
6 Unallocated Expenses	-	-	-	55.88
7 Operating Profit	-	-	-	941.57
8 Tax Expenses (including deferred tax)	-	-	-	215.47
9 Extraordinary Profit/ Loss	-	-	-	-
10 Net Profit (5-6-8-9)	-	-	-	726.10
Other Information:	-	-	-	-
11 Segment Assets	14,825.46	29,799.42	2,767.97	47,392.85
12 Unallocated Assets	-	-	-	296.30
13 Total Assets	-	-	-	47,689.15
14 Segment Liabilities	12,934.27	25,998.09	2,414.88	41,347.24
15 Unallocated Liabilities	-	-	-	258.50
16 Capital Employed	1,891.19	3,801.33	353.09	6,045.61
17 Unallocated Capital Employed	-	-	-	37.80
18 Total Liability	-	-	-	47,689.15

Tax paid in advance / tax deducted at source (net of provisions), Deferred Tax Assets and others which cannot be allocated to any segments, have been classified as unallocated assets.

Part B: Geographic Segment

The Bank operations are predominantly confirmed within one geographical segment (India) and accordingly, this is considered as the only secondary segment.

As on March 31, 2024

(₹ in Crores)

Part A: Business segments				
Business Segments →	Treasury	Retail Banking	Corporate/ Wholesale Banking	Total
Particulars ↓	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
1 Revenue	715.23	5,617.76	130.92	6,463.91
2 Unallocated Revenue	-	-	-	-
3 (less) Inter Segment Revenue	-	-	-	-
4 Total Income (1+2-3)	715.23	5,617.76	130.92	6,463.91
5 Segment Result	93.04	1,604.58	54.45	1,752.07
6 Unallocated Expenses	-	-	-	49.90
7 Operating Profit	-	-	-	1,702.17
8 Tax Expenses (including deferred tax)	-	-	-	420.67
9 Extraordinary Profit/ Loss	-	-	-	-
10 Net Profit (5-6-8-9)	-	-	-	1,281.50
Other Information:	-	-	-	-
11 Segment Assets	12,213.17	26,268.88	1,712.69	40,194.74
12 Unallocated Assets	-	-	-	227.48
13 Total Assets	-	-	-	40,422.22
14 Segment Liabilities	10,517.11	22,620.88	1,474.85	34,612.84
15 Unallocated Liabilities	-	-	-	195.89
16 Capital Employed	1,696.06	3,648.00	237.84	5,581.90
17 Unallocated Capital Employed	-	-	-	31.59
18 Total Liability	-	-	-	40,422.22

Tax paid in advance / tax deducted at source (net of provisions), Deferred Tax Assets and others which cannot be allocated to any segments, have been classified as unallocated assets.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Part B: Geographic Segment

The Bank operations are predominantly confirmed within one geographical segment (India) and accordingly, this is considered as the only secondary segment.

23 RELATED PARTY DISCLOSURES (AS-18)

As per AS 18 Related Party Disclosures notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014 and Companies (Accounting Standards) Amendment Rules 2016, the Banks' related parties during the year ended March 31, 2025 are disclosed below:

Key Management Personnel (KMP):

Mr. Ittira Davis (Managing Director and CEO)*
 Mr. Sanjeev Nautiyal (Managing Director and CEO)**
 Mr. M.D. Ramesh Murthy (Chief Financial Officer)***
 Mr. Sadananda Balakrishna Kamath (Chief Financial Officer)****
 Mr. Sanjeev Barnwal (Company Secretary)
 Ms. Carol Furtado (Whole Time Director)

Relatives of Key Management Personnel (KMP):

Anna Ittira Davis*
 Neeraja Murthy Mocherla***
 Priyanka Barnwal
 Padma Balakrishna Kamath ****

Directors (other than Executive Directors listed under KMP):

Mr. Banavar Anantharamaiah Prabhakar (Part time Chairman & Independent Director)
 Mrs. Rajni Anil Mishra (Independent Director)
 Mr. Rajesh Kumar Jogi (Independent Director)
 Mr. Ravichandran Venkataraman (Independent Director)
 Mr. Samit Kumar Ghosh (Non-Executive Director)#
 Ms. Sudha Suresh (Independent Director)
 Ms. Anita Ramachandran (Independent Director)
 Ms. Mona Kachhwaha (Independent Director)

* Mr. Ittira Davis ceased to be Managing Director & CEO with effect from June 30, 2024.

** Mr. Sanjeev Nautiyal is appointed as Managing Director and CEO with effect from July 01, 2024.

*** Mr. M.D. Ramesh Murthy ceased to be a Chief Financial Officer with effect from October 07, 2024.

**** Mr. Sadananda Balakrishna Kamath appointed as a Chief Financial Officer with effect from December 05, 2024.

#Mr. Samith Kumar Ghosh ceased to be Director on the Board of the Bank with effect from November , 2024.

Enterprise in which Director/KMP are Directors :

Parinaam Foundation

Enterprise in which KMP are trustees :

Ujjivan Welfare and Relief Trust
 USFB Employee's Gratuity Trust

In accordance with paragraph 5 of AS - 18, the Bank has not disclosed certain transactions with relatives of Key Management Personnel that are in the nature of banker-customer relationship. In like manner, breakup of deposits accepted during the year, deposits outstanding at the end of the year and interest on deposits has not been furnished party wise in respect of Directors and KMP and enterprises in which relatives of KMP are members since they are in the nature of bank and customer transactions.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18**Transactions with Related Parties for the year ended March 31, 2025**

(₹ in Crores)

Items/Related Party	KMP	Relatives of KMP	Directors	Enterprise in which Director/KMP are Directors	Enterprise in which KMP are members	Total
Deposit*	(4.40)	(1.03)	(4.08)	(10.46)	(1.26)	(21.23)
	3.04	0.90	2.52	10.46	1.26	18.18
Deposit accepted during the year	1.57	0.79	2.16	9.60	0.45	14.57
Deposit repaid during the year	1.19	0.08	2.62	9.03	0.28	13.20
Inter Company Transfer - Amount Paid	-	-	-	-	0.21	0.21
Reimbursement of expenses - Amount Paid	-	-	0.02	-	-	0.02
Bank Contribution to Related parties under CSR/Donation	-	-	-	6.00	0.21	6.21
Sitting Fees paid	-	-	2.75	-	-	2.75
Interest on Deposits	0.31	0.07	0.15	0.61	0.09	1.23
Payment of Remuneration **	6.83	-	-	-	-	6.83
Equity dividend	0.24	-	0.63	-	-	0.87
Receiving of services	-	-	-	0.74	-	0.74

*Figures in bracket indicate maximum balance outstanding during the year based on comparison of the total outstanding balances at each quarter-end.

**The above Remuneration excludes accrued gratuity and compensated absence provision, since the same is assessed for the Bank as a whole.

Transactions with Related Parties for the year ended March 31, 2024

(₹ in Crores)

Items/Related Party	KMP	Relatives of KMP	Directors	Enterprise in which relatives of KMP/Directors are members	Enterprise in which KMP are members	Total
Deposit*	(2.06)	(0.64)	(4.28)	(10.59)	(0.91)	(18.47)
	1.72	0.13	4.09	9.67	0.89	16.48
Deposit accepted during the year	1.09	0.10	0.83	5.09	0.70	7.82
Deposit repaid during the year	1.09	0.01	0.23	-	0.25	1.57
Inter Company Transfer - Amount Paid	-	-	-	-	0.17	0.17
Inter Company Transfer - Amount Received	-	-	-	-	-	-
Reimbursement of expenses - Amount Received	-	-	-	-	-	-
Reimbursement of expenses - Amount Paid	-	-	0.00	-	-	0.00
Bank Contribution to Related parties under CSR/Donation	-	-	-	2.50	0.17	2.67
Sitting Fees paid	-	-	2.77	-	-	2.77
Interest on Deposits	0.15	0.03	0.24	0.63	0.04	1.09
Payment of Remuneration **	4.74	-	-	-	-	4.74
Preference dividend	-	-	-	-	-	-
Equity dividend	0.01	-	0.18	-	-	0.19
Receiving of services	-	-	-	0.66	-	0.66

*Figures in bracket indicate maximum balance outstanding during the year based on comparison of the total outstanding balances at each quarter-end.

**The above Remuneration excludes accrued gratuity and compensated absence provision, since the same is assessed for the Bank as a whole.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
Balances with Related Parties for the year

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Enterprise in which KMP are members		
Ujjivan Welfare and Relief Trust	(1.19)	(0.91)
	1.19	0.91
USFB Employee's gratuity Trust	(0.13)	(0.44)
	0.12	0.13
Outstanding Balance with enterprise in which relative of Key Management Personnel are Members		
Parinaam Foundation	(10.88)	(10.59)
	10.88	10.59
KMP	(4.63)	(2.06)
	3.23	1.74
Relatives of KMP	(1.07)	(0.64)
	0.95	0.13
Directors	(4.12)	(4.28)
	2.62	4.28

Figures in bracket indicates maximum balance outstanding during the year based on comparison of the total outstanding balances at each quarter end.

24 OPERATING LEASES (AS-19)

The Bank has taken premises and certain equipments on operating lease for a period of time. There are no provisions relating to contingent rent.

The future minimum lease payments under non-cancellable operating leases are as follows:

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
i) Not later than one year	12.68	108.95
ii) Later than one year but not later than five years	167.73	299.59
iii) Later than five years	276.33	91.28

(₹ in Crores)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
The total of minimum lease payments recognised in the Profit and Loss Account for the year	130.33	112.52

25 EARNINGS PER SHARE

The Bank reports basic and diluted earnings per Equity share in accordance with Accounting Standard-20 Earnings Per Share.

(₹ in Crores)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit available to equity share holders - (A)	726.10	1,281.49
Weighted average shares outstanding – Basic (Nos. in Crores) - (B)*	193.38	192.78
Weighted average shares outstanding – Diluted (Nos. in Crores) - (C)*	195.62	196.06
Nominal Value of Equity Shares (₹)	10	10
Earnings per share – Basic (₹) - (A/B)	3.75	6.65
Earnings per share – Diluted (₹)	3.71	6.54

*Previous year includes eUFSL shares pending allotment pursuant to merger as detailed in Note 18(30).

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

26 MISCELLANEOUS

26.1 Provisions for taxation during the year:

(₹ in Crores)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income Tax	217.25	404.68
Deferred tax Liability/ (Asset) - (refer note 18(20))*	12.69	-
Tax for earlier years		
Income Tax - Prior Period	(7.99)	-
Deferred Tax	(6.48)	15.99
Total	215.47	420.67

* Excluding DTL of ₹ 0.04 created in AFS reserve in terms of RBI Master Direction on Classification , Valuation and Operation of Investment Portfolio of Commercial Bank (Directions) 2023 dated 12/09/2023 on Measurement of AFS Securities.

26.2 Fixed Assets

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Fixed Assets excluding Computer Software		
Opening balance (cost)	577.51	425.05
Additions during the year	112.93	194.29
Deduction during the year	(24.83)	(41.83)
Depreciation to date	(360.92)	(289.90)
Balance at the end of the year	304.69	287.61

The Bank has tested for the impairment during the year and there is no requirement for impairment provision for any asset.

26.3 Computer Software

The movement in fixed assets capitalised as computer software is given below:

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
Opening balance (cost)	299.97	262.75
Additions during the year	72.91	37.22
Deduction during the year	(0.00)	-
Depreciation to date	(233.83)	(192.73)
Balance at the end of the year	139.05	107.24

26.4 Description of Contingent Liabilities:

(₹ in Crores)		
Particulars	As on March 31, 2025	As on March 31, 2024
i) Claims against the Bank not acknowledged as debt		
- Taxation	19.90	6.40
- Other Legal cases	2.20	0.26
ii) Guarantees given on behalf of Constituents	1.10	30.44
iii) Other items for which the Bank is contingently liable	-	-
- Capital commitments not provided/ others	48.56	106.49
- Amount transferred to Depositor Education and Awareness Fund (DEAF)	1.33	1.31
Total	73.09	144.91

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Contingent liability	Brief description
Claims against the Bank not acknowledged as debts - Other legal cases	The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the Bank's customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.
Other items for which the Bank is contingently liable	These include: a) Capital commitments; b) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF)

26.5 Investor education and protection fund

During the year the Bank has transferred ₹ 0.02 to Investor Education and Protection Fund (Previous year ₹ 0.004).

26.6 Other Income/Expenditure:

Other Income:

Other income includes processing fees, profit/(loss) on sale of investments, profit/(loss) on revaluation of FVTPL/HFT investments, non-fund based income such as commission earned from guarantees, selling of third party products, recovery from loans written off, income from dealing in PSLC, etc.

Details of item under Miscellaneous income head exceeds one per cent of the total income.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bad Debts Recovery	112.66	140.58

Expenditure:

Details of item under Other expenditure head exceeds one per cent of the total income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Manpower Cost*	88.00	67.82
IT related expenses**	157.04	123.25

(₹ in Crores)

*Manpower cost includes outsourcing cost and collection agency cost.

**IT related expenses includes Maintenance cost of computer equipment, AMC-Hardware, AMC-Software, Managed IT services and cost for technology and subscription.

26.7 Other Asset:

There are no item of Others under Other Assets head exceeds one per cent of the total asset during the year ended March 31, 2025 and March 31, 2024.

26.8 Other Liabilities and provision:

There are no item of Others including provisions under Other Liabilities and Provisions head exceeds one per cent of the total assets during the year ended March 31, 2025 and March 31, 2024.

26.9 Provision for Long term contracts

The Bank has a process whereby periodically all long term contract are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that no provision is required under any law / accounting standards on such long term contracts as on March 31, 2025 and March 31, 2024.

26.10 Credit card and debit card reward points

The Bank does not have credit card products, hence reward points are not applicable. Also, the Bank does not provide any reward points on debit card.

26.11 Audit Trail

The Bank has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled for certain master records in one application relating to accounts payable, fixed assets, chart of accounts for the period April 1, 2024 till February 24, 2025. The Bank has established and maintained an adequate internal financial controls over financial reporting and based on its assessment, has concluded that the internal controls for the year ended 31 March 2025 were effective.

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

27 Share-based payments

27(A) Employee Share Option Plan (ESOP)

27(A)(1) Details of the employee share option plan of the Bank

The Bank has share option scheme for employees (which includes the employees of the Holding Company), being ESOP 2019.

Employee Stock Options (ESOPs): The ESOP 2019 is the scheme under which the Bank has issued options to the employees. The Bank has approved its ESOP Plan, 2019 in the Shareholders meeting held on March 29, 2019. During the year ended March 31, 2025, the Bank has granted 71,23,499 options under the ESOP 2019 to eligible employees. Also, as on March 31, 2025, 79,60,192 options has been exercised and 5,16,10,678 options has been lapsed/cancelled. As on March 31, 2025 there are exercisable options of 4,21,58,476 which are vested and 5,44,03,929 options are yet to be vested. The lapsed / cancelled options are added back to the ESOP pool 2019 for future grants. In addition, the Bank has also granted 23,09,415 cash settled Stock Appreciation Rights to earstwhile MD & CEO, during the year.

The vesting period for the options granted under ESOP 2019 is as under:

Particulars	Options Granted	Year 1	Year 2	Year 3	Year 4	Year 5
ESOP 2019 - Original	37,000,403	20%	20%	20%	20%	20%
ESOP 2019 - Additional	3,798,697	52%	48%	-	-	-
ESOP 2019 - Senior Hire	304,549	20%	20%	20%	20%	20%
ESOP 2019 (Senior Hire) Additional	199,949	20%	20%	20%	20%	20%
ESOP 2019 Additional Grant	30,157,303	15%	20%	25%	40%	-
ESOP 2019 (Senior Hire) Additional Grant-2	166,842	20%	20%	20%	20%	20%
ESOP 2019 (Senior Hire) Additional Grant-3	115,025	20%	20%	20%	20%	20%
ESOP 2019 additional Grant 4	80,685	15%	20%	25%	40%	-
ESOP 2019 Senior Hire_6	280,511	25%	25%	25%	25%	-
ESOP 2019 _MD_2	221,970	33%	33%	33%	-	-
ESOP 2019 _Additional Grant Jan 2023	47,393,431	20%	20%	30%	30%	-
ESOP 2019 Senior Hire _&-2023	252,496	20%	20%	30%	30%	-
ESOP 2019 _Additional Grant Oct 2023	27,951,816	20%	20%	30%	30%	-
ESOP 2019 _Senior Grant Oct 2023	61,348	20%	20%	30%	30%	-
ESOP 2019 _MD Grant Oct 2023	1,024,751	33%	33%	33%	-	-
ESOP 2019 _Senior Grant May 2024	69,742	20%	20%	30%	30%	-
UFSL - Special Grant May 2024	2,848,007	33%	33%	33%	-	-
ESOP_2019 _Senior Hire _Aug 2024	66,375	20%	20%	30%	30%	-
ESOP_2019 _MRT _Aug 2024	1,099,211	20%	20%	30%	30%	-
CSAR for Ex-MD	2,309,415	20%	20%	30%	30%	-
ESOP 2019 _Senior Hire Mar 2025	3,040,164	20%	20%	30%	30%	-
Total	158,442,690	-	-	-	-	-

The following share-based payment arrangements were in existence during the current year:

Options Series	Number	Grant Date	Date of Vesting	Expiry Date	Exercise Price	Fair value at Grant Date
ESOP 2019 - Original	37,000,403	August 08, 2019	August 08, 2020	August 08, 2025	35.00	17.25
		August 08, 2019	August 08, 2021	August 08, 2026	35.00	19.31
		August 08, 2019	August 08, 2022	August 08, 2027	35.00	21.13
		August 08, 2019	August 08, 2023	August 08, 2028	35.00	22.77
		August 08, 2019	August 08, 2024	August 08, 2029	35.00	24.24
ESOP 2019 - Additional	3,798,697	December 4, 2019	December 12, 2020	December 12, 2025	35.00	17.25
		December 4, 2019	December 12, 2021	December 12, 2026	35.00	19.31
ESOP 2019 - Senior Hire	304,549	November 02, 2020	November 02, 2021	November 01, 2026	30.75	11.78
		November 02, 2020	November 02, 2022	November 01, 2027	30.75	13.08
		November 02, 2020	November 02, 2023	November 01, 2028	30.75	14.81
		November 02, 2020	November 02, 2024	November 01, 2029	30.75	16.03
		November 02, 2020	November 02, 2025	November 01, 2030	30.75	16.83
ESOP 2019 (Senior Hire) Additional	199,949	August 23, 2021	August 23, 2022	August 23, 2027	19.7	7.81
		August 23, 2021	August 23, 2023	August 23, 2028	19.7	8.52
		August 23, 2021	August 23, 2024	August 23, 2029	19.7	9.71
		August 23, 2021	August 23, 2025	August 23, 2030	19.7	10.26
		August 23, 2021	August 23, 2026	August 23, 2031	19.7	10.91

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Options Series	Number	Grant Date	Date of Vesting	Expiry Date	Exercise Price	Fair value at Grant Date
ESOP 2019 Additional Grant	30,157,303	January 08, 2022	January 08, 2023	January 08, 2028	19.95	5.26
		January 08, 2022	January 08, 2024	January 08, 2029	19.95	7.20
		January 08, 2022	January 08, 2025	January 08, 2030	19.95	8.90
		January 08, 2022	January 08, 2026	January 08, 2031	19.95	9.77
ESOP 2019 (Senior Hire) Additional Grant-2	166,842	January 05, 2022	January 04, 2023	March 23, 2028	19.05	7.65
		January 05, 2022	January 04, 2024	March 23, 2029	19.05	8.29
		January 05, 2022	January 04, 2025	March 23, 2030	19.05	8.92
		January 05, 2022	January 04, 2026	March 23, 2031	19.05	9.93
		January 05, 2022	January 04, 2027	March 23, 2032	19.05	10.50
ESOP 2019 (Senior Hire) Additional Grant-3	115,025	March 23, 2022	March 23, 2024	March 23, 2029	16.6	7.65
		March 23, 2022	March 23, 2025	March 23, 2030	16.6	8.29
		March 23, 2022	March 23, 2026	March 23, 2031	16.6	8.92
		March 23, 2022	March 23, 2027	March 23, 2032	16.6	9.93
		March 23, 2022	March 23, 2028	March 23, 2033	16.6	10.5
ESOP 2019 additional Grant 4	80,685	June 08, 2022	June 08, 2023	June 08, 2028	16.7	7.65
		June 08, 2022	June 08, 2024	June 08, 2029	16.7	8.29
		June 08, 2022	June 08, 2025	June 08, 2030	16.7	8.92
		June 08, 2022	June 08, 2026	June 08, 2031	16.7	9.93
ESOP 2019 Senior Hire_6	280,511	November 18, 2022	November 18, 2023	November 18, 2028	26.39	5.78
		November 18, 2022	November 18, 2024	November 18, 2029	26.39	6.49
		November 18, 2022	November 18, 2025	November 18, 2030	26.39	7.29
		November 18, 2022	November 18, 2026	November 18, 2031	26.39	7.62
ESOP 2019 _MD_2	221,970	November 18, 2022	November 18, 2023	November 18, 2028	26.39	5.78
		November 18, 2022	November 18, 2024	November 18, 2029	26.39	6.49
		November 18, 2022	November 18, 2025	November 18, 2030	26.39	7.29
ESOP 2019_ Additional Grant Jan 2023	47,393,431	January 27, 2023	January 27, 2024	January 27, 2029	27.5	4.91
		January 27, 2023	January 27, 2025	January 27, 2030	27.5	6.06
		January 27, 2023	January 27, 2026	January 27, 2031	27.5	6.72
		January 27, 2023	January 27, 2027	January 27, 2032	27.5	7.37
ESOP 2019 Senior Hire_&-2023	252,496	February 17, 2023	February 17, 2024	February 17, 2029	27.5	4.91
		February 17, 2023	February 17, 2025	February 17, 2030	27.5	6.06
		February 17, 2023	February 17, 2026	February 17, 2031	27.5	6.72
		February 17, 2023	February 17, 2027	February 17, 2032	27.5	7.37
ESOP 2019_ Additional Grant Oct 2023	27,951,816	October 9, 2023	October 9, 2024	October 9, 2029	48.5	17.36
		October 9, 2023	October 9, 2025	October 9, 2030	48.5	19.03
		October 9, 2023	October 9, 2026	October 9, 2031	48.5	19.15
		October 9, 2023	October 9, 2027	October 9, 2032	48.5	19.13
ESOP 2019_Senior Grant Oct 2023	61,348	October 9, 2023	October 9, 2024	October 9, 2029	48.5	17.36
		October 9, 2023	October 9, 2025	October 9, 2030	48.5	19.03
		October 9, 2023	October 9, 2026	October 9, 2031	48.5	19.15
		October 9, 2023	October 9, 2027	October 9, 2032	48.5	19.13
ESOP 2019_MD Grant Oct 2023	1,024,751	October 27, 2023	October 27, 2024	October 27, 2029	51.46	11.63
		October 27, 2023	October 27, 2025	October 27, 2030	51.46	13.79
		October 27, 2023	October 27, 2026	October 27, 2031	51.46	14.03
ESOP 2019_Senior Grant May 2024	69,742	May 13, 2024	May 13, 2025	May 13, 2030	34.94	10.56
		May 13, 2024	May 13, 2026	May 13, 2031	34.94	14.67
		May 13, 2024	May 13, 2027	May 13, 2032	34.94	17.08
		May 13, 2024	May 13, 2028	May 13, 2033	34.94	20.15
UFSL - Special Grant May 2024	2,848,007	May 13, 2024	May 13, 2024	June 27, 2024	33.2	13.15
ESOP_2019_Senior Hire_Aug 2024	66,375	August 16, 2024	August 16, 2025	August 16, 2030	41.92	10.56
		August 16, 2024	August 16, 2026	August 16, 2031	41.92	14.67
		August 16, 2024	August 16, 2027	August 16, 2032	41.92	17.08
		August 16, 2024	August 16, 2028	August 16, 2033	41.92	20.15

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Options Series	Number	Grant Date	Date of Vesting	Expiry Date	Exercise Price	Fair value at Grant Date
ESOP_2019_MRT_Aug 2024	1,099,211	August 23, 2024	August 23, 2025	August 23, 2030	43.78	10.56
		August 23, 2024	August 23, 2026	August 23, 2031	43.78	14.67
		August 23, 2024	August 23, 2027	August 23, 2032	43.78	17.08
		August 23, 2024	August 23, 2028	August 23, 2033	43.78	20.15
CSAR for Ex-MD	2,309,415	January 10,2025	January 10,2026	April 10,2026	35.49	5.64
		January 10,2025	January 10,2027	April 10,2027	35.49	7.71
		January 10,2025	January 10,2028	April 9,2028	35.49	9.45
		January 10,2025	January 10,2029	April 10,2029	35.49	10.66
ESOP 2019_Senior Hire Mar 2025	3,040,164	March 24, 2025	March 24, 2026	March 24, 2031	34.3	10.56
		March 24, 2025	March 24, 2027	March 24, 2032	34.3	14.67
		March 24, 2025	March 24, 2028	March 24, 2033	34.3	17.08
		March 24, 2025	March 24, 2029	March 24, 2034	34.3	20.15
Total	158,442,690					

27(A)(2) Fair value of share options granted in the year

The weighted average fair value of the share options granted during the FY 2024-25 is ₹13.13 per option (Previous Year - ₹18.56 per option). Options were calculated using Black and Scholes Model. Vested ESOPs can be exercised within five years from their corresponding dates of vesting. ESOPs vested can be exercised between date of vesting and on or before option expiry date. The term of the option is assumed to be the sum of a) duration till vesting; and b) the midpoint of the remaining exercise period from date of vesting, in absence of historical exercise pattern. Volatility of comparable Banks have been considered for the purposes of valuation.

Inputs considered for calculating options fair value are as follows:

Particulars	ESOP 2019				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price (₹)	40.76	40.76	40.76	40.76	40.76
Exercise price (₹)	35	35	35	35	35
Expected volatility	40.08%	40.08%	40.08%	40.08%	40.08%
Option life (years)	3.5	4.5	5.5	6.5	7.5
Risk-free interest rate	5.75%	5.90%	6.03%	6.13%	6.22%

Particulars	ESOP 2019 - Senior Hire				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price (₹)	30.75	30.75	30.75	30.75	30.75
Exercise price (₹)	30.75	30.75	30.75	30.75	30.75
Expected volatility	43.50%	41.93%	43.29%	43.12%	41.66%
Option life (years)	3.5	4.5	5.5	6.5	7.5
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

Particulars	ESOP 2019 (Senior Hire) Additional				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price (₹)	18.45	18.45	18.45	18.45	18.45
Exercise price (₹)	19.7	19.7	19.7	19.7	19.7
Expected volatility	45.64%	43.01%	44.95%	43.07%	42.58%
Option life (years)	3.54	4.54	5.54	6.54	7.54
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

Particulars	ESOP 2019 Additional Grant			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	29	29	29	29
Exercise price (₹)	19.95	19.95	19.95	19.95
Expected volatility	42.48%	44.97%	47.17%	44.18%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	4.35%	4.95%	5.41%	5.78%

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Particulars	ESOP 2019 (Senior Hire) Additional Grant-2				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price (₹)	18.95	18.95	18.95	18.95	18.95
Exercise price (₹)	19.05	19.05	19.05	19.05	19.05
Expected volatility	46.95%	43.90%	41.83%	43.58%	42.73%
Option life (years)	3.56	4.56	5.56	6.56	7.56
Risk-free interest rate	5.30%	5.30%	5.40%	5.40%	5.40%

Particulars	ESOP 2019 (Senior Hire) Additional Grant-3				
	Vesting 1	Vesting 2	Vesting 3	Vesting 4	Vesting 5
Grant date share price (₹)	16.55	16.55	16.55	16.55	16.55
Exercise price (₹)	16.6	16.6	16.6	16.6	16.6
Expected volatility	46.95%	43.90%	41.83%	43.58%	42.73%
Option life (years)	3.56	4.56	5.56	6.56	7.56
Risk-free interest rate	5.30%	5.30%	5.30%	5.30%	5.30%

Particulars	ESOP 2019 additional Grant 4			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	16.7	16.7	16.7	16.7
Exercise price (₹)	16.6	16.6	16.6	16.6
Expected volatility	46.95%	43.90%	41.83%	43.58%
Option life (years)	3.56	4.56	5.56	6.56
Risk-free interest rate	5.30%	5.30%	5.30%	5.30%

Particulars	ESOP 2019 Senior Hire_6			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	27.75	27.75	27.75	27.75
Exercise price (₹)	26.39	26.39	26.39	26.39
Expected volatility	46.58%	43.53%	44.95%	44.98%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	6.61%	6.87%	7.03%	7.13%

Particulars	ESOP 2019 _MD_2		
	Vesting 1	Vesting 2	Vesting 3
Grant date share price (₹)	27.75	27.75	27.75
Exercise price (₹)	26.39	26.39	26.39
Expected volatility	46.58%	43.53%	44.95%
Option life (years)	1.34	2.34	3.34
Risk-free interest rate	6.61%	6.87%	7.03%

Particulars	ESOP 2019_Additional Grant Jan 2023			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	27.5	27.5	27.5	27.5
Exercise price (₹)	27.5	27.5	27.5	27.5
Expected volatility	43.70%	44.05%	44.13%	46.06%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	6.76%	6.98%	7.11%	7.20%

Particulars	ESOP 2019 Senior Hire_&-2023			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	27.5	27.5	27.5	27.5
Exercise price (₹)	27.5	27.5	27.5	27.5
Expected volatility	43.70%	44.05%	44.13%	46.06%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	6.76%	6.98%	7.11%	7.20%

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Particulars	ESOP 2019_Additional Grant Oct 2023			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	60.1	60.1	60.1	60.1
Exercise price (₹)	48.5	48.5	48.5	48.5
Expected volatility	29.63%	34.14%	33.36%	32.41%
Option life (years)	3.5	4	4.5	5
Risk-free interest rate	7.24%	7.26%	7.28%	7.29%
Particulars	ESOP 2019_Senior Grant Oct 2023			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	60.1	60.1	60.1	60.1
Exercise price (₹)	48.5	48.5	48.5	48.5
Expected volatility	29.63%	34.14%	33.36%	32.41%
Option life (years)	3.5	4	4.5	5
Risk-free interest rate	7.24%	7.26%	7.28%	7.29%
Particulars	ESOP 2019_MD Grant Oct 2023			
	Vesting 1	Vesting 2	Vesting 3	
Grant date share price (₹)	53.3	53.3	53.3	
Exercise price (₹)	51.46	51.46	51.46	
Expected volatility	26.68%	34.11%	33.36%	
Option life (years)	3.5	4	4.5	
Risk-free interest rate	7.27%	7.28%	7.29%	
Particulars	ESOP 2019_Senior Grant May 2024			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	53.05	53.05	53.05	53.05
Exercise price (₹)	51.8	51.8	51.8	51.8
Expected volatility	37.68%	41.44%	41.45%	45.39%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	6.95%	6.97%	6.98%	6.99%
Particulars	UFSL - Special Grant May 2024			
				Vesting 1
Grant date share price (₹)				53.05
Exercise price (₹)				33.2
Expected volatility				37.68%
Option life (years)				1.34
Risk-free interest rate				6.95%
Particulars	ESOP_2019_Senior Hire_Aug 2024			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	53.05	53.05	53.05	53.05
Exercise price (₹)	41.92	41.92	41.92	41.92
Expected volatility	37.68%	41.44%	41.45%	45.39%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	6.95%	6.97%	6.98%	6.99%
Particulars	ESOP_2019_MRT_Aug 2024			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	53.05	53.05	53.05	53.05
Exercise price (₹)	43.78	43.78	43.78	43.78
Expected volatility	37.68%	41.44%	41.45%	45.39%
Option life (years)	1.34	2.34	3.34	4.34
Risk-free interest rate	6.95%	6.97%	6.98%	6.99%

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Particulars	CSAR for Ex-MD			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	35.49	35.49	35.49	35.49
Exercise price (₹)	35.49	35.49	35.49	35.49
Expected volatility	35.03%	36.88%	39.35%	40.64%
Option life (years)	1.25	2.25	3.25	4.25
Risk-free interest rate	6.56%	6.58%	6.60%	6.62%

Particulars	ESOP 2019_Senior Hire Mar 2025			
	Vesting 1	Vesting 2	Vesting 3	Vesting 4
Grant date share price (₹)	35.49	35.49	35.49	35.49
Exercise price (₹)	34.3	34.3	34.3	34.3
Expected volatility	35.03%	36.88%	39.35%	40.64%
Option life (years)	1.25	2.25	3.25	4.25
Risk-free interest rate	6.56%	6.58%	6.60%	6.62%

27(A)(3) Movements in share options issued
During the year ended March 31, 2025

Particulars (Nos.)	Options granted and outstanding as at beginning of year	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the end of the year
ESOP 2019	16,273,535	-	474,718	984,315	14,814,502
ESOP 2019 - Senior Hire	65,166	-	-	-	65,166
ESOP 2019 (Senior Hire) Additional	150,456	-	-	22,842	127,614
ESOP 2019 Additional Grant	16,447,752	-	870,146	1,303,418	14,274,188
ESOP 2019 (Senior Hire) Additional Grant-2	-	-	-	-	-
ESOP 2019 (Senior Hire) Additional Grant-3	22,872	-	-	-	22,872
ESOP 2019 additional Grant 4	-	-	-	-	-
ESOP 2019 Senior Hire_6	147,639	-	14,763	-	132,876
ESOP 2019_MD_2	148,078	-	-	-	148,078
ESOP 2019 Senior Hire_ &-2023	180,933	-	13,502	22,685	144,746
ESOP 2019_Additional Grant Jan 2023	41,258,035	-	879,804	3,319,725	37,058,506
ESOP 2019_Additional Grant Oct 2023	26,867,907	-	-	2,394,293	24,473,614
ESOP 2019_Senior Grant Oct 2023	61,348	-	-	61,348	-
ESOP 2019_MD Grant Oct 2023	1,024,751	-	-	-	1,024,751
ESOP 2019_Senior Grant May 2024	-	69,742	-	-	69,742
UFSL - Special Grant May 2024	-	2,848,007	1,019,420	1,828,587	-
ESOP_2019_Senior Hire_Aug 2024	-	66,375	-	-	66,375
ESOP_2019_MRT_Aug 2024	-	1,099,211	-	-	1,099,211
CSAR for Ex-MD	-	2,309,415	-	-	2,309,415
ESOP 2019_Senior Hire Mar 2025	-	3,040,164	-	-	3,040,164
Total	102,648,472	9,432,914	3,272,353	9,937,213	98,871,820
Weighted average exercise price	33.17	35.42	28.32	33.44	33.52

During the year ended March 31, 2024

Particulars (Nos.)	Options granted and outstanding as at beginning of year	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the end of the year
ESOP 2019	19,806,482	-	1,887,883	1,645,064	16,273,535
ESOP 2019 - Senior Hire	65,166	-	-	-	65,166
ESOP 2019 (Senior Hire) Additional	165,685	-	15,229	-	150,456
ESOP 2019 Additional Grant	20,319,089	-	1,587,793	2,283,544	16,447,752



Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

Particulars (Nos.)	Options granted and outstanding as at beginning of year	Granted during the year	Exercised during the year	Forfeited/Expired during the year	Option exercisable at the end of the year
ESOP 2019 (Senior Hire) Additional Grant-2	37,787	-	7,559	30,228	-
ESOP 2019 (Senior Hire) Additional Grant-3	115,025	-	15,247	76,906	22,872
ESOP 2019 additional Grant 4	80,685	-	12,103	68,582	-
ESOP 2019 Senior Hire_6	280,511	-	55,361	77,511	147,639
ESOP 2019_MD_2	221,970	-	73,892	-	148,078
ESOP 2019 Senior Hire_&-2023	252,496	-	-	71,563	180,933
ESOP 2019_Additional Grant Jan 2023	47,348,062	-	768,861	5,321,166	41,258,035
ESOP 2019_Additional Grant Oct 2023	-	27,951,816	-	1,083,909	26,867,907
ESOP 2019_Senior Grant Oct 2023	-	61,348	-	-	61,348
ESOP 2019_MD Grant Oct 2023	-	1,024,751	-	-	1,024,751
Total	88,692,958	29,037,915	4,423,928	10,658,473	102,648,472
Weighted average exercise price	27.35	48.60	27.83	28.95	33.17

27(A)(4) Share options exercised during the year

Out of the ESOP granted till FY March 31, 2025, options has been exercised during the year 3,272,353 (Previous Year- 4,423,928)

27(A)(5) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹33.52 per option (Previous Year - ₹ 33.17 per option) for ESOP 2019 scheme and a weighted average remaining contractual life of 4.36 Years (Previous Year 5.47 Years).

27(A)(6) Expense arising from share based payment transaction recognised in Statement of profit or loss as employee benefit expense are as follows:

Particulars	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Employee benefit expense	20.99	16.44

- 28** The Bank received a notice on March 16, 2021, regarding non-remittance of statutory Provident Fund (PF) dues on the applicable wage components from February 2017 until March 2019 amounting to ₹ 22.70. Bank has filed the initial responses to the PF Commissioner and contented that said notice does not have a stand based on definition of basic wages under EPF Act, 1952 and various case laws. However, due to COVID 19 pandemic, the hearing has been adjourned until further notice.

The Bank has made a provision during the FY 2021-22 for an amount of ₹ 22.70 as a matter of prudence, which was treated as contingent liability for the FY 2020-21.

The Regional Provident Fund Commissioner (RPFC)-II, Bengaluru, in an inquiry held against the Bank under Section 7A of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, passed an Order dated 09-08-2021 against the Bank, directing the Bank to remit provident fund contribution of ₹ 22.70 on various allowances paid by the Bank to its employees during the period between February 2017 and March 2019. Against the said Order of the RPFC-II, the Bank preferred an appeal before the Central Government Industrial Tribunal (CGIT) in Appeal No. 43/2021. Since position of Presiding Officer in the CGIT was vacant, the Bank filed a writ petition before the Hon'ble High Court of Karnataka in W.P. No. 16635/2021. The Hon'ble High Court has disposed of the matter on 13/07/2022 holding that there would be stay on depositing the award amount (i.e., 22.70) till finality of the appeal pending before CGIT. This case is pending before CGIT Bengaluru; the last date of hearing was 10 March 2025 and the next date of hearing is fixed on 17 June 2025 for "Arguments on main Appeal".

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18
29 DIVIDEND:

Particulars	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Interim/ Final* Equity Dividend Paid	290.08	68.34

*The amount equity dividend paid for the previous year includes ₹ 42.60 paid by erstwhile Ujjivan Financial Services Limited, merged pursuant to the scheme of Amalgamation as detailed in Note.18(30).

- 30** The Board of Directors of the Bank and erstwhile Ujjivan Financial Services Limited (UFSL) in their respective meetings held on October 14, 2022, had approved a scheme of amalgamation of UFSL with the Bank in terms of Sections 230 to 232 of the Companies Act, 2013 and other applicable laws including rules and regulations (Scheme). The Scheme was approved by the shareholders at the National Company Law Tribunal ("NCLT") convened meeting of the equity shareholders of the Bank held on November 03, 2023. The NCLT, in accordance with Section 230 to 232 of the Companies Act, 2013 and rules thereunder, vide its order dated April 19, 2024, sanctioned the Scheme. Upon receipt of all approvals, the Bank filed form INC 28 (Intimation to ROC) with ROC on April 30, 2024 and accordingly, in terms of provisions of the Scheme, the 'Effective Date' of the Scheme was April 30, 2024. The Appointed Date under the said Scheme as approved by the NCLT was April 01, 2023.

The amalgamation was accounted under the "pooling of interest" method as prescribed in AS-14 "Accounting for Amalgamation". The outstanding balance between the UFSL and the Bank were eliminated as on April 1, 2023. All assets and liabilities of UFSL were recognised by the Bank at the carrying amounts as on that date except for the adjustments to bring about the uniformity in accounting policies as required under AS-14. The relevant Committee of the Board of the Bank vide its resolution dated May 06, 2024, approved the allotment of 1,412,702,033 fully paid equity shares of ₹10/- each of Bank to the eligible shareholders of the erstwhile UFSL, who were holding equity shares of UFSL as on the Record date i.e., May 03, 2024, as per the share exchange ratio determined in the aforesaid Scheme i.e. 116 equity shares of the face value of ₹ 10/- each of Bank for every 10 equity shares of UFSL. The difference between fresh equity shares to be allotted as aforementioned and share capital of UFSL was adjusted in the Share Premium Account, as per the terms of the Scheme.

Summarised values of assets and liabilities taken over in accordance with the terms of the Scheme as detailed below:

Particulars	(₹ in Crores)
Balances with banks and money at call and short notice	170.64
Investments	1,679.83
Fixed assets	0.03
Other assets	3.85
Total assets (A)	1,854.35
Reserves and Surplus	1,731.50
Other liabilities and provisions	1.17
Total Liabilities, Reserves and surplus (B)	1,732.67
Net Assets (C=A-B)	121.68
ESOP options exercised during the year	0.11
Fresh equity share capital to be issued to the shareholders of the UFSL (D)	1,411.47
Difference adjusted to Share Premium Account (E= D-C)	1,289.79

Pursuant to the effect of the Scheme, the Committee had also taken on record the extinguishment of 1,440,036,800 equity shares and 200,000,000 preference shares of the Bank held by eUFSL.

Consequent to the aforesaid extinguishment of UFSL shares in the Bank and issue of equity shares to the shareholders of UFSL, the paid-up equity capital of the Bank was revised from ₹1,959.13 to ₹ 1931.80 as on the record date. Further, since the preference capital of ₹ 200.00 stands extinguished, the issued capital of the Bank was reduced from ₹ 2,159.13 to ₹ 1,931.80. Furthermore, the authorised share capital of the Bank was ₹ 2,625 divided into 2,625,000,000 equity shares of ₹ 10/- each as per terms of the Scheme. As of March 31, 2024, 1,412,702,033 shares was pending allotment. The allotment of the said shares to the entitled shareholders

Notes to financial statements for the year ended March 31, 2025 (Contd.)

SCHEDULE 18

of eUFSL was approved by the Merger & Placement Committee of the Board of the Bank vide its resolution dated May 06, 2024, and the same was intimated to the Exchange on the same day. The allotment was intimated to the Registrar of Companies on May 15, 2024, by submission of PAS 3 return. The corporate action regarding crediting shares to Demat account of shareholders of eUFSL was completed.

Accordingly, effect of amalgamation as at appointed date is as follows:

Particulars	(₹ in Crores)
Addition to share premium account	(182.71)
Addition to Balance of Profit and Loss Account	440.13
Addition to Statutory Reserves	143.28
Addition to Employees Stock Options and Purchase Outstanding	11.09

- 31** The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees, to and accepts deposits and borrowings from its customers and borrowing from entities. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements and banks internal policies as applicable.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has not received any fund from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

32 COMPARATIVE FIGURES

Figures of the previous year have been regrouped/ reclassified wherever necessary to confirm to the current year's presentation.

Signature to Notes on Accounts

For and on behalf of Board of Directors of

Ujjivan Small Finance Bank Limited

Sanjeev Nautiyal

DIN: 08075972

Managing Director & CEO

B A Prabhakar

DIN: 02101808

Independent Director

Sudha Suresh

DIN: 06480567

Independent Director

Sanjeev Barnwal

Company Secretary

S Balakrishna Kamath

Chief Financial Officer

Bengaluru

April 30, 2025