

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH AT ALLAHABAD

**INDEX
IN
VOLUME 2**

**COMPANY PETITION (CAA) No./ALD/2026
SECOND MOTION**

[Under Sections 230-232 of Companies Act, 2013 and Rule 15(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**CONNECTED WITH
COMPANY APPLICATION (CAA) No. 37/ALD/2025
FIRST MOTION**

[Under Sections 230-232 of the Companies Act, 2013]

IN THE MATTER OF:

Petition for Sanction of the Scheme of Amalgamation between Utkarsh CoreInvest Limited and Utkarsh Small Finance Bank Limited and their respective Shareholders (“Scheme”).

IN THE MATTER OF:

UTKARSH COREINVEST LIMITED

AND

UTKARSH SMALL FINANCE BANK LIMITED

AND IN THE MATTER OF:

**SCHEME OF AMALGAMATION BETWEEN THE PETITIONER
COMPANIES AND THEIR RESPECTIVE SHAREHOLDERS**

1. Utkarsh CoreInvest Limited
having its Registered Office at:
S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar,
near Mahavir Mandir, Varanasi, Uttar Pradesh – 221002.
..... **Petitioner Company 1/ Transferor Company**
2. Utkarsh Small Finance Bank Limited
having its Registered Office at:
Utkarsh Tower, NH- 31 (Airport Road),
Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh – 221005.
..... **Petitioner Company 2/ Transferee Company**



VOLUME 2

SL. NO.	PARTICULARS OF PAPERS	ANNEX	DATE	PAGE No.
7.	Copy of the Order passed in COMPANY APPLICATION (CAA) No.37 /ALD/2025	2	11.02.2026	146-164
8.	Copies of the aforesaid resolutions dated 20 September 2024 passed by the Board of Directors of the Petitioner Companies approving the Scheme	3	20.09.2024	165-171
9.	A copy of the Memorandum and Articles of Association of Petitioner Company 1	4		172-255
10.	A copy of the audited financial statement of Petitioner Company 1 as of 31 March 2025	5		256-315

PLACE : PRAYAGRAJ

DATED : 04.04.2026



**For Utkarsh CoreInvest Limited (Petitioner Company 1 / Transferor
Company)**



**For Utkarsh Small Finance Bank Limited (Petitioner Company 2 / Transferee
Company)**

FILED THROUGH:

<p><i>DSingh</i> DIPTIMAN SINGH SHUBHAM AGARWAL ADVOCATES FOR THE APPLICANTS +91-9935214676; 9415022175 diptiman.singh79@gmail.com; shubhamadv1@gmail.com Chamber No.178 High Court</p>
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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT ALLAHABAD**

ANNEXURE – 2

**COMPANY PETITION (CAA) No./ALD/2026
SECOND MOTION**

[Under Sections 230-232 of Companies Act, 2013 and Rule 15(1) of the
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..... **Petitioner Company 1/ Transferor Company**

2. Utkarsh Small Finance Bank Limited
Varanasi, Uttar Pradesh – 221005.
..... **Petitioner Company 2/ Transferee Company**



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147

**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

**CA (CAA) No. 37/ALD/2025
(First Motion)**

*(Under Sections 230 to 232 of the Companies Act, 2013 and the Companies
(Compromise, Arrangements and Amalgamations) Rules, 2016) and other
applicable rules made thereunder)*

IN THE MATTER OF SCHEME OF AMALGAMATION OF:

UTKARSH COREINVEST LIMITED

having its registered office at:
S-24/1-2, 4th Floor, Mahavir Nagar Orderly Bazar,
Near Mahavir Mandir, Varanasi, Uttar Pradesh-221002

... Applicant No. 1 / Transferor Company

with

UTKARSH SMALL FINANCE BANK LIMITED

having its registered office at:
Utkarsh Tower, NH-31 (Airport Road),
Sehmalpur, Kazi Sarai, Harhua,
Varanasi, Uttar Pradesh - 221005

... Applicant No. 2 / Transferee Company

Order pronounced on: 11.02.2026

Coram:

Shri Praveen Gupta : *Member (Judicial)*
Shri Ashish Verma : *Member (Technical)*

Appearances:

Mr. Diptiman Singh with : *For the Applicant Companies*
Mr. Shubham Agarwal, Advs.

CA (CAA) NO. 37/ALD/2025 (First Motion)
IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

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ORDER

1. This is a joint First Motion Application filed by Applicant Companies for sanction of the proposed Scheme of Amalgamation involving merger of **UTKARSH COREINVEST LIMITED** (hereinafter referred to as 'Applicant No. 1 / Transferor Company') with **UTKARSH SMALL FINANCE BANK LIMITED** (hereinafter referred to as 'Applicant No. 2 / Transferee Company) and their respective shareholders under Sections 230 & 232 of the Companies Act, 2013 (the 'Act') read with Rule 3 of Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016 (the 'Rules') and other applicable provisions of the Act for the time being in force, seeking sanction of the Scheme of Amalgamation (hereinafter referred to as the 'Scheme').
2. The Applicant Companies have prayed for the following reliefs:
 - i. Convening, holding and conducting the meeting of the equity shareholders of the Applicant No.1/Transferor Company and Applicant No. 2/Transferee Company through video conferencing ("VC") as per the MCA Circulars without the physical presence of the equity shareholders, to consider and, if thought fit, approve, with or without modification, the Scheme, at such time, date and venue as this Hon'ble Tribunal may deem fit; and direct/ allow voting by the equity shareholders through remote e-voting and e-voting during VC convened meeting;



- ii. Dispensation with the requirement to hold and convene the meeting of the secured creditors of the Applicant No. 1/Transferor Company and Applicant No. 2/Transferee Company, as the Applicant No.1/Transferor Company and Applicant No. 2/Transferee Company do not have any secured creditors;
 - iii. Dispensation with the requirement to hold and convene the meeting of the unsecured creditors of the Applicant No. 1/Transferor Company and Applicant No.2/Transferee Company, as well as the requirement for issuance and publication of notices of such meetings in the newspapers, or in the alternative, the issuance of directions for convening such meetings; and
 - iv. Dispensation with the requirement to hold and convene the meetings of the debenture holders of the Applicant No.2 / Transferee Company.
3. The Applicant No.1/Transferor Company, is a public unlisted company primarily engaged in the business of investing in group companies through shares, bonds, loans, and other securities, while also providing guarantees and financial support. It is the promoter of the Applicant No.2/Transferee Company, holding 42.67% of its paid-up share capital.
 4. The Applicant No. 2/Transferee Company is a listed small finance bank registered with the Reserve Bank of India. It provides a wide range of banking and financial services, including retail banking with a focus on micro-finance, lending to small businesses & MSMEs, loans for



commercial vehicle and commercial equipment, housing loans, loans to small corporates and financial institutions.

5. It is submitted that the registered office of both the Applicant Companies are situated in the State of Uttar Pradesh and hence are under the territorial jurisdiction of this Bench.
6. The rationale and the benefits of the Scheme are, inter alia, as follows:
 - a. The Scheme will result in compliance with the RBI mandated dilution requirements (under the SFB Guidelines and the RBI Acquisition Directions) in the most efficient manner.
 - b. The Scheme will create value for stakeholders including respective shareholders, and employees as it will lead to simplification of group structure, thereby resulting in reduction of multiplicity of legal and regulatory compliances and optimal utilisation of common resources.
 - c. The Transferor Company currently carries on financial activity in the nature of investments in bank deposits or other permissible securities (including shares of the Transferee Company) and derives its value primarily from its investment in the Transferee Company.



CA (CAA) NO. 37/ALD/2025 (First Motion)
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-Sd-

- d. Pursuant to the amalgamation, shareholders of the Transferor Company will receive shares of a listed company in lieu of their holdings in the Transferor Company.
7. It is stated that the Board of Directors of the Applicant Companies in their respective meetings held on 20.09.2024 considered and unanimously approved the proposed Scheme of Amalgamation subject to sanctioning of the same by this Tribunal. The copies of the Board Resolutions of the Applicant Companies are attached as Annexure: 14 and 15 respectively, with the application.
8. The appointed date of the Scheme for the purpose of the Amalgamation shall be 01.04.2025 as mentioned in Clause 1.4 in Part-I of Scheme of Amalgamation which is attached as Annexure: 1 of the application.
9. It is stated that the Applicant No. 1 / Transferor Company has filed its Audited Financial Statements as of 31.03.2025 and 30.09.2025 attached as Annexure 6 and 7 respectively.
10. It is stated that the Applicant No. 2 / Transferee Company has filed its Audited Financial Statements as of 31.03.2025 and Unaudited provisional financial statements as of 30.09.2025 attached as Annexure 10 and 11 respectively.
11. It is further submitted that in pursuance of the proviso to Section 230(7) and Section 232(3) of the Act, the Applicant Companies have filed



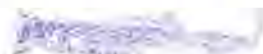
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certificate dated 20.09.2024, issued by their respective Statutory Auditors certifying that the Scheme is in compliance with the Accounting Standards under Section 133 of the Act and the same are attached as Annexure 16 with the application.

12. It is further stated that BSE and NSE, have issued no objection letters dated 04.07.2025 and 07.07.2025 respectively, copies of which are Annexure 19 and 20 with the Application. It is further submitted that the directions contained in the above letters have been complied to the extent applicable and the Applicants will continue to comply with the same.
13. In Para 36 of the Application, the Applicants have listed the authorities to whom notice of this Application may be directed to be served. As regards notice to SEBI, it is submitted that in the No Objections Letters received from stock exchanges, it is stated that *"the company is not required to send notice for representation as mandated under section 230(5) of the Companies Act, 2013 to SEBI again for its comments/ observations/ representations."* Hence, no further notice under section 230(5) is required to be served on SEBI.
14. It is submitted that the Transferor Company and the Transferee Company are registered with the RBI as a NBFC-CIC and a small finance bank, respectively. Accordingly, the Applicants have obtained



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a no-objection from RBI through letter dated 02.01.2025 in relation to the Scheme of Amalgamation. A copy of the no-objection letter received from RBI is annexed with the Application as Annexure 21. Further, it is submitted that apart from statutory authorities, since Applicant No. 2 is an NBFC, therefore RBI would be the relevant Sectoral Regulator.

15. It is further submitted that a joint valuation Report, dated 20.09.2024, for the proposed Scheme of Amalgamation, has been issued by RBSA Valuation Advisors LLP, Registered Valuer Entity, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV-E/05/2019/110. A copy of the said Valuation Report is annexed herewith as Annexure 17. The Share Exchange Ratio, as recommended and incorporated in the Scheme, is set out below:

- *699 (Six Hundred Ninety-Nine) equity shares of USFBL of INR 10/- each fully paid up for every 100 (One Hundred) equity shares of UCL of INR 10/- each fully paid up.*

16. It is submitted that the Scheme (Annexure 1) also takes care of the interest of the employees of the Applicant Companies by virtue of Clause 11 of Part-II of the Scheme.

17. As per para no. 67-70 and para no. 74 of the application it is submitted that there are no proceedings pending under Sections 210 to 220 and



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223 to 229 of the Companies Act, 2013, further it is also submitted that no petition under Sections 241 and 242 of the Companies Act, 2013 has been filed against the Applicant Companies and there are no pending investigation proceedings against the Applicants.

- 18.** It is deposed by the Applicants that the Scheme of Amalgamation shall be subject to such approvals, consents and permissions as may be required from the statutory and regulatory authorities, including: (a) the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) the Registrar of Companies, Ministry of Corporate Affairs, Uttar Pradesh; (c) Official Liquidator, Uttar Pradesh; (d) Reserve Bank of India; (e) National Stock Exchange of India Limited; (f) BSE Limited (collectively called "Stock Exchanges"); and (g) the Income Tax Authorities.
- 19.** The Applicant Companies have furnished the following documents:
- i.** Proposed Scheme of Amalgamation (Annexure 1 of the application).
 - ii.** Certificate of Incorporation along with Memorandum and Articles of Association of the Applicant Transferor Company and the Transferee Company (Annexure 2, 3 and Annexure 4, 5 respectively of the application).



- iii. Certificates on status of Shareholders, Secured and Unsecured creditors of Transferor Company (Annexure 8 and 9 of the application).
- iv. Certificates on status of Shareholders, Secured and Unsecured creditors of Transferor Company (Annexure 12 and 13 of the application).
- v. Certificates of Statutory Auditors to the effect that the Accounting treatment proposed in the Scheme is in conformity with Section 133 of the Companies Act, 2013. (Annexure 12 of the application).
- vi. Audited financial statements of the Applicant No.1 / Transferor Company as of 31.03.2025 and 30.09.2025. (Annexure 6 and 7 of the application).
- vii. Audited financial statements of the Applicant No.2 / Transferee Company as of 31.03.2025 and Unaudited provisional financial statements as of 30.09.2025. (Annexure 10 and 11 of the application).
- viii. Consent Affidavits of the Unsecured Creditors of the Applicant No. 1 / Transferor Company. (Annexure SA-1 of the Affidavit filed vide filing no. 0902109016732025/1).
- ix. Joint Valuation Report (Annexure 17 of the application).

20. The Applicant Companies have furnished the details of the Equity Shareholders, Secured Creditors and Unsecured Creditors as follows:

CA (CAA) NO. 37/ALD/2025 (First Motion)
IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ



-Sd-

Page 9 of 18

-Sd-



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Applicant No. 1/Transferor Company:

Particulars	Total No.	Dispensation/Meeting
Equity Shareholders	4,578	Meeting to be convened
Secured Creditors	Nil	Dispensation sought
Un-secured Creditors	2	Dispensation sought

Applicant No. 2/Transferee Company:

Particulars	Total No.	Dispensation/Meeting
Equity Shareholders	2,73,115	Meeting to be convened
Secured Creditors	Nil	Dispensation sought
Un-secured Creditors	1292	Though dispensation was initially sought, it was submitted during the hearing on 15.01.2026 that a meeting of the unsecured creditors be also convened, as recorded in paragraph 4 of the order dated 15.01.2026.
Non-Convertible Debenture Holders	889	Dispensation sought

Directions:

21. We have considered the submissions made by the Ld. Counsel, and perused the documents filed with the instant Application. We are of the view that the dispensation of the meetings prayed for by the Applicant



Companies deserves to be allowed. We accordingly give the following directions:

I. In relation to the Applicant No. 1 / Transferor Company:

- a. The meeting of the Equity Shareholders of Applicant Transferor Company be convened as prayed for through video conferencing with facility of remote e-voting on Saturday, 28th March 2026 at 10:30 A.M, subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 103 of the Companies Act, 2013;
- b. Since, the Transferor Company does not have any Secured Creditor, the requirement for convening a meeting of Secured Creditors does not arise;
- c. The meeting of the Un-secured Creditors of the Applicant Transferor Company is hereby dispensed with, keeping in view that 100% in value of the Un-secured Creditors have furnished their consent affidavits.

II. In relation to Applicant No. 2 / Transferee Company:

- a. The meeting of the Equity Shareholders of Applicant Transferee Company be convened as prayed for through video conferencing with facility of remote e-voting on Saturday, 28th March 2026 at 12:30 P.M., subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 103 of the Companies Act, 2013;
- b. Since, the Applicant Transferee Company does not have any Secured Creditor, the requirement for convening meeting of Secured Creditors does not arise.



- c. The meeting of the Un-secured Creditors of the Applicant Transferee Company be convened as prayed for and recorded in para no. 4 of order dated 15.01.2026, through video conferencing with facility of remote e-voting on Saturday, 28th March 2026 at 03:30 P.M, subject to notice of the meeting being issued. The voting/approval would be in terms of provisions of Section 230(6) of the Companies Act, 2013.
- d. The meeting of the Non-Convertible Debenture Holders is hereby dispensed with, keeping in view that the Transferee Company has 889 debenture holders, constituting 100% of the total debenture holders and representing INR 5,00,00,00,000/- (Indian Rupees Five Hundred Crore only) of the total outstanding value of the non-convertible debentures issued by the Transferee Company. Accordingly, as 100% in value of the debenture holders have accorded their consent to the Scheme of Amalgamation through affidavits filed by the Debenture Trustees, the requirement of convening their meeting stands dispensed with.
- III. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter persons present and voting shall be deemed to constitute the quorum.
- IV. All the aforesaid meetings shall be held through video conferencing and voting shall be conducted through electronic means. Remote e-voting facility shall be provided to the Equity Shareholders/ Unsecured Creditors of the Applicants 1 and 2.
- V. The conduct of the meetings through video conferencing shall be governed by the operating procedure prescribed under Companies



Act and the Rules, Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, Circulars issued by the Ministry of Corporate Affairs, Government of India, and by the SEBI and other applicable provisions.

- VI.** Since the Meetings are being held through Video Conferencing the shareholders, and unsecured creditors will not be entitled to appoint proxies to participate in the meetings on their behalf.
- VII.** Dr. Santosh Kumari, Advocate (Mobile No. 9814435192, Email id: sk.kumar7916@gmail.com), is appointed as the common Chairperson for the meetings to be called under this order. An amount of ₹2,00,000/- (Rupees Two Lakhs Only) be paid for his services as the Chairperson. The Chairperson shall have all other powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 read with the other applicable rules and provisions in relation to conduct of the meetings, including for deciding procedural questions that may arise at the meeting(s) or at any adjournment thereof, or any other matter relating to the meetings, including an amendment to the Scheme of Amalgamation, if any, proposed by any persons.
- VIII.** Mr. Anant Prakash, Advocate (Mobile No. 8960999016, E-mail id: anantprakash.adv@gmail.com), is appointed as the common Alternate Chairperson for the meetings to be called under this order. An amount of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) be paid for his services as the Alternate Chairperson.
- IX.** Mr. Sumit Agrawal, CA, (Mobile No. 9415348986, E-mail id: agrsumit@yahoo.co.in), is appointed as the common Scrutinizer for the above meetings to be called under this order. An amount of



₹1,00,000/- (Rupees One Lakh only) be paid for his services as the Scrutinizer.

- X.** The fee of the Chairperson, Alternate Chairperson, Scrutinizer and other out-of-pocket expenses for them shall be borne by the Applicant Companies.
- XI.** It is further directed that individual notices of the said meetings shall be sent by the Applicant Companies to all the Equity Shareholders and Unsecured Creditors, as the case may be, through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meetings, indicating the day, date and time as aforesaid, together with a copy of the Scheme, copy of the explanatory statement with Share Entitlement Ratio as discussed in para 14 of this order required to be sent under the Companies Act, 2013 and the applicable Rules and any other documents as may be prescribed under the Act shall also be duly sent with the notice.
- XII.** It is further directed that along with the notices, Applicant Companies shall also send, statements explaining the effect of the Scheme on the creditors, key managerial personnel, promoters and non-promoter members, etc. along with the effect of the Scheme of Amalgamation on any material interests of the Directors of the Companies, if any, as provided under sub-section (3) of Section 230 of the Act.
- XIII.** It is also directed that the Un-Audited Financial Statements (Provisional) of the Applicant Companies not older than 6 months' from the date of the meetings be also circulated for the aforesaid meeting(s) in terms of Section 232 (2) (e) of the Act.



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- XIV.** That the Applicant Companies shall publish an advertisement with a gap of at least 30 clear days before the aforesaid meetings, indicating the day, date and the time of the meetings as aforesaid, to be published in “Financial Express” (English) and “Jansatta” (Hindi). The publication shall indicate the time within which copies of the Scheme of Amalgamation shall be made available to the concerned persons, free of charge from the registered office of the Applicant Companies. The publication shall also indicate that the explanatory statement required to be furnished pursuant to Sections 230 & 232 read with Section 102 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Applicant Companies in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016. The Applicant Companies shall also publish the notice of the meetings on its website, if any.
- XV.** It shall be the responsibility of the Applicant Companies to ensure that the notices are sent under the signature and supervision of the Chairperson and the Applicant Companies shall file their affidavits in the Tribunal at least 7 days before the date fixed for the meetings.
- XVI.** Voting is allowed on the proposed Scheme through remote e-voting process in compliance with the guidelines issued by the Ministry of Corporate Affairs in this regard.
- XVII.** The Chairperson shall be responsible to report the result of the meetings to the Tribunal in Form No. CAA-4, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within 7 (seven) working days of the conclusion of the



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meetings. The Chairperson would be fully assisted by the authorized representative/Company Secretary of the Applicant Companies and the Scrutinizer, who will assist the Chairperson/Alternate Chairperson in preparing and finalizing the reports.

XVIII. The Applicant Companies in compliance of sub-section (5) of Section 230 of the Act and Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 send notices in Form No. CAA-3 along with copy of the Scheme, Explanatory Statement and the disclosures mentioned in Rule 6 of the "Rules" to (a) The Central Government through the office of the Regional Director, B-2 Wing, 2nd Floor, Pt. Deendayal Antyodaya Bhawan, 2nd Floor, C.G.O. Complex, New Delhi - 110003; (b) The Registrar of Companies, Kanpur, Uttar Pradesh, Ministry of Corporate Affairs, 37/17, Westcott Building, The Mall, Kanpur-208001, Uttar Pradesh and Email ID - roc.kanpur@mca.gov.in; (c) The Official Liquidator, Allahabad, Ministry of Corporate Affairs, 9th Floor, Sangam Place, Civil Lines, Allahabad-211001 and email ID - ol.allahabad@mca.gov.in (d) National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, India; (e) Bombay Stock Exchange Limited Floor 25, P.J. Towers, Dalal Street, Mumbai-400001; (g) Reserve Bank of India and (h) the Income Tax Department, in the respective circle/ward where these Companies are assessed or through the nodal office by mentioning the PAN number of the Applicant Companies, if any, having email id - lucknow.pccit@incometax.gov.in; stating that report on the same, if any, shall be sent to this Tribunal within a period of 30 days from



the date of receipt of such notice and copy of such report shall be simultaneously sent to the applicant companies, failing which it shall be presumed that they have no objection to the proposed Scheme.

XIX. The Applicant Companies shall furnish a copy of the Scheme free of charge within one day of any requisition for the Scheme made by any Creditor entitled to attend the meetings as aforesaid.

XX. The Authorized Representative of the Applicant Companies shall furnish affidavits of service of notice of meetings and publication of advertisements and compliance of all directions contained herein at least a week before the proposed meetings.

XXI. All the aforesaid directions are to be complied with strictly in accordance with the applicable laws including forms and formats contained in the Rules as well as the provisions of the Companies Act, 2013 by the Applicant Companies.

XXII. The Company Petition for confirmation of the Scheme is to be filed within the time period prescribed under the provisions of the Act and corresponding rules made there under. The appropriate prayer would also be made in the second motion petition for publication in newspaper.

22. The Second Motion petition shall be filed within 7 days from the date of submission of report by Chairperson in accordance with the provisions of rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

CA (CAA) NO. 37/ALD/2025 (First Motion)
IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ



-Sd-

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-Sd-

164

23. With the aforesaid directions, this First Motion Application bearing CA (CAA) No.37/ALD/2025 is disposed of. A copy of this order be supplied to the learned counsel for the Applicant Companies who in turn shall supply a copy of the same to the Chairperson, Co-Chairperson and the Scrutinizer immediately.

-Sd-
(Ashish Verma)
Member (Technical)

-Sd-
(Praveen Gupta)
Member (Judicial)

Dated: 11.02.2026



CA (CAA) NO. 37/ALD/2025 (First Motion)
IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ



Page 18 of 18

TRUE COPY

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT ALLAHABAD**

ANNEXURE – 3

**COMPANY PETITION (CAA) No./ALD/2026
SECOND MOTION**

[Under Sections 230-232 of Companies Act, 2013 and Rule 15(1) of the
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**CONNECTED WITH
COMPANY APPLICATION (CAA) No. 37/ALD/2025
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[Under Sections 230-232 of the Companies Act, 2013]

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AND

UTKARSH SMALL FINANCE BANK LIMITED

AND IN THE MATTER OF:

**SCHEME OF AMALGAMATION BETWEEN THE PETITIONER
COMPANIES AND THEIR RESPECTIVE SHAREHOLDERS**

1. Utkarsh CoreInvest Limited
..... **Petitioner Company 1/ Transferor Company**

2. Utkarsh Small Finance Bank Limited
Varanasi, Uttar Pradesh – 221005.
..... **Petitioner Company 2/ Transferee Company**



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166

Utkarsh CoreInvest Limited
(Formerly Utkarsh Micro Finance Limited)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF UTKARSH COREINVEST LIMITED IN THEIR MEETING HELD ON FRIDAY, SEPTEMBER 20, 2024, AT 10:30 AM AT INITIATED FROM AND CONDUCTED AT UTKARSH SMALL FINANCE BANK REGISTERED OFFICE: UTKARSH TOWER, NH – 31 (AIRPORT ROAD), SEHMALPUR, KAZI SARAI, HARHUA, VARANASI, UTTAR PRADESH, PIN – 221105

TO CONSIDER AND APPROVE THE SCHEME OF AMALGAMATION OF UTKARSH COREINVEST LIMITED (UCL) WITH UTKARSH SMALL FINANCE BANK LIMITED (USFBL) AND THEIR RESPECTIVE SHAREHOLDERS

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and any amendment thereunder and enabling clauses of the memorandum of association and articles of association of UCL and subject to the receipt of the requisite approvals, sanctions, consents, observations and no objection letters from: (i) the shareholders and creditors (if any) of UCL, (ii) the Reserve Bank of India, (iii) the stock exchanges, and (iv) the National Company Law Tribunal (the NCLT), or such other competent authority as may be applicable, the scheme of amalgamation (the **Scheme**) as per the draft submitted to the board of directors (**Board**), and initialed by the chairman of the meeting for the purpose of providing for the merger and transfer of the entire amalgamated undertaking of UCL with USFBL (as further described in the Scheme) as per the terms and conditions mentioned in the Scheme be and is hereby approved.

RESOLVED FURTHER THAT that the Scheme is proposed to take effect from the Appointed Date (i.e., 01 April 2025) or such other date as determined by the Board of UCL and USFBL to comply with the approvals/directions from the regulatory and statutory authorities or such other date as the NCLT may direct.

RESOLVED FURTHER THAT the valuation report dated September 20, 2024 issued by RBSA Valuation Advisors LLP, a registered valuer, providing the share exchange ratio based on valuation of UCL and USFBL (**Valuation Report**) as placed before the Board be and is hereby taken on record.

RESOLVED FURTHER THAT the fairness opinion dated September 20, 2024 issued by DAM Capital Advisors Limited, a SEBI Registered Category I Merchant Banker on the share exchange ratio (**Fairness Opinion**) as placed before the Board be and is hereby taken on record.

RESOLVED FURTHER THAT the draft of report of the Board in terms of Section 232(2)(c) of the Companies Act, 2013, recommending the draft Scheme, taking into consideration, inter-alia, the Valuation Report, and the Fairness Opinion is not detrimental to the interests of any of the stakeholders, as placed before the Board, be and is hereby accepted and approved and that the same be signed on behalf of the Board by any one of the Directors of UCL.

RESOLVED FURTHER THAT the Mr. Suman Saurabh, Managing Director & CEO, Mr. Harshit Agrawal, Chief Financial Officer, and Mr. Neeraj Kumar Tiwari, Company Secretary be and are hereby severally authorised for the purpose of approving changes, if any, in the said Scheme.

RESOLVED FURTHER THAT Mr. Suman Saurabh, Managing Director & CEO, Mr. Harshit Agrawal, Chief Financial Officer, and Mr. Neeraj Kumar Tiwari, Company Secretary be and are hereby severally authorised to take all necessary steps, including but not limited to:



TRUE COPY

Utkarsh CoreInvest Limited

Registered and Corporate Office : S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar, Near Mahavir Mandir, Varanasi - 221002 (U.P.) India

CIN: U65191UP1990PLC045609 | Website: www.utkarshcoreinvest.com

- (a) make modifications, amendments, revisions, edits and all other actions as may be required to finalize the Scheme;
- (b) file necessary applications with the Central/State Government(s), or any body, authority or agency and to obtain sanction or approval to any provisions of the Scheme or for giving effect thereto;
- (c) file applications with the NCLT or such other competent authority for directions to hold or to dispense the holding of meetings of the shareholders and/or creditors and/or such other classes as may be concerned with the said Scheme and where necessary to take steps to convene and hold such meetings as per the directions of the NCLT to give effect to the Scheme;
- (d) file petitions for confirmation of the Scheme with the NCLT or such other competent authority and accept such other conditions and modifications as may be prescribed by the NCLT or other such competent authority while according their confirmation to the said Scheme;
- (e) file affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to appoint or engage any counsel, registered valuer, chartered accountant, advocate, legal advisors, attorney, representatives and any other persons in connection with the proposed Scheme;
- (f) take all steps as may be required, including without limitation for obtaining the necessary reports and certificates from the statutory auditor of UCL and/or the independent accountants in relation to the Scheme;
- (g) take all steps as may be required, including without limitation for obtaining approvals and/or consents of the shareholders, creditors, banks, financial institutions, and other regulatory authorities or entities or agencies as may be applicable from time to time in that regard;
- (h) settle any question or difficulty that may arise and give any directions necessary with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (i) make any alterations/changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central/State Government or the NCLT bench of competent jurisdiction or any other authority;
- (j) to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or as may be *suo moto* decided by the Board in its absolute discretion;
- (k) to take all steps necessary or incidental and considered appropriate with regard to the above applications or petitions and implementation of the orders passed thereon and generally for putting through the Scheme and completing the same;
- (l) to sign all applications, petitions, documents, or to issue public advertisement and notices relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;
- (m) to do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto; and
- (n) to take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolutions including resolving the difficulties, if any, as and when arises.

RESOLVED FURTHER THAT Mr. Suman Saurabh, Managing Director & CEO, Mr. Harshit Agrawal, Chief Financial Officer, and Mr. Neeraj Kumar Tiwari, Company Secretary be and are hereby severally authorised to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.”

CERTIFIED TRUE COPY

UTKARSH COREINVEST LIMITED

Neeraj Kumar Tiwari
Neeraj Kumar Tiwari
Company Secretary
ICSI M. No. 12101





Utkarsh Small Finance Bank

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF UTKARSH SMALL FINANCE BANK LIMITED, HELD ON FRIDAY, SEPTEMBER 20, 2024, STARTED AT 03.00 PM AT UTKARSH TOWER, NH - 31 (AIRPORT ROAD), SEHMALPUR, KAZI SARAI, HARHUA, VARANASI

To take on record the reports from the Registered Valuer including the share swap ratio and the fairness opinion from the Merchant Banker, reports from Audit Committee & the Committee of Independent Directors in relation to the proposed Scheme, the certificate issued by the statutory auditors in relation to the proposed scheme of amalgamation and approval of the Scheme of amalgamation of Utkarsh CoreInvest Limited ("UCL"/ "Transferor Company") with Utkarsh Small Finance Bank Limited ("USFBL"/ "the Bank"/ "Transferee Company") ("Scheme"), Draft of application to be submitted to the Reserve Bank of India ("RBI") and Draft of applications to be submitted to the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (collectively referred to as "Stock Exchanges")

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, regulations issued by the Securities and Exchange Board of India (SEBI) and any amendment thereunder and enabling clauses of the memorandum of association and articles of association of USFBL and subject to the receipt of the requisite approvals, sanctions, consents, observations and no objection letters from: (i) the shareholders and creditors (if any) of USFBL; (ii) the Reserve Bank of India (RBI), (iii) the stock exchanges, and (iv) the National Company Law Tribunal (the NCLT), or such other competent authority as may be applicable, the scheme of amalgamation (the Scheme) as per the draft submitted to the board of directors (Board), and initialed by the Company Secretary of USFBL for the purpose of providing for the merger and transfer of the entire amalgamated undertaking of UCL with USFBL (as further described in the Scheme) as per the terms and conditions mentioned in the Scheme be and is hereby approved.

RESOLVED FURTHER THAT the Scheme is proposed to take effect from the Appointed Date (i.e., 1 April 2025) or such other date as determined by the Board of USFBL and UCL to comply with the approvals/directions from the regulatory and statutory authorities or such other date as the NCLT may direct.

RESOLVED FURTHER THAT the valuation report dated September 20, 2024 issued by RBSA Valuation Advisors LLP, a registered valuer, providing the share exchange ratio based on valuation of UCL and USFBL (Valuation Report) as placed before the Board be and is hereby taken on record.

RESOLVED FURTHER THAT the fairness opinion dated September 20, 2024 issued by DAM Capital Advisors Limited, a SEBI Registered Category I Merchant Banker on the share exchange ratio (Fairness Opinion) as placed before the Board be and is hereby taken on record.



Registered & Corporate Office

Utkarsh Tower, NH-31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221005.
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 www.utkarsh.bank

TRUE COPY



Utkarsh Small Finance Bank

RESOLVED FURTHER THAT the certificate dated September 20, 2024 from Deloitte Haskins & Sells, Chartered Accountants & Kirtane & Pandit LLP, Chartered Accountants, the Statutory Auditors of USFBL certifying that: (a) the Transferee Company is capable of payment of interest/ repayment of principal debt amounts, and (b) the accounting treatment provided in the Scheme is in conformity with the applicable accounting standards and regulations under the Companies Act, 2013 and as specified by the sector regulator, i.e., the RBI (**Statutory Auditors Certificate**) as placed before the Board be and is hereby taken on record.

RESOLVED FURTHER THAT report of committee of independent directors dated September 20, 2024 recommending the draft Scheme, taking into consideration, inter alia, the Valuation Report, the Fairness Opinion and confirming that the Scheme is not detrimental to the interest of the shareholders as placed before the Board be and is hereby taken on record.

RESOLVED FURTHER THAT the report of the audit committee dated September 20, 2024 recommending the draft scheme, taking into consideration, inter alia, the Valuation Report, the Fairness Opinion, and the Statutory Auditors Certificate as placed before the Board be and is hereby taken on record.

RESOLVED FURTHER THAT the draft of report of the Board in terms of Section 232(2)(c) of the Companies Act, 2013 and applicable regulations of the SEBI, recommending the draft Scheme, taking into consideration, inter-alia, the Valuation Report, the Fairness Opinion, the Statutory Auditors Certificate, and the aforesaid report of committee of independent directors and report of the audit committee, is not detrimental to the interests of any of the stakeholders (including, the depositors and the holders of the non-convertible debentures), as placed before the Board, be and is hereby accepted and approved and that the same be signed on behalf of the Board by any one of the Directors of USFBL.

RESOLVED FURTHER THAT USFBL hereby chooses National Stock Exchange of India Limited as the designated stock exchange for the purpose of coordinating with SEBI in connection with the aforesaid Scheme.

RESOLVED FURTHER THAT the draft application for seeking approval of and certification from the RBI for the proposed Scheme under the applicable law, as placed before the Board be and is hereby taken on record and approved for filing.

RESOLVED FURTHER THAT the draft application for seeking approval of National Stock Exchange of India Limited for the proposed Scheme under the applicable regulations issued by SEBI as placed before the Board be and is hereby taken on record and approved for filing.

RESOLVED FURTHER THAT the draft application for seeking approval of BSE Limited for the proposed Scheme under the applicable regulations issued by SEBI as placed before the Board be and is hereby taken on record and approved for filing.

RESOLVED FURTHER THAT the Managing Director & CEO, the Chief Financial Officer, the Company Secretary & Compliance Officer, or the Chief Compliance Officer of USFBL, be and are hereby severally authorised for the purpose of approving changes, if any, in the said Scheme.



Registered & Corporate Office

Utkarsh Tower, NH-31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221005.
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 www.utkarsh.bank



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Utkarsh Small Finance Bank

RESOLVED FURTHER THAT the Managing Director & CEO, the Chief Financial Officer, the Company Secretary & Compliance Officer, or the Chief Compliance Officer of USFBL, be and are hereby severally authorised to take all necessary steps, including but not limited to:

- (a) make modifications, amendments, revisions, edits and all other actions as may be required to finalize the Scheme;
- (b) file necessary applications with the Central/State Government(s), regulators, or any body, authority or agency and to obtain sanction or approval to any provisions of the Scheme or for giving effect thereto;
- (c) file applications with the NCLT or such other competent authority for directions to hold or to dispense the holding of meetings of the shareholders and/or creditors and/or such other classes as may be concerned with the said Scheme and where necessary to take steps to convene and hold such meetings as per the directions of the NCLT to give effect to the Scheme;
- (d) file petitions for confirmation of the Scheme with the NCLT or such other competent authority and accept such other conditions and modifications as may be prescribed by the NCLT or other such competent authority while according their confirmation to the said Scheme;
- (e) file affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to appoint or engage any counsel, registered valuer, chartered accountant, advocate, legal advisors, attorney, representatives and any other persons in connection with the proposed Scheme;
- (f) take all steps as may be required, including without limitation for obtaining the necessary reports and certificates from the statutory auditor of USFBL and/or the independent accountants in relation to the Scheme;
- (g) take all steps as may be required, including without limitation for obtaining approvals and/or consents of the shareholders, creditors, banks, financial institutions, and other regulatory authorities or entities or agencies as may be applicable from time to time in that regard;
- (h) settle any question or difficulty that may arise and give any directions necessary with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (i) make any alterations/changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central/State Government or the NCLT bench of competent jurisdiction or any other authority;
- (j) suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or as may be *suo moto* decided by the Board in its absolute discretion;
- (k) take all steps necessary or incidental and considered appropriate with regard to the above applications or petitions and implementation of the orders passed thereon and generally for putting through the Scheme and completing the same;
- (l) sign all applications, petitions, documents, or to issue public advertisement and notices relating to the Scheme or delegate such authority to another person by a valid power of attorney;
- (m) do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto; and



Registered & Corporate Office

Utkarsh Tower, NH-31 (Airport Road) Sehmampur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221005.
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Utkarsh Small Finance Bank

(n) take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolutions including resolving the difficulties, if any, as and when arises.

RESOLVED FURTHER THAT the Managing Director & CEO, the Chief Financial Officer, the Company Secretary & Compliance Officer, or the Chief Compliance Officer of USFBL, be and are hereby severally authorised to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

For **Utkarsh Small Finance Bank Limited**

Muthiah Ganapathy
Company Secretary & Compliance Officer

Date: September 24, 2024
Place: Mumbai



Registered & Corporate Office
Utkarsh Tower, NH-31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221005.
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 www.utkarsh.bank



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT ALLAHABAD**

ANNEXURE – 4

**COMPANY PETITION (CAA) No./ALD/2026
SECOND MOTION**

[Under Sections 230-232 of Companies Act, 2013 and Rule 15(1) of the
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**CONNECTED WITH
COMPANY APPLICATION (CAA) No. 37/ALD/2025
FIRST MOTION**

[Under Sections 230-232 of the Companies Act, 2013]

IN THE MATTER OF:

Petition for Sanction of the Scheme of Amalgamation between Utkarsh
CoreInvest Limited and Utkarsh Small Finance Bank Limited and their
respective Shareholders (“Scheme”).

IN THE MATTER OF:

UTKARSH COREINVEST LIMITED

AND

UTKARSH SMALL FINANCE BANK LIMITED

AND IN THE MATTER OF:

**SCHEME OF AMALGAMATION BETWEEN THE PETITIONER
COMPANIES AND THEIR RESPECTIVE SHAREHOLDERS**

1. Utkarsh CoreInvest Limited
..... **Petitioner Company 1/ Transferor Company**

2. Utkarsh Small Finance Bank Limited
Varanasi, Uttar Pradesh – 221005.
..... **Petitioner Company 2/ Transferee Company**



173

Updated till June 29, 2024
RBI Regn. No. C-07-00781
CIN No. U65191UP1990PLC045609

**MEMORANDUM AND ARTICLES
OF
ASSOCIATION
UTKARSH COREINVEST LIMITED**

Registered and Corporate Office: S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar,
Near Mahavir Mandir, Varanasi - 221002 (U.P.) India Website :www.utkarshcoreinvest.com



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174

FORM I R,



in pursuance of Section 10 of the Companies Act, 1956 and the company has been incorporated with effect from

[Signature]
Registrar of Companies
Madras

CERTIFICATE OF INCORPORATION

No. 18-19169.....of 19.90.

I hereby certify that... **SHRE PATHRAKALI FINANCE**
COMPANY PRIVATE LIMITED ***
*** *Sallela* *** **

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited

Given under my hand at... **MADRAS**
this... **Fifteenth** day of... **May**
Twenty Fifth **Vaisakha**
One thousand nine hundred and... **Ninety**
One thousand nine hundred and **Twelve (Saka)**



[Signature]
(G. SRINIVASAN)
Registrar of Companies
TAMIL NADU

J.S.C-1



TRUE COPY

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप
प्राइवेट लिमिटेड कम्पनी के रूप में परिवर्तित होने के परिणामस्वरूप, कम्पनी के नाम में परिवर्तन
का नया निगमन प्रमाण-पत्र
कॉर्पोरेट पहचान संख्या U65191TN1990PTC019169

मैसर्स SHRE PATHRAKALI FINANCE COMPANY LTD

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

SHRE PATHRAKALI FINANCE COMPANY LTD.

जो मूल रूप में दिनांक पंद्रह मई उन्नीस सौ नव्वे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स

SHRE PATHRAKALI FINANCE COMPANY PRIVATE LIMITED

के रूप में निगमित की गई थी, और उसके द्वारा कम्पनी अधिनियम, 1956 की धारा 31(1) के अन्तर्गत प्राइवेट कम्पनी के रूप में परिवर्तित करने के लिए प्रार्थना-पत्र देने तथा भारत सरकार द्वारा उसका अनुमोदन कम्पनी रजिस्ट्रार कार्यालय आर ओ सी - चैन्नई के एन आर एन A72382245 दिनांक 09/12/2009 द्वारा प्राप्त होने की लिखित सूचना प्राप्त होने पर उक्त कम्पनी का नाम आज से परिवर्तित रूप में मैसर्स SHRE PATHRAKALI FINANCE COMPANY Private LTD.

हो गया है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर से आज दिनांक नौ दिसम्बर दो हजार नौ को चैन्नई में जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

Fresh Certificate of Incorporation Consequent upon Change of Name on
Conversion to Private Limited Company

Corporate Identity Number : U65191TN1990PTC019169

In the matter of M/s SHRE PATHRAKALI FINANCE COMPANY LTD.

I hereby certify that SHRE PATHRAKALI FINANCE COMPANY LTD. which was originally incorporated on Fifteenth day of May Nineteen Hundred Ninety under the Companies Act, 1956 (No. 1 of 1956) as SHRE PATHRAKALI FINANCE COMPANY PRIVATE LIMITED and upon an application made for conversion into a Private Company under Section 31(1) of the Companies Act, 1956; and approval of Central Government signified in writing having been accorded thereto by the RoC-Chennai vide SRN A72382245 dated 09/12/2009 the name of the said company is this day changed to SHRE PATHRAKALI FINANCE COMPANY Private LTD..

Given under my hand at Chennai this Ninth day of December Two Thousand Nine.




(V C DAVEY)

कम्पनी रजिस्ट्रार / Registrar of Companies
तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप
Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता

Mailing Address as per record available in Registrar of Companies office:

SHRE PATHRAKALI FINANCE COMPANY Private LTD,
KALPATARU, FLAT 1A, 4/56 K B DASAN ROAD, ALWARPET,
CHENNAI - 600018,
Tamil Nadu, INDIA



TRUE COPY

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65191TN1990PTC019169

मैसर्स SHRE PATHRAKALI FINANCE COMPANY Private LTD.

जो नामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
SHRE PATHRAKALI FINANCE COMPANY Private LTD.

जो मूल रूप में दिनांक पंद्रह मई, उन्नीस सौ नब्बे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
UTKARSH MICRO FINANCE PRIVATE LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विशेषतः आवश्यक विनिश्चय पत्रित करके तथा
लिखित रूप में यह स्वीकृत करके जो उसे भारत का अनुसूचित, कम्पनी अधिनियम, 1956 की धारा 21 के तहत तद्विना, भारत सरकार कम्पनी कर्तव्य
विभाग, नई दिल्ली की अधिसूचना सं 507 (अ) दिनांक 24/6/1985 एवं अत एव 477577070 दिनांक 11/02/2010 के द्वारा
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
UTKARSH MICRO FINANCE PRIVATE LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसार ही जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा चैन्नई में आज दिनांक प्चारह फरवरी दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U65191TN1990PTC019169

In the matter of M/s SHRE PATHRAKALI FINANCE COMPANY Private LTD.

I hereby certify that SHRE PATHRAKALI FINANCE COMPANY Private LTD. which was originally incorporated on
Fifteenth day of May Nineteen Hundred Ninety under the Companies Act, 1956 (No 1 of 1956) as UTKARSH
MICRO FINANCE PRIVATE LIMITED having duly passed the necessary resolution in terms of Section 21 of the
Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto
under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New
Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A77577070 dated 11/02/2010 the name of the
said company is this day changed to UTKARSH MICRO FINANCE PRIVATE LIMITED and this Certificate is issued
pursuant to Section 23(1) of the said Act.

Given under my hand at Chennai this Eleventh day of February Two Thousand Ten.



Y. C. DAVEY
(Y. C. DAVEY)

कम्पनी रजिस्ट्रार / Registrar of Companies
तमिलनाडु, चैन्नई, अंदमान और निकोबार द्वीप
Tamil Nadu, Chennai, Andaman and Nicobar Islands

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता
Mailing Address as per record available in Registrar of Companies office:

UTKARSH MICRO FINANCE PRIVATE LIMITED
KALPATARU, FLAT 1A, 4/55 K B DASAN ROAD, ALWARPET,
CHENNAI - 600018,
Tamil Nadu, INDIA



TRUE COPY



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, उत्तर प्रदेश एवं उत्तराखण्ड

कम्पनी अधिनियम, 1956 की धारा 18(3)

राज्य परिवर्तित करने के संबंध में, कम्पनी विधि बोर्ड के आदेश के पंजीकरण से संबंधित प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65191UP1990PTC045609
नैसर्त UTKARSH MICRO FINANCE PRIVATE LIMITED

ने अपने विशेष विनिश्चय द्वारा, इसके पंजीकृत कार्यालय को तमिलनाडु राज्य से उत्तर प्रदेश राज्य में स्थानान्तरित करने के निमित्त अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है और इस परिवर्तन की पुष्टि
SOUTHERN REGION CHENNAI, CHENNAI

के दिनांक 06/06/2011 के आदेश द्वारा किए जाने पर,

मैं, यह सत्यापित करता हूँ कि उक्त आदेश की सत्यापित प्रतिलिपि को आज पंजीकृत कर लिया गया है।

कानपुर में, यह प्रमाण-पत्र, आज दिनांक सात जुलाई दो हजार ग्यारह को जारी किया जात है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, null

SECTION 18(3) OF THE COMPANIES ACT, 1956

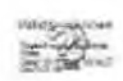
Certificate of Registration of Company Law Board order for Change of State

Corporate Identity Number : U65191UP1990PTC045609

M/s UTKARSH MICRO FINANCE PRIVATE LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Tamil Nadu to the Uttar Pradesh and such alteration having been confirmed by an order of SOUTHERN REGION CHENNAI, CHENNAI bearing the date 06/05/2011.

I hereby certify that a certified copy of the said order has this day been registered.

Given at Kanpur this Seventh day of July Two Thousand Eleven.



Registrar of Companies, null
कम्पनी रजिस्ट्रार, उत्तर प्रदेश एवं उत्तराखण्ड

*Note: The corresponding form has been approved by MAHESH PREMCHAND BHAI SHAH, Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006. The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

Certified True Copy -

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता
Mailing Address as per record available in Registrar of Companies office:
UTKARSH MICRO FINANCE PRIVATE LIMITED
S-2/E39-56, VARUNA VIHAR COLONY, J. P. MONTA ROAD, Cantt.,
VARANASI - 221002,
Uttar Pradesh, INDIA.



TRUE COPY

178

Certificate of Incorporation Consequent upon conversion to Public Limited Company



सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Kanpur
10/499-B, Allenganj,, Khalasi Line,, Kanpur, Uttar Pradesh, India, 208002

Corporate Identity Number: U65191UP1990PLC045609

Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company

IN THE MATTER OF UTKARSH MICRO FINANCE PRIVATE LIMITED

I hereby certify that UTKARSH MICRO FINANCE PRIVATE LIMITED which was originally incorporated on Fifteenth day of May One thousand nine hundred ninety under the Companies Act, 2013 as SHRE PATHRAKALI FINANCE COMPANY LTD. and upon an intimation made for conversion into Public Limited Company under Section 18 of the Companies Act, 2013; and approval of Central Government signified in writing having been accorded thereto by the RoC - Kanpur vide SRN G05933403 dated 24.06.2016 the name of the said company is this day changed to UTKARSH MICRO FINANCE LIMITED.

Given under my hand at Kanpur this Twenty fourth day of June Two thousand sixteen.



Ruvit Kumar
Deputy Registrar of Companies
Registrar of Companies
RoC - Kanpur

Mailing Address as per record available in Registrar of Companies office:

UTKARSH MICRO FINANCE LIMITED
S-2/639-56, VARUNA VIHAR COLONY,, J. P. MEHTA ROAD, Cantt.,
VARANASI, Uttar Pradesh, India, 221002



TRUE COPY

179



सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies
Westcott Building, The Mall,, Kanpur, Uttar Pradesh, India, 208001

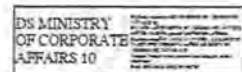
Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): U65191UP1990PLC045609

I hereby certify that the name of the company has been changed from UTKARSH MICRO FINANCE LIMITED to UTKARSH COREINVEST LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name Shree Patharkali Finance Company Private Limited.

Given under my hand at Kanpur this Eleventh day of October two thousand eighteen.



Prem Chand

Registrar of Companies
RoC - Kanpur

Mailing Address as per record available in Registrar of Companies office:

UTKARSH COREINVEST LIMITED

S-2/639-56, VARUNA VIHAR CCLONY,, J. P. MEHTA ROAD, Cantt., VARANASI, Uttar Pradesh,
India, 221002



7



TRUE COPY

भारतीय रिज़र्व बैंक

गैर-बैंकिंग पर्यवेक्षण विभाग

कानपुर क्षेत्रीय कार्यालय

RESERVE BANK OF INDIA
DEPARTMENT OF NON-BANKING SUPERVISION
KANPUR REGIONAL OFFICE



पंजीकरण प्रमाण पत्र

CERTIFICATE OF REGISTRATION

(जनता की जमा राशियाँ स्वीकार करने के लिए वैध नहीं)

(Not valid for accepting Public Deposits)

संख्या

No. C-07-00781

भारतीय रिज़र्व बैंक अधिनियम, 1934 की धारा 45 ड के द्वारा भारतीय रिज़र्व बैंक को प्रदत्त शक्तियों का प्रयोग करते हुए उत्कर्ष कोर इन्वेस्ट लिमिटेड ["पूर्व-नाम" उत्कर्ष माइक्रो फाइनेंस लिमिटेड]

दूसरी तरफ दी गयी शर्तों पर जनता से जमा राशियाँ स्वीकार किये बिना गैर-बैंकिंग वित्तीय संस्था का कारोबार प्रारंभ करने / करते रहने के लिए यह

पंजीकरण प्रमाण पत्र

जारी किया गया।

In exercise of the powers conferred on the Reserve Bank of India by Section 45 IA of the Reserve Bank of India Act, 1934

UTKARSH CORE INVEST LIMITED [Formerly known as Utkarsh Micro Finance Limited]
is hereby granted

Certificate of Registration

to commence / carry on the business of non-banking financial institution without accepting public deposits subject to the conditions given on the reverse.

में हस्ताक्षर के अधीन नवम्बर दो हजार अठारह को 12 तारीख को जारी किया गया।

Given under my hand at
this twelfth day of November Two Thousand Eighteen
(in lieu of earlier CoR No C-07-00781 issued on
May 03, 2018)



(महा प्रबंधक / उप महा प्रबंधक)

General Manager / Deputy General Manager



TRUE COPY

**MEMORANDUM OF ASSOCIATION OF
UTKARSH COREINVEST LIMITED**

- i. The name of the Company is **UTKARSH COREINVEST LIMITED**.
- ii. The Registered office of the Company will be situated in the State of Uttar Pradesh.
- iii. The objects to be pursued by the Company on its incorporation are

A. THE MAIN OBJECTS

1. To carry on the business, whether in India or outside, of making investment in group Companies in the form of Shares, bonds debentures, debt, loan or securities and providing guarantees, other form of collateral, or other contingent liabilities on behalf of or for the benefit of any group Companies.
2. To carry on financial activity, whether in India or outside in the nature of investment in bank deposits, Money Market instruments (Including money market mutual funds and liquid mutual funds), government securities, and to carry on such other activities as may be permitted and prescribed by the relevant statutory authorities for core investment Companies from time to time.

B. THE OBJECTS INCIDENTAL TO THE ATTAINMENT OF ABOVE MAIN OBJECTS

1. To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or body corporate or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner including but not limited to the following:
2. To acquire any such shares, stocks, debenture, debenture stock, bonds, obligation or securities by original subscription, exchange or otherwise and to subscribe for the same either conditionally or otherwise, to guarantee the subscription thereof issued or guaranteed by any government, state, public body, or authority, firm, body corporate or any other entity or persons in India or elsewhere.
3. To purchase or acquire, hold, trade and further to dispose of any right, stake or controlling interest in the shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or either singly or jointly with any other person(s), body corporate carrying out or proposing to carry out any activity in India or in any other part of the world.
4. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investment made.
5. To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligation, shares, stocks, and securities, and to act as trustees in connection with any such securities, and to take part in the conversion of business concerns and undertakings into companies.
6. To give any guarantee in relation to the payment of any debentures, debenture stock, bonds, obligation or securities.
7. To subscribe for, conditionally or unconditionally, to underwrite issue on commission or otherwise take, hold, deal in, and convert stocks, shares and securities, of all kinds, or into any arrangement for sharing profits, union of interest,



reciprocal concession or co-operation with any person, or organize companies, syndicates, of all kinds, for the purpose of acquiring and undertaking any property and liabilities of this company, or of any other company or of advancing, directly or indirectly, the object thereof, or for any other purpose which this company may think expedient.

8. To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of , or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and surety ship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of , or any other company associated in any way with, the company)
9. To borrow and raise money in any manner for the purpose of any business of the company or of any company in which the company is interested and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future).
10. To transact or carry on all kinds of agency business, and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
11. To Purchase or otherwise acquire, and to sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with property and rights of all kinds, and in particular, mortgages, debentures, produce, concessions, options, contracts, patents, licenses, stocks, shares, bonds, policies, book debts, business concerns, and undertakings and claims, privileges, and chooses in action of all kinds.
12. To amalgamate, merge, enter into any arrangement for sharing of profits, amalgamation, union of interest, reciprocal concession or cooperation with any company or companies or body corporate having objects altogether or in part similar to those of this Company, for the purpose of acquiring any business, undertaking, property or liabilities of such person, company or body corporate, or to sell, exchange, lease, under lease, surrender, abandon, amalgamate, sub-divide, mortgage or otherwise deal with either absolutely, conditionally, or for any limited interest, all or any part of the undertaking, property rights or privileges of the Company, as a going concern or otherwise, for advancing directly or indirectly the objects thereof for any other purpose which this Company may think expedient, with any public body, corporation, company, society, or association, or to any person or persons, for such consideration as the Company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debenture stock, securities or property of any other Company."

C. OTHER OBJECTS

1. To carry on the business of dealers in any industrial goods on retail or wholesale basis or on contract.
2. To carry on the business of cold storage and stocking of goods in them for commercial purpose.



3. To act as technicians, advisers and consultants for companies and others engaged in the manufacture and Marketing of engineering products of all kinds.
 4. To act as technical advisers, engineers and contractors on matters pertaining to procuring testing processing erection commission, in maintenance and servicing of plants, equipment, machineries and projects or industries engaged in the manufacture of engineering products.
 5. To manufacture, purchase and sell all kinds of engineering goods fabricated and machined.
 6. To carry on the business of manufacture, purchase and sale of paper and paper products.
 7. To carry on the business of dealers in card-board boxes, containers, tins and others packing materials.
 8. To manufacture, purchase and sell electrical goods of all kinds.
 9. To carry on the business of electronic engineers and to manufacture electronic goods and appliances.
 10. To carry on the business of manufacturing purchasing selling and / or otherwise dealing in household articles and utensils.
 11. To manufacture, purchase and sell air-conditioners, air-coolers and other cooling appliances.
 12. To manufacture purchase and sell piping, tanks and structural for power stations, oil refineries, plastic industries, fertilizer plants other industries.
 13. To engage in the manufacture, purchase and sale of automobiles and automobile spares and plying of stage carriers, Lorries, vans, cars and other vehicles.
 14. To carry on either alone or with any person or company the business of sub-contracting consultancy/servicing of equipment relating to plastics and other product either in collaboration in India or abroad: that may seem to the company capable of being conveniently carried on.
 15. To manufacture purchase and sell all kinds of match boxes and match raw materials.
- iv. The liability of members is limited.
- v. The Authorized Share Capital of the Company is ₹1,00,00,00,000 (Rupees hundred Crore) of equity share of ₹10/-each The Capital shall be subject to be increased or reduced in accordance with the regulation of the company and legislative provisions for the time being in force in this behalf and with power to divide the shares in the company for the time being in to Equity Share Capital and to attach thereto respectively and preferential qualified or special rights, privileges or conditions and further to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by regulations of the Company.



184

We the several persons, whose name and address are subscribed, are desirous of being formed into a company in pursuance of the Memorandum of Association and we respectively agree to take to the numbers of shares in the capital of the company set opposite our respective names:

Both the Signatories and witnesses are at Sattur at the times of signing the Memorandum of Association.

Name, Address, description and occupation of subscribes	Number of Equity shares	Witness
1. S: Manoharan S/o P. Somasundaram 2B Bypass Road Sattur Occupation: Business	100	S. Sathasivam S/o S.S. Sankaralingam 94/5 Main Road, Kovilpatti 627 701 Occupation: Chartered Accountants
2. S. Jeyaseelan S/o P. Somasundaram 34C, Vakil Stree, Kovilpatti Occupation: Business	100	

Place: Sattur

Dated: The 25th day of April 1990.



(Handwritten signature)



185

**ARTICLES OF ASSOCIATION OF
UTKARSH COREINVEST LIMITED**

TABLE F

1. The Regulations contained in Table F of Schedule I to the Companies Act, 2013 apply to this Company in so far as they are applicable to private companies except to extent excluded or modified by the following Articles:

DEFINITIONS

- 1.1 In these Articles, any term defined in any article or section or sub-section of these Articles shall have the meaning ascribed to it therein, and in addition, the following words shall have the definitions as set out hereunder:

ABF shall mean **Aavishkaar Bharat Fund**, (represented by its trustee Aavishkaar Venture Trustees Private Limited), an alternative investment fund registered with the Securities and Exchange Board of India and having its registered office at 13th B, 6th Floor, Techniplex II, IT Park, Off Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062, Maharashtra (hereinafter referred to as “**ABF**” and such term shall be deemed to mean and include its Affiliates);

ADEESH PATNI TRUST, (represented by the Trustees Arihant Patni, Gajendra Kumar Patni & Shruti Patni), having its registered office at 310-316, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400021, India (hereinafter referred to as “**APT**” and such term shall be deemed to mean and include its Affiliates);

Accession Instrument means a deed of adherence with applicable amendments (if any) to the Shareholders Agreement that are in agreed form and substance between the parties to the Shareholders Agreement;

Accounts means the audited financial statements of the Company. For purposes of this definition, the term ‘financial statement’ means the balance sheet, income statement and statement of cash flows;

Accounting Standards means Indian Generally Accepted Accounting Principles (I-GAAP) or Indian Accounting Standards (Ind-AS), as applicable to the Company, as promulgated by the Institute of Chartered Accountants of India, together with its pronouncements thereon from time to time, and applied on a consistent basis;

Act means the (Indian) Companies Act, 1956, to the extent not repealed and the (Indian) Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactment thereof, except where otherwise expressly provided;

Additional ROFR Acceptance Letter has the meaning set forth in Article 16(e);

Additional Securities has the meaning set forth in Article 14(b);

Adjustment Event means any share split, bonus issue, stock dividend, rights issue, recapitalization or recombination affecting Share Equivalents and any other



transaction having the effect of any of the foregoing;

Affiliate means with respect to: (i) any Person, any Person directly or indirectly Controlling, Controlled by or under common Control with, that Person; and (ii) a Person being a natural person, shall include Relatives of such Person and without any prejudice to the foregoing, in relation to an Investor shall also include any fund, collective investment scheme, trust partnership (including any co-investment partnership), special purpose vehicle or other vehicle which has common partners, investment manager, settlor, investment committees or trustee;

For the purpose of this definition, "**control**" means the power to direct the management or policies of a Person, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise; provided that, in any event, the direct or indirect ownership of twenty-six percent (26%) or more of the voting share capital of a Person is deemed to constitute control of that Person, and "**controlling**" and "**controlled**" have corresponding meanings;

AGIMDC II shall mean **Aavishkaar Goodwell India Microfinance Development Company II Limited**, a company incorporated under the laws of the Republic of Mauritius and having its registered office at 6th floor, Tower A, 1 Cyber City, Ebene, Republic of Mauritius (hereinafter referred to as "**AGIMDC II**" and such term shall be deemed to mean and include its Affiliates);

AML/CFT means anti-money laundering and combating the financing of terrorism;

Alternate Director has the meaning set forth in Article 27;

Applicable Law means all applicable statutes, laws, ordinances, rules and regulations, including but not limited to, any license, permit or other governmental Authorization, orders, decisions, injunctions, judgments, awards of any Authority, in each case as in effect from time to time;

Applicable S&E Law means all applicable statutes, laws, ordinances, rules and regulations of the Country, including, without limitation, all Authorizations setting standards concerning environmental, social, labor, health and safety or security risks of the type contemplated by the Performance Standard II or imposing liability for the breach thereof;

Appointed Bankers has the meaning set forth in Article 19 (b)(i)(A);

Approval Letter means the letter dated November 25, 2016 issued by the RBI granting final licence no. MUM: 125 approval to the Company to set up an SFB and any amendments thereto;

Articles mean these Articles of Association of the Company;

Auditors mean the independent, external auditors of the Company;

Authority means any national, supranational, regional or local government or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or



central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank);

Authorization means any consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any Authority, whether given by express action or deemed given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or consents;

Authorized Representative means, in relation to the Company, any individual who is duly authorized by the Company to act on its behalf and whose name and a specimen of whose signature appear on the Certificate of Incumbency and Authority most recently delivered by the Company;

AVMS means **Aavishkaar Venture Management Services Private Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at Premises No. 13B (III), 6th Floor, Techniplex II, Opp. Hotel A. K. Plaza, Veer Savarkar Flyover, S. V. Road, Gurgaon (West), Mumbai - 400062, Maharashtra (hereinafter referred to as "**AVMS**" and such term shall be deemed to mean and include its Affiliates);

Board of Directors or **Board** means the Board of Directors of the Company nominated and elected from time to time in accordance with these Articles;

British International Investment PLC (formerly CDC Group PLC), a public limited company organized and existing under the laws of England and having its registered office at 123 Victoria Street, London, SW1E 6DE, United Kingdom (hereinafter referred to as "**BII**" and such term shall be deemed to mean and include its Affiliates);

Business Day means a day other than Saturday or Sunday when banks in (i) New York, USA; (ii) London, United Kingdom; (iii) Norway; (iv) Mauritius; and (v) Mumbai and Varanasi, India are open for business;

Business Plan means the business plan of the Company and any revised business plan;

Buyer has the meaning set forth in Article 17(a);

CAO means the Compliance Advisor Ombudsman, the independent accountability mechanism for IFC that responds to environmental and social concerns of affected communities and aims to enhance outcomes;

CAO's Role means the role of the CAO, which is:

- a) to respond to complaints by Persons who have been or are likely to be negatively affected by the social or environmental impacts of IFC projects; and
- b) to oversee audits of IFC's social and environmental performance, particularly in relation to sensitive projects, and to ensure compliance with IFC's social and environmental policies, guidelines, procedures and systems;



CIC has the meaning set forth in Recital (A);

Chairperson means the Chairperson of the Board of Directors elected or appointed from time to time;

Charter means the Memorandum of Association and the Articles of Association of the Company;

Client means any borrower, investee or other Person financed directly or indirectly by the Relevant Financing Operations;

Client Operations means any operations or activities of the Clients (or with respect to any Client, the operations and activities of that Client) financed directly or indirectly by the Relevant Financing Operations;

Coercive Practice has the meaning set forth in Annex II;

Collusive Practice has the meaning set forth in Annex II;

Company means **Utkarsh CoreInvest Limited** (formerly known as Utkarsh Micro Finance Limited), a non-banking financial company organized and existing under the Companies Act, 1956 and having its registered office at S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar, Near Mahavir Mandir, Varanasi-221002, Uttar Pradesh, India (formerly at S-2/639-56, Varuna Vihar Colony, J. P. Mehta Road, Cantt., Varanasi -221002, India) (hereinafter referred to as the "**Company**");

Company Documents means:

- a) the Charter;
- b) the certificate of incorporation of the Company;
and
- c) the license/registration certificate issued by the Reserve Bank of India to the Company endorsed on May 03, 2018 allowing the Company to operate as an NBFC-CIC;

Competitor means any: (i) Small Finance Bank other than the SFB Entity; (ii) Non-Banking Financial Company - Micro Finance Institution; (iii) Non-Banking Financial Company - Core Investment Company; and (iv) promoter entity of a Small Finance Bank;

Controlled means the right to appoint a majority of the directors or to control the management or policy decisions of such entity including by virtue of shareholding or management rights or shareholders agreements or voting agreements;

Corrupt Practice has the meaning set forth in Annex II;

Country means the Republic of India;

Development Impact has the meaning set forth in Article 38(f) ;

Director means an individual who is a member of the Board of the Company



nominated and elected from time to time in accordance with these Articles;

Distribution means: (a) the transfer of cash or other property without consideration, whether by way of dividend or otherwise; or (b) the purchase or redemption of shares of the Company or Share Equivalents for cash or property, other than any repurchase of shares of the Company or Share Equivalents issued to or held by employees, officers, directors or consultants of the Company or its Subsidiaries (if any) pursuant to an employee stock plan upon termination of their employment at a price not higher than their market value;

Dollars or \$ or US\$ means the lawful currency of the United States of America;

Drag Along Notice has the meaning set forth in Article 19(c) (i) (C);

Drag Along Purchaser has the meaning set forth in Article 19(c) (i) (C);

Drag Along Right has the meaning set forth in Article 19(c) (i) (B);

Drag Along Shares has the meaning set forth in Article 19(c) (i) (C);

Dragged Shareholders has the meaning set forth in Article 19(c) (i) (B);

Dragging Shareholders has the meaning set forth in Article 19(c) (i) (B);

Dragging Shareholders' Shares has the meaning set forth in 19(c) (i) (B);

Effective Date means the date of execution of the Shareholders Agreement;

Equity Share means an equity share in the Company with a par value of Rupees Ten (INR 10) each;

ESOP has the meaning set forth in Article 38;

ESOP Plan 2010 has the meaning set forth in Article 38;

Exclusion List means the list of prohibited activities as agreed between the parties to the Shareholders Agreement;

Exercise Period has the meaning set forth in Article 17 (c);

Existing Agreements shall mean the existing agreements between the Company and the Investors in relation to the investment by the Investors into the Company as detailed in Annex I;

Existing Investor Valuation has the meaning set forth in Article 15;

Faering means **Faering Capital India Evolving Fund II** (represented by its trustee Faering Capital Trustee Company Private Limited, acting through its investment manager Faering Capital Advisors LLP) a SEBI registered Category II Alternative Investment Fund organized and existing under the laws of India and having its



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registered office at Office No. 1004, Ceejay House, Plot F, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra, India – 400018 (formerly at 95, Maker Chambers III, 223, Nariman Point, Mumbai – 400 021, India) (hereinafter referred to as “Faering” and such term shall be deemed to mean and include its Affiliates);

Faering III means **Faering Capital India Evolving Fund III**, acting through its investment manager Faering Capital Advisors LLP), an alternative investment fund registered with the Securities and Exchange Board of India and having its registered office at Office No. 1004, Ceejay House, Plot F, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra, India – 400018 (formerly at 95, Maker Chambers III, Nariman Point, Mumbai – 400021) (hereinafter referred to as “Faering III” and such term shall be deemed to mean and include its Affiliates);

FDI Policy means the Foreign Direct Investment Policy issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India;

Financial Year means the accounting year of the Company commencing each year on April 1 and ending on the following March 31 or such other period as the Company from time to time designates as its financial year;

Fraudulent Practice has the meaning set forth in Annex II;

Fully Diluted Basis means with respect to any calculation of the number of outstanding Equity Shares of the Company, calculated as if all Share Equivalents outstanding on the date of calculation have been exercised or exchanged for or converted into Equity Shares;

General Meeting means either an Extraordinary General Meeting of the Company's shareholders or the Annual General Meeting of the Company's shareholders;

Group Company or Group Companies means with respect to the Company, any Person that is construed as a group company of the Company within the meaning of the applicable regulations of the RBI with respect to NBFC-CICs.

HDFC Ergo means **HDFC Ergo General Insurance Company Limited**, a non-life insurance company organised and existing under the laws of India and having its registered office at 1st Floor, HDFC House, 165-166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020 (hereinafter referred to as “HDFC Ergo” and such term shall be deemed to mean and include its Affiliates);

HDFC Life means **HDFC Life Insurance Company Limited** a life insurance company organised and existing under the laws of India and having its registered office at 13th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai – 400 011 (hereinafter referred to as “HDFC Life” and such term shall be deemed to mean and include its Affiliates);

Hero shall mean **Hero Enterprise Partner Ventures**, a partnership firm, organized and existing under the laws of India and having its office at 264, Okhla Industrial Estate, Phase 3, New Delhi – 110020, represented by its relevant partners (hereinafter referred to as “Hero” and such term shall be deemed to mean and include its Affiliates);



HREYANSH PATNI TRUST, (represented by the Trustees Apoorva Patni & Ashok Kumar Patni) having its registered office at S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune 411006, India (hereinafter referred to as "**HPT**" and such term shall be deemed to mean and include its Affiliates);

ICICI Pru shall mean **ICICI Prudential Life Insurance Company Limited**, a life insurance company organized and existing under the laws of India and having its registered office at ICICI PruLife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India (hereinafter referred to as "**ICICI Pru**");

IFC means **International Finance Corporation**, an international organization established by Articles of Agreement among its member countries including the Republic of India ("**IFC**");

Investor Additional Shares has the meaning set forth in Article 15;

Investor Observer has the meaning set forth in Article 25;

Investor Securities shall mean, with respect to each Investor, the aggregate Equity Shares and/or Share Equivalents held by such Investor from time to time;

Investor means: Any Shareholder who (along with its Affiliates) holds/ owns at least one point seven-five percent (1.75%) or more shares on a Fully Diluted Basis (excluding: (i) any employee stock options granted by the Company; and (ii) any Shares issued by the Company pursuant to an exercise of Such employee stock options) shall be included and categorized as an 'Investor'.

Investor Super Majority has the meaning set forth in Article 32;

Investor Super Majority Matters has the meaning set forth in Article 32;

Issue Notice has the meaning set forth in Article 14(b);

Key Sponsors means collectively Mr. Govind Singh and Mrs. Revati Govind and "**Key Sponsor**" shall mean either of them severally;

Lien means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy or any preference of one creditor over another arising by operation of law;

Liquidation Event means (i) any liquidation, winding up or bankruptcy, reorganization, composition with creditors or other analogous insolvency proceeding of the Company or its Subsidiaries, if any, whether voluntary or involuntary, or any petition presented or resolution passed for any such event or for the appointment of an insolvency practitioner; (ii) any acquisition of the Company by means of merger, (iii) any sale or transfer of all or substantially all of the assets or businesses of the Company and its Subsidiaries;



Liquidity Transfer Shares has the meaning set forth in Section Article 9;

Listing means the admission of the Equity Shares of the Company to listing on any Relevant Market;

Lok shall mean **Lok Capital Growth Fund**, (represented by its trustee Lok Advisory Services Private Limited), an alternative investment fund registered with the Securities and Exchange Board of India and having its registered office at CoWrks Worli, PS56, 3rd Floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400030 (hereinafter referred to as "**Lok**" and such term shall be deemed to mean and include its Affiliates);

Material Adverse Effect means a material adverse effect on:

- a) the Company, its assets or properties;
- b) the Company's business prospects or financial condition;
- c) the implementation of the Business Plan or the carrying out of the Company's business or operations; or
- d) the ability of the Company and/or the Sponsors to comply with their obligations under these Articles, or under any other Transaction Document to which it is a party or the Charter;

Merging Period shall have the meaning set forth in Articles 38 (i);

Minimum Shareholding means Equity Shares and/or Share Equivalents in the aggregate representing at least nine point nine five percent (9.95%) of all existing Equity Shares and Share Equivalents on a Fully Diluted Basis, provided however, that in the event the shareholding percentage of an Investor (along with its Affiliates) falls below the aforementioned nine point nine five percent (9.95%) of all existing Equity Shares and Share Equivalents on a Fully Diluted Basis due to a dilution pursuant to, (i) issuance of Equity Shares and/or Share Equivalents under an ESOP scheme; the "Minimum Shareholding" for such Investor shall stand revised to the diluted shareholding percentage of such Investor;

Minimum Shareholding Matters has the meaning set forth in Article 32 (e);

New ESOP Plan has the meaning set forth in Article 38;

New Investment Valuation has the meaning set forth in Article 15;

New Securities has the meaning set forth in Article 14(a):

NMI means **NMI Frontier Fund KS**, a limited partnership organized and existing under the laws of Norway legally represented by NMI AS, a limited liability company organized and existing under the laws of Norway, in its capacity as general partner of NMI Frontier Fund KS, each having its principal office at Rosenkrantz' Gate 22, 0160, Oslo, Norway (hereinafter referred to as "**NMI**" and such term shall be deemed to mean and include its Affiliates);

Nominee Director has the meaning set forth in Article 25 (b);



Non-Resident means a "Person Resident Outside India" or a "Non-Resident Entity" as defined under the FDI Policy;

Notification Date has the meaning set forth in Article 14(b);

Obstructive Practice has the meaning set forth in Annex II;

Offering means any primary or secondary public or private offering of shares of the Company and/or Share Equivalents;

Offer for Sale Securities has the meaning set forth in Article 19;

Offer Notice has the meaning set forth in Article 16(b);

Offer Period has the meaning set forth in Article 16(c);

Offer Price has the meaning set forth in Article 16(b)(iii);

Offer Securities has the meaning set forth in Article 16(a) ;

Original Director has the meaning set forth in Article 27;

Other Shareholders shall mean the Shareholders other than the Investors and the Sponsors;

Owned means in relation to an entity, having beneficial ownership of more than fifty percent (50%) capital of such entity;

Overriding Articles means Article 3, Articles 5 – 22 (both inclusive), Articles 25 – 43 (both inclusive) and Articles 45 – 48 (both inclusive), Annex I and Annex II;

Performance Standard II means IFC's Performance Standard II on Labour and Working Conditions, dated 1 January 2012, a copy of which is available at http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/performance+standards+-+2012;

Person means any individual, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, Authority or any other entity whether acting in an individual, fiduciary or other capacity;

Pro-rata Share means, with respect to any Shareholder, the total number of issued and outstanding shares of the Company and Share Equivalents held by the relevant Shareholder, expressed as a percentage of the total number of shares of the Company and Share Equivalents then issued and outstanding, calculated on a Fully-Diluted Basis;

Prospective Buyer has the meaning set forth in Article 16 (a);

Purchaser has the meaning set forth in Section 19(c)(ii)(A);



RBI means the Reserve Bank of India;

RBL means **RBL BANK LIMITED**, a banking company organized and existing under the laws of India and having its registered office at 1st Lane, Shahupuri, Kolhapur – 416 001, India (hereinafter referred to as “**RBL**” and such term shall be deemed to mean and include its Affiliates);

Related Party means any Person: (a) that holds a material interest in the Company or any Subsidiary; (b) in which the Company or any Subsidiary holds a material interest; (c) that is otherwise an Affiliate of the Company; (d) who serves (or has within the past twelve (12) months served) as a director, officer or employee of the Company; (e) would be defined as a ‘related party’ within the meaning of the Act; or (f) who is a member of the family of any individual included in any of the foregoing. For the purpose of this definition, “material interest” shall mean a direct or indirect ownership of shares representing at least five percent (5%) of the outstanding-voting power or equity of the relevant entity;

Relative shall have the same meaning as ascribed to it in the Act;

Relevant Financing Operations means all of the existing and future financing operations of the Company and its Subsidiaries;

Relevant Market means the Bombay Stock Exchange, the National Stock Exchange, or any other reputable and internationally recognized automated quotation system(s) or stock exchange(s) acceptable to the Investor Super Majority in their discretion;

Resident means a “Person Resident in India” or a “Resident Indian Citizen” as defined under the FDI Policy;

ROFR Acceptance Letter has the meaning set forth in Article 16(c);

RPM means **RESPONSABILITY PARTICIPATIONS MAURITIUS**, a company incorporated under the laws of the Republic of Mauritius and having its office c/o IQEQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port-Louis, Mauritius (formerly at c/o CIM Corporate Services Ltd., Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius) (hereinafter referred to as “**RPM**” and such term shall be deemed to mean and include its Affiliates);

S&E Management System means the Company's social and environmental management system, as implemented and in effect at all times, appropriate to the size and nature of the business and satisfactory to the Investors which is designed to (1) ensure a systematic approach to compliance with S&E Requirements, (2) monitor progress against the Social & Environmental Action Plan, (3) provide a mechanism to assess social environmental risks and impacts and address those risks and impacts, in respect of the Relevant Financing Operations on an ongoing basis (4) monitors and reports on progress regarding social and environmental management and (5), to the extent possible, involve stakeholders;

S&E Officer means a senior officer of the Company, reasonably acceptable to the Investors, to be responsible for implementation, administration and oversight of the



S&E Management System and the Social and Environmental Action Plan;

S&E Performance Report means the S&E Performance Report, in form and substance satisfactory to the Investors, evaluating the social and environmental performance of the Clients of the Company during the previous Financial Year, describing in reasonable detail: (a) implementation and operation of the S&E Management System; and (b) the environmental and social performance of the Clients, in an agreed form;

S&E Requirements means the social and environmental obligations to be undertaken by the Company to ensure compliance with the (a) Exclusion List; (b) Applicable S&E laws; (c) working conditions and labour rights; (d) the SMART campaign Client Protection Principles; and (e) any other requirements established by the S&E Management System;

Sanctionable Practice means any Corrupt Practice, Fraudulent Practice, Coercive Practice, Collusive Practice, or Obstructive Practice, as those terms are defined herein and interpreted in accordance with the Anti-Corruption Guidelines attached to these Articles as Annex II;

Selling Shareholder has the meaning set forth in Article 17(a);

SFB has the meaning set forth in Recital (A);

SFB Entity means Utkarsh Small Finance Bank Limited, a Subsidiary of the Company set up in accordance with the Approval Letter and the SFB Guidelines to undertake the business of an SFB;

SFB Guidelines means the "Guidelines for Licensing of Small Finance Banks in the Private Sector" dated November 27, 2014, issued by RBI;

SFB Investor has the meaning set forth in Articles 19.b;

SFB Listing has the meaning set forth in Articles 19.b;

SFB Listing Period shall have the meaning set forth in Articles 19.b;

Share Equivalents means preference shares, bonds, loans, warrants, debentures, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, Equity Shares (or any other Share Equivalents) or any instrument or certificate representing a beneficial ownership interest in the Equity Shares, including global depositary receipts or American depositary receipts;

Shareholders means collectively, the Investors, the Sponsors, the Other Shareholders and any other shareholder of the Company, holding Equity Shares or Share Equivalents of the Company;

Shareholders Agreement means the shareholders agreement dated March 01, 2021 entered into between the Investors, the Sponsors, certain shareholders listed in the agreement and any other shareholder of the Company that is a party to the



Shareholders Agreement or agrees to become a party to the Shareholders Agreement pursuant to an Accession Instrument;

Shell Bank means a bank incorporated in a jurisdiction in which it has no physical presence and which is not an Affiliate of a regulated bank or a regulated financial group;

Shriram means **Shriram Life Insurance Company Limited**, a life insurance company, organized and existing under the laws of India and having its registered office at Ramky Selenium, Plot No. 31 & 32, Besides Andhra Bank Training Centre, Financial District, Gachibowli Hyderabad-500032 (hereinafter referred to as "**Shriram**" and such term shall be deemed to mean and include its Affiliates);

SIDBI means **Small Industries Development Bank of India**, a financial institution established under the Small Industries Development Bank of India Act, 1989 (39 of 1989), having its Head Office at SIDBI Tower, 15, Ashok Marg, Lucknow – 226 001 and a Branch Office at 3rd Floor, Anant Complex, D-64/132K, Sagra, Varanasi - 221010, Uttar Pradesh (hereinafter referred to as "**SIDBI**" and such term shall be deemed to mean and include its Affiliates); and

Social and Environmental Action Plan means the plan in the agreed form, setting out the specific measures, modifications and enhancements to be undertaken by the Company in respect of the S&E Management System;

Social Performance has the meaning set forth in Article 38 (e)(i)(A);

SP Standards Report shall mean the SP Standards Report in the format set out in **Schedule 12** to the Shareholders Agreement;

Sponsor or Sponsors means Key Sponsors and the Trust;

Sponsor Lock-in Shares has the meaning set forth in Article 9;

Subscription Notice has the meaning set forth in Article 14 (b);

Subsidiary means with respect to the Company, any Person that is construed as a subsidiary of the Company within the meaning of the Act;

Sweat Equity Shares has the meaning set forth in Recital (E);

SONAKSHI PATNI TRUST, (represented by the Trustees Arihant Patni, Gajendra Kumar Patni & Shruti Patni) having its registered office at 310-316, Raheja Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400021, India (hereinafter referred to as "**SPT**" and such term shall be deemed to mean and include its Affiliates);

TMF means **TRIODOS SICAV II – TRIODOS MICROFINANCE FUND (formerly SUSTAINABILITY – FINANCE – REAL ECONOMIES SICAV – SIF)** a Triodos Investment Management acts as investment manager of the fund and existing under the laws of Luxembourg, with registered number B 192.267, having its registered office at 11-13, Boulevard De La Foire, L- 1528 Luxembourg, Grand Duchy of Luxembourg, (hereinafter referred to as "**TMF**" and such term shall be deemed to mean and include



its Affiliates).

VARDHAMAN PATNI TRUST (represented by the Trustees Apoorva Patni & Ashok Kumar Patni) having its registered office at S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune 411006, India (hereinafter referred to as "**VPT**" and such term shall be deemed to mean and include its Affiliates);

Tag Notice has the meaning set forth in Article 17(c);

Tagged Shares has the meaning set forth in Article 17(c);

Third Party Buyer has the meaning set forth in Article 19(c)(i)(B);

Third Party Sale has the meaning set forth in Articles 19(c)(ii)(A);

Third Party Sale Investment Bank has the meaning set forth in Articles 19(c)(ii)(A);

Third Party Sale Notice has the meaning set forth in Articles 19 19(c)(ii)(A);

Third Party Sale Offer has the meaning set forth in Articles 19 19(c)(ii)(A);

Third Party Sale Offer Notice has the meaning set forth in Articles 19 (c)(ii)(B);

Third Party Sale Intimation Notice has the meaning set forth in Article 19(c)(ii)(D);

Transaction Documents shall mean the Shareholders Agreement and the Existing Agreements;

Transfer means to transfer, sell, convey, assign, pledge, hypothecate, create a security interest in or Lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any encumbrance or dispose of, whether or not voluntarily, and "**Transferring**" and "**Transferred**" have corresponding meanings;

Transfer Notice has the meaning set forth in Article 17(c);

Trust means the RAAG Family Private Trust registered with the Indian Trust Act, 1882 having its registered office at IL&FS Financial Centre, G Block, Plot C-22, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and established by the Key Sponsors and whose beneficiaries shall be their two (2) major children, Mr. Ankur Singh and Mr. Achin Singh and managed by its trustees Vistra (ITCL) India Limited, a company registered under the Companies Act, 1956, having its registered office at The IL&FS Financial Centre, G Block, Plot C-22, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and the Key Sponsors;

Unpurchased Securities has the meaning set forth in Article 14(d);
and

Working Conditions and Labour Rights means:

- a) ILO Convention No. 29 (Forced Labour) and ILO Convention No. 105 (Abolition



of Forced Labour;

- b) ILO Convention No. 138 (Minimum Age) and ILO Convention No. 182 (Worst Forms of Child Labour
- c) ILO Equal Remuneration Convention (No. 100) and the ILO Discrimination (Employment and Occupation) Convention (No. 111);
- d) ILO Convention No. 87 (Freedom of Association and Right to Organise) and ILO Convention No. 98 (Right to Organise and Collective Bargaining);
- e) The provision of reasonable working conditions including a safe and healthy work environment, working hours that are not excessive in accordance with ILO Convention No. 1 (Hours of Work (Industry)) and clearly documented terms of employment, respecting any collective bargaining agreements that are in place or (where these do not exist or do not address working conditions) or conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area where the work is carried out;
- f) The provision of an appropriate grievance mechanism in accordance with IFC Performance Standard 2 that is available to all workers and where appropriate other stakeholders, and which includes grievances brought by those affected by the Company's operations.



RECITALS

- (A) The Company is currently registered with the Reserve Bank of India ("RBI") as a Non-Banking Finance Company – Core Investment Company ("NBFC-CIC") (formerly registered as NBFC-MFI) and is engaged in the business of making investment in Group Companies, carrying out financial activities as specified in its memorandum of association and to carry out such other activities as may be permitted and prescribed by the relevant statutory authorities for CICs from time to time. Pursuant to the Approval Letter (*as defined below*) granted by the RBI, the Company has set up Utkarsh Small Finance Bank Limited ("SFB Entity") to undertake the business of a small finance bank ("SFB").
- (B) The Sponsors (*defined above*) as of the date of this articles hold approximately three point zero five per cent (3.05%) of the issued and outstanding shares of the Company on a Fully Diluted Basis.
- (C) In accordance with Section 10B(4) of the Banking Regulation Act, 1949, a person shall be disqualified from being a Managing Director, if she or he has 'substantial interest' in any other company or firm. Further, Section 5 (ne) of the Banking Regulation Act, 1949 defines 'substantial interest' as holding of a beneficial interest by an individual or her/his spouse or minor child, whether singly or taken together, in the shares thereof, the amount paid up on which exceeds INR 500,000 (Indian Rupees Five Hundred Thousand) or 10% (ten per cent) of the paid-up capital of the company, whichever is less.
- (D) Further, the RBI vide its letter no. DBR.Appt.No.85 11129,44.0 10/20 J 6-17 dated January 20, 2017 advised that Mr. Govind Singh's shareholding in the Company be disinvested within a period of 01 (one) year from the date of approval, i.e., January 20, 2017, to be in compliance with Section 10B(4) read with Section 5 (ne) of the Banking Regulation Act, 1949.
- (E) Accordingly, to be in compliance with Section 10B(4) read with Section 5 (ne) of the Banking Regulation Act, 1949, (i) the Key Sponsors transferred 26,95,940 (Twenty Six Lakh Ninety Five Thousand Nine Hundred and Forty) Equity Shares i.e. 26,61,250 (Twenty Six Lakh Sixty One Thousand Two Hundred and Fifty) shares held by Mr. Govind Singh and 34,690 (Thirty Four Thousand Six Hundred Ninety) shares held by Ms. Revati Govind) to the Trust (*as defined below*); and (ii) in respect of the 4,89,558 (Four Lakh Eighty Nine Thousand Five Hundred and Fifty Eight) sweat Equity Shares of the Company ("**Sweat Equity Shares**") held by Mr. Govind Singh (which was subject to a statutory lock-in until January 28, 2019 as per Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014), Mr. Govind Singh transferred 4,89,058 (Four Lakh Eighty Nine Thousand and Fifty Eight) Sweat Equity Shares to the Trust (*as defined below*) and retained, 500 (Five Hundred) Sweat Equity Shares. The SFB Entity *vide* its letter Ref: USFB/ LTR/ COMP/ 2018-19/200 dated January 28, 2019 advised the RBI of Mr. Govind Singh having: (i) transferred 4,89,058 (Four Lakh Eighty Nine Thousand and Fifty Eight) Sweat Equity Shares to the Trust (*as defined below*); and (ii) retained 500 (Five Hundred) Sweat Equity Shares.



INTERPRETATION

1.2 In these Articles, unless the context otherwise requires:

- a. Headings are for convenience only and do not affect the interpretation of these Articles;
- b. Words importing the singular include the plural and vice versa;
- c. a reference to an Article, Schedule, Recital, is a reference to that Article or Schedule or Recital to, these Articles;
- d. a reference to a document in the "agreed form" is a reference to a document approved and for the purposes of identification initialled by or on behalf of the parties thereto;
- e. a reference to a document includes an amendment or supplement to, or replacement or novation of, that document but disregarding any amendment, supplement, replacement or novation made in breach of these Articles;
- f. general words in these Articles shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- g. a reference to a party to any document includes that party's successors, heirs and permitted assigns, as appropriate;
- h. reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the Effective Date) for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions;
- i. the words "directly or indirectly" mean directly, or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and "direct or indirect" have the correlative meanings;
- j. in these Articles, references to a number or percentage of "Equity Shares" and "Share Equivalents", shall be such number or percentage of Equity Shares" and "Share Equivalents", as would be held at the relevant time taking into account all Adjustment Events occurring prior to such time; and
 if, in calculating a price or an amount, the relevant variables for such calculation are expressed in different currencies then all such variables for the purposes of such calculation shall be in Rupees;
- k. notwithstanding anything in this Articles, in relation to any ensuring or procuring obligation on the Sponsors under this Articles with respect to the Company, such obligation shall, at all times, remain qualified to the extent of each Sponsor's respective shareholding and/or voting rights in the Company and/or as otherwise possible or permissible under Applicable Law; and



1. For the purpose of calculating the shareholding / shareholding percentage of any of the Investors under this Article, the shareholding of the concerned Investor and its Affiliates shall be aggregated.

PUBLIC COMPANY

2. The Company is a public limited company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly is not a private company.

CAPITAL

3. The share capital of the Company shall be such amounts and be divided into such shares as may from time to time, be provided in [Clause V of the Memorandum of Association] with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the regulations of the Company and allowed by Applicable Laws.

SHARES

4. Subject to these Articles, and after obtaining the sanction of the Company in a general meeting by special resolution, the Equity Shares and/or Share Equivalents in the capital of the Company shall be allotted or otherwise disposed of by the Board of Directors to such persons (whether already members or not or to employees under a scheme of employees' stock option) in such proportion and on such terms and conditions and either at premium or at par or against payment in cash or kind.

FURTHER ISSUE AND TRANSFER OF SHARES

5. **Transfer.** No Shareholder Shall Transfer or attempt to Transfer any Equity Shares/ Share Equivalents or any right, title or interest therein or thereto, except as expressly permitted by the provisions of Articles 7 to 22. Any Transfer or attempt to Transfer Equity Shares/ Share Equivalents in violation of the preceding sentence shall be null and void ab initio, and the Company shall not and the Shareholders shall ensure that the Company shall not register any such Transfer.
6. **Transfer Procedure.** No Transfer may be made pursuant to these Articles unless (a) the transferee has executed an Accession Instrument (except if such Transfer is pursuant to a Listing); (b) the Transfer complies in all respects with the other applicable provisions of these Articles; and (c) the Transfer complies in all respects with Applicable Law.
7. **Avoidance of Restrictions.** The Transfer restrictions in these Articles shall not be capable of being avoided by the holding of Equity Shares/Share Equivalents indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Shares/Share Equivalents free of such restrictions.



8. **Depositories.** In the event the Equity Shares/Share Equivalents of the Company are dematerialized, the Company, the Sponsors and the Investors shall issue appropriate instructions to the depository not to Transfer the Equity Shares/Share Equivalents of any Shareholder except in accordance with these Articles. The Company shall cause the Shareholders to direct their respective depository participants not to accept any instruction slip or delivery slip or other authorization for Transfer contrary to the terms of these Articles.

9. **Sponsors Share Retention:**

Sponsors' Share Retention Obligation : The Sponsors shall not, without the prior written consent of each of the Investors holding such Equity Shares or Share Equivalents that represent at least the Minimum Shareholding, directly or indirectly at any time, Transfer in the aggregate more than twenty five per cent (25%) of the Equity Shares and/or Share Equivalents held by the Sponsors on the Effective Date. Notwithstanding anything to the contrary contained in this Agreement, the Sponsor shall continue to be the beneficial owner of two third (2/3rd) of the Equity Shares and/or Share Equivalents held by the Sponsors on the Effective Date, until the obligations of the Company under Articles 19 (a) and Articles 19 (c) are fulfilled by the Company to the reasonable satisfaction of the Investors as of the Effective Date ("**Sponsor Lock-In Shares**")

It is hereby clarified that "**Sponsor Lock-In Shares**" shall include, and the restrictions set forth herein shall also apply to any additional Equity Shares and/or Share Equivalents subscribed to by the Sponsors, after the Effective Date and until the date of the relevant Transfer, and such additional Equity Shares/Share Equivalents shall be taken into account while computing the twenty-five percent (25%) and two third (2/3rd) threshold set forth herein. Nothing stated in this Article 9 shall restrict the Transfer of Equity Shares/Share Equivalents from (a) Mrs. Revati Govind to Mr. Govind Singh and/ or (b) from the Key Sponsors to the Trust solely to comply with the shareholding restriction applicable to the Key Sponsors. Under Section 10B(4) read with Section 5(ne) of the Banking Regulation Act, 1949, and so long as the beneficiaries of the Trust continue to be Mr. Achin Singh and Mr. Ankur Singh, i.e. the two (2) major children of the Key Sponsors. It is hereby clarified that subject to the restriction of two third (2/3rd) threshold set out herein, in the event the Sponsors are transferring in aggregate up to three lakhs (3,00,000) Equity Shares and/or Share Equivalents held by them in a single or multiple tranches, such transfer shall not be subject to any transfer restrictions including but not limited to the provisions set forth in Article 16 and Article 17 ("**Liquidity Transfer Shares**"). It is hereby further clarified that any transfer of Equity Shares/Share Equivalents whether (a) within the permitted threshold of twenty five percent (25%) and two third (2/3rd) of Equity Shares and/or Share Equivalents and subject to the carve-outs in relation to the Liquidity Transfer Shares or (b) in excess thereof (with the consent of the relevant Investors) shall be subject to the provisions set forth in Article 16 and Article 17. For avoidance of doubt, it is hereby clarified that to calculate the aforesaid threshold of 25%, and two third (2/3rd), the balance of the Liquidity Transfer Shares as of the Effective Date (i.e. one lakh (1,00,000) Equity Shares and/or Share Equivalents) will be included. It is further clarified that notwithstanding anything contained in these Articles, the Sponsors shall not be entitled to Transfer any of the Equity Shares or Share Equivalents held by them to a Competitor.



10. **Other Shareholders:** Subject to the consent of the Board, the Other Shareholders shall be permitted to Transfer their respective shareholding in the Company at any point of time with the exception of Transfers to any Competitor and to the Persons identified under Article 11 below, and that the aforesaid restrictions set out in Article 9 above shall not be applicable to them.
11. **Restricted Transfers:** In addition to the other restrictions set forth herein, for as long as any of the Investors is a shareholder in the Company or holds Share Equivalents in the Company, none of the Sponsors or the Other Shareholders, shall Transfer any Equity Shares/ Share Equivalents to any of the individuals or entities named on (a) lists promulgated by the United Nations Security Council or its committees pursuant to resolutions issued under Chapter VII of the United Nations Charter; or (b) World Bank Listing of Ineligible Firms (see www.worldbank.org/debarr); or (c) the European Union; and/or (d) Her Majesty's Treasury of the United Kingdom. The restrictions set forth in this Article 11 shall not apply in the case of sales of Equity Shares or Share Equivalents on any Relevant Market by any of the Other Shareholders after the consummation of a Listing. Further, any Transfer of Equity Shares/ Share Equivalents held by the Sponsors or the Other Shareholders shall be subject to compliance with Applicable Law or prior approval of the RBI, if required.
12. **Free Transferability of Investor Securities.**
- Except as set forth in Article 19, the Investor Securities shall be freely transferable and tradable, subject to compliance with Applicable Law or prior approval of the RBI, if required under Applicable Law. The Company shall provide all reasonable cooperation to the Investors to facilitate a transfer of the Investor Securities and in case an Investor proposes to Transfer such number of Investor Securities which constitute more than two point five percent (2.5%) of the share capital of the Company on a Fully Diluted Basis, the Company shall permit the transferee to conduct a legal and financial due diligence on the Company for such Transfer provided that all fees, costs and expenses for such due diligence shall be borne entirely by the relevant Investor or the transferee and the Company, and/or the Sponsors, shall have no liability in this regard. It is however clarified that notwithstanding anything contained in this Article, Investors shall not have the right to Transfer any Shares or Share Equivalents held by them to any Competitor prior to the completion of the Listing or expiry of merging Period, whichever is earlier.
 - None of the Investors shall at any time be required to pledge any/all of the Investor Securities as and by way of security for any indebtedness of the Company or provide any guarantee or other support to any third party, including, without limitation, the lenders of the Company.
 - In the event that any Investor proposes to transfer any of its portion of the Investor Securities, such Investor shall cause the proposed transferee to execute an Accession Instrument and the Company and the Sponsors shall at the request of such Investor be required to promptly countersign such Accession Instrument presented to it by the proposed transferee. For the avoidance of doubt, the rights under this Article 12 (c) are in addition to the rights of such Investor under Article 12(a) hereinabove and shall in no event



whatsoever be construed as impacting or diluting in any manner their rights to freely transfer their Investor Securities, provided however, that no such Accession Instrument shall be required to be executed after the Equity Shares are listed in a Relevant Market pursuant to a Listing.

13. Preemptive Right.

- a) If the Company proposes to issue any New Securities (as defined below), each Investor (as long as it is a Shareholder) shall have the right to purchase its Pro-rata Share of such New Securities in the manner set out in this Article 14. "**New Securities**" shall mean any Equity Shares or any Share Equivalents, including already existing Equity Shares of the Company; provided, that the term "New Securities" does not include (i) Equity Shares (or options to purchase Equity Shares) issued or issuable to officers, directors and employees of, or consultants to, the Company pursuant to an employee stock plan that has been approved by the Board of Directors; (ii) any Equity Shares issued or issuable upon the conversion of any Share Equivalent issued and outstanding to any Shareholder as on the Effective Date; (iii) any Equity Shares or any other security issued or issuable upon the splitting of the Equity Shares and/or Share Equivalents, subdivision or consolidation of any Equity Shares and/or Share Equivalents or declaration of any dividend in the form of Equity Shares and/or Share Equivalents (subject to Applicable Law); It is hereby clarified that each Investor shall have the right to purchase its Pro-rata Share of New Securities under this Article 14, either by itself or through any of its Affiliates provided that, such Affiliate is not a Competitor and is in the same line of business as that of the relevant Investor.
- b) If the Company proposes to issue New Securities, it shall give each Investor written notice of its intention, describing the New Securities, their price, and their general terms of issuance, and specifying each Investor's Pro-rata Share of such issuance (the "**Issue Notice**"). Each Investor shall have thirty (30) days after any such notice is delivered (the "**Notification Date**") to give the Company written notice that it agrees to purchase part or all of its Pro-rata share of the New Securities for the price and on the terms specified in the Issue Notice (the "**Subscription Notice**"). The concerned Investor may also notify the Company in the Subscription Notice that it is willing to buy a specified number of the New Securities in excess of its Pro-rata Share of such issuance ("**Additional Securities**") for the price and on the terms specified in the Issue Notice.
- c) For the avoidance of doubt, the Company shall not issue any New Securities until after the Notification Date.
- d) If any of the Investors has indicated that it is willing to buy Additional Securities, the Company shall give such Investor written notice of the total number of New Securities not taken up by other Shareholders of the Company ("**Unpurchased Securities**") within five (5) days of the expiry of the thirty (30) day period referred to in Article 14(b). Such notice shall specify the particulars of the payment process for the New Securities to be purchased by such Investor(s) pursuant to the Subscription Notice.
- e) On the tenth (10th) Business Day after expiry of the thirty (30) day period



205

referred to in Article 14(b):

- (i) each Investor that exercises its preemptive right as provided in this Article 14 shall subscribe for the number of its Pro-rata Shares specified in the Subscription Notice;
 - (ii) if any Investor has indicated that it is willing to buy Additional Securities, such Investor shall also subscribe for the lower of the number of Additional Securities and the number of Unpurchased Securities;
 - (iii) the Investor(s) exercising its/their preemptive right as provided in this Article 14 shall pay the relevant consideration to the Company;
 - (iv) the Company shall register in its share registry and in the name of the concerned Investor(s) the number of New Securities for which such Investor(s) has/have subscribed; and
 - (v) the Company shall issue new certificates to the concerned Investor(s) representing the number of New Securities for which such Investor(s) has/have subscribed.
- f) The rights of the Investors to subscribe to their Pro-rata Share of New Securities or to Unpurchased Securities under this Article 14 shall be subject to the Company, after such subscription, continuing to be in compliance with the ownership and control requirements under Applicable Law prevailing at such time, provided that nothing herein shall be construed as obliging an Investor to dilute the percentage of shareholding held by such Investor in the Company immediately prior to issuance of the New Securities.
- g) Notwithstanding the timelines set out in this Article 14 for exercise of rights of the Investors, such timelines will be extended by the time required to obtain regulatory approval for such exercise of rights of Investors under this Article 14. Further, the Company agrees and undertakes to promptly provide all necessary assistance and co-operation, including making any applications (if required) in a form and manner satisfactory to the Investors, for obtaining any regulatory approvals in relation to exercise of the rights of the Investors under this Article.

14. Anti-Dilution Mechanism

Subject to Applicable Law, if, at any time upon completion of subscription by the Investors to the Investor Securities, the Company proposes to issue any New Securities of the Company, (other than pursuant to the New ESOP Plan, to any Person(s), other than to the Sponsors), at a valuation of the Company ("**New Investment Valuation**") which is less than the valuation on the basis of which each Investor had subscribed to their respective Investor Securities ("**Existing Investor Valuation**"), and which has an effect of diluting the equity interests of any Investor, each such Investor will be entitled to an anti-dilution protection in order to ensure that the investment by such Investor is reckoned at a revised valuation determined based on a broad based weighted average mechanism between the Existing Investor Valuation (for such Investor) and the New Investment Valuation. Accordingly, in such event, such Investor shall be entitled to additional Equity



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Shares/Share Equivalents from the Company at the lowest price permissible under Applicable Law per Equity Share/Share Equivalent.

In order to facilitate the anti-dilution protection provided to the Investor(s) pursuant to this Article 15, the Company shall be required to issue a requisite amount of Equity Shares and/or Share Equivalents to such Investor(s) ("**Investor Additional Shares**") provided however that if the issuance of the Investor Additional Shares to such Investor(s) is not permitted under Applicable Law, then the Company shall, take any and all steps and actions to compensate such Investor(s) so as to achieve the same result (other than cash) for such Investor(s) had they been issued the Investor Additional Shares.

It is clarified as follows:

- (i) the rights of the Investors under this Article 15 shall continue to remain in force until the Investor(s) is a Shareholder;
- (ii) the issuance of any Investor Additional Shares under this Article 15 shall not be treated as an issuance of "New Securities" for the purposes of Article 14 (a); and
- (iii) upon issuance of the Investor Additional Shares, the shareholding of all other Shareholders would be proportionately diluted.

15. Right of First Refusal

- a) Subject to the restrictions contained in Article 9 and 11, if any Sponsor proposes to Transfer any Equity Shares and/or Share Equivalents held by such Sponsor ("**Offer Securities**") to any Person, not being a Shareholder ("**Prospective Buyer**"), and such transfer not being a transfer permitted under Article 5, Sponsor shall first offer such Offer Securities to the Investors in proportion to their inter-se holding of Equity Shares and Share Equivalents on a Fully Diluted Basis and the Investors shall have the right but not the obligation to acquire such Offer Securities, in whole on the same terms and conditions as offered by such Sponsor to the Prospective Buyer, provided however that, the Investors agree to reduce the number of Offer Securities sought to be purchased under this Article 16 on a pro-rata basis inter-se amongst themselves in order to ensure that shareholding pursuant to exercise of such right of the Investors to acquire the Offer Securities is in compliance with Applicable Law or prior approval of the RBI, if applicable.
- b) Such Sponsor shall provide the Investors with a written notice of the intention to transfer the Offer Securities specifying the following details ("**Offer Notice**"):
 - (i) the identity of the Prospective Buyer;
 - (ii) the number of Offer Securities proposed to be transferred;
 - (iii) the price per Offer Security offered, not being higher than the fair market value of the Equity Shares of the Company as determined by an independent chartered accountant ("**Offer Price**"); and



- (iv) other material terms and conditions of the offer from the Prospective Buyer.
- c) Each Investor may within 30 (Thirty) Business Days of receipt of the Offer Notice ("**Offer Period**") revert with a firm letter of acceptance stating the number Offer Securities which such Investor is desirous of purchasing ("**ROFR Acceptance Letter**"). Such Investor shall also provide a copy of its ROFR Acceptance Letter to the other Investors.
- d) If any Investor declines to accept the offer in whole or in part as set out in the Offer Notice or fails to respond to the Offer Notice within the Offer Period, written notice of the same shall be communicated by such offering Sponsor to the other Investors within 15 (Fifteen) Business Days of the expiry of the Offer Period.
- e) Thereafter, the other Investors shall be entitled to exercise the right of first refusal as contained in this Article 16 in respect of such Offer Securities offered but not accepted by the non-participating Investor proportionate to the participating Investors' inter se holding. Notice of such exercise shall be communicated in writing to the offering Sponsor within 30 (Thirty) Business Days of the expiry of the Offer Period ("**Additional ROFR Acceptance Letter**")
- f) Upon expiry of the notice period as specified in Article 16(e), the offering Sponsor may then proceed with the Transfer of such of the Offer Securities as are specified in the ROFR Acceptance Letter and/or Additional ROFR Acceptance Letter, as the case may be, to the participating Investors, at the Offer Price and such other material terms and conditions as specified in the Offer Notice, such Transfer to be completed within 30 (Thirty) Business Days of the expiry of the notice period specified in Article 16(e) and the remaining Offer Securities to the Prospective Buyer only upon the terms and conditions contained in the Offer Notice subject however to Article 17 (Tag Along Right).
- g) Notwithstanding the timelines set out in this Article 16 for exercise of rights of the Investors, such timelines will be extended by the time required to obtain regulatory approval for such exercise of rights of Investors under this Article 16. Further, the Company agrees and undertakes to promptly provide all necessary assistance and co-operation, including making any applications (if required) in a form and manner satisfactory to the Investors, for obtaining any regulatory approvals in relation to exercise of the rights of the Investors under this Agreement.

16. Tag-Along Rights

- a) Subject to the requirements of Article 9 and Article 16 and in compliance with Applicable Law or prior approval from RBI, if applicable, if any Sponsor (each, a "**Selling Shareholder**"), during the term of the Shareholders Agreement, proposes to Transfer any Equity Shares and/or Share Equivalents which it owns, directly or indirectly (such transfer not being a transfer permitted under Article 5), to the Prospective Buyer including, without limitation, to any Other Shareholder (each a "**Buyer**"), each Investor shall have the right but not the obligation to participate in such Transfer in accordance with this Article 17. For



the avoidance of doubt, the Selling Shareholder(s) may only propose to Transfer such Equity Shares and/ or Share Equivalents hereunder if, after giving effect to the proposed Transfer, the Sponsors shall still be in compliance with the requirements of Article 9 (or if each of the Investors has provided a written waiver in respect of Article 9). It is hereby clarified that for the purposes of this Article 17, Prospective Buyer shall not include any Competitor and no transfer may be made to such Competitors.

- b) Each Selling Shareholder which owns Equity Shares and/or Share Equivalents indirectly through one or more holding companies agrees that it will ensure that any disposal of any indirect interest in the Company is consummated as a Transfer of the Equity Shares and/or Share Equivalents, and not by a sale of any shares or share equivalents of any such holding company, so as to ensure that each of the Investors will be able to exercise its rights under this Article 17 and/or under Article 16 above.
- c) The Selling Shareholders shall promptly, but in any case not later than forty-five (45) days prior to the proposed date of closing of any Transfer described in Article 17(a), give notice (the "**Transfer Notice**") to each Investor. The Transfer Notice shall describe in reasonable detail the proposed Transfer, including but not limited to the number and type of Equity Shares and/or Share Equivalents to be Transferred, the consideration to be paid by the proposed Buyer, other material terms and conditions proposed by the Buyer in respect of the Transfer, and the name and address of the proposed Buyer, accompanied, if available, by a draft share purchase agreement or other information reasonably requested by any Investor that chooses to exercise its Tag-Along Rights as provided in this Article 17. Each Investor shall have the right to participate in the proposed Transfer by giving notice to the Selling Shareholders (a "**Tag Notice**") within a period of thirty (30) days from such Investor's receipt of the Transfer Notice (the "**Exercise Period**") of the number of Equity Shares and/or Share Equivalents it wishes to Transfer (the "**Tagged Shares**"), subject to Article 17(d). For the avoidance of doubt, such Investor shall not be obligated to pay any fees or deal expenses of the Selling Shareholder(s) or of any other Person in connection with the exercise of its rights under this Article 17.
- d) Subject to the next sentence of this Article 17(d) and Article 17(g), the maximum number of Tagged Shares shall be the number (and if this is not a whole number, such number rounded to the nearest whole number) obtained by multiplying the number of the Equity Shares and/or Share Equivalents on a Fully Diluted Basis to be Transferred by the Selling Shareholders by a fraction: (i) the numerator of which shall be the number of Equity Shares and/or Share Equivalents on a Fully Diluted Basis held by the Investor exercising its Tag-Along Right (as of the date of the Tag Notice); and (ii) the denominator of which shall be the aggregate number of Equity Shares and/or Share Equivalents on a Fully Diluted Basis held by all the Selling Shareholders and such Investor (as of the date of the Tag Notice). If the proposed Transfer by the Selling Shareholders would result (ignoring the effect of any reduction in the number of Equity Shares and/or Share Equivalents to be Transferred pursuant to Article 17(g)) in:
- (i) a change in the direct or indirect ownership of fifty percent (50%) or more of the voting share capital of the Company, each Investor shall be entitled



209

to Transfer as Tagged Shares all of the Equity Shares and Share Equivalents held by it;

- (ii) the balance Share Equivalents held collectively by the Investors account for less than five percent (5%) of Equity Shares and Share Equivalents then outstanding on a Fully Diluted Basis (excluding the number of Tagged Shares Previously Transferred by any of the Investors as per the computation or multiplication in this Article 17(d)), each of such Investors shall be entitled to Transfer all of the balance Share Equivalents held by it/them.

If all the Investors wish to Transfer all the Equity Shares and/or Share Equivalents held by them in accordance with (i) or (ii) above, and the Buyer refuses to purchase all the Equity Shares and/or Share Equivalents that the Investors propose to Transfer pursuant to this Article 17(d), the number of Equity Shares and/or Share Equivalents that each Investor is entitled to Transfer to the Buyer shall be reduced in proportion of their inter-se shareholding (on a Fully Diluted Basis) in the Company.

- e) Any Transfer by each of the Investors in accordance with this Article 17 shall be made on substantially the same terms and conditions as described in the Transfer Notice. However, the concerned Investor(s) shall not be required to make any representation or warranty to the Buyer, other than as to good title to the Tagged Shares, absence of Liens with respect to the Tagged Shares, customary representations and warranties concerning such Investor's power and authority to undertake the proposed Transfer, and the validity and enforceability of such Investor's obligations in connection with the proposed Transfer.
- f) For the avoidance of doubt, each Investor's rights under this Article 17 to Transfer the Tagged Shares shall apply regardless of whether the Tagged Shares are of the same class or type of shares of the Company or Share Equivalents which the Selling Shareholder(s) propose to Transfer, provided that, to the extent such a difference in class or type exists, the consideration payable to such Investor for the Tagged Shares shall be calculated as if all shares of the Company and Share Equivalents held by the applicable Selling Shareholders and the Investor exercising its Tag-Along Rights, which will be subject to a Transfer under this Article 17 (assuming such Investor exercises its tag-along rights in full) had been converted into Equity Shares on the date immediately prior to the date of the Tag Notice (to the extent not already in the form of Equity Shares) at the conversion price which would be applicable on such date had such conversion occurred on such date.
- g) The Selling Shareholders shall have a period of thirty (30) days from the expiration of the Exercise Period to Transfer to the Buyer the Equity Shares and/or Share Equivalents originally proposed to be Transferred (less the number of Tagged Shares, if any), upon the terms and conditions (including consideration for the Transfer) specified in the Transfer Notice. The Selling Shareholders shall give the concerned Investor at least ten (10) Business Days notice of the proposed date of the Transfer and such Investor Shall Transfer the Tagged Shares to the Buyer at the same time upon the terms and conditions



210

(including consideration for the Transfer) specified in the Transfer Notice. If the Selling Shareholders do not complete the Transfer within such period, any proposed subsequent Transfer by them of some or all of the Equity Shares and/or Share Equivalents originally proposed to be transferred shall again be subject to the provisions of this Article 17.

- h) The Selling Shareholders shall not Transfer any of their Equity Shares or Share Equivalents to the Buyer unless, at the same time, the Buyer purchases all of the Tagged Shares from the Investor exercising its Tag along Right upon the terms and conditions (including consideration for the Transfer) specified in the Transfer Notice.
- i) In the event the Transfer of the Selling Shareholder's Equity Shares and/or Share Equivalents and the Tagged Shares of all or some of the Investors, to the Buyer requires approval from the RBI and such approval is not granted in respect of such Selling Shareholder's Equity Shares and/or Share Equivalents or all or some of the Tagged Shares, the Selling Shareholders shall not be permitted to Transfer their Equity Shares or Share Equivalents to the Buyer.

17. Exit of the Investors

- a) Subject to the terms and conditions of these Articles, in the event of a capital expansion by the Company, as long as the Company is able to ensure that a capital adequacy ratio of fifteen percent (15%) of the SFB Entity will be met as per the approved business plan of the SFB Entity for a period of three (3) years following such capital expansion by the Company, upon any of the Investor(s) choosing to exercise this right, the Company shall endeavor on a best effort basis, that up to thirty three percent (33%) of the investment proposed to be made by an Incoming Investor (as hereinafter defined) is utilized to provide an exit to relevant Investor(s). The price available to the relevant Investor(s) for the relevant Investor Securities upon exercise of such exit option would be the same as the price at which the balance sixty seven (67%) contribution is being committed to the Company by the respective incoming Investor. Notwithstanding anything contained above, it is hereby agreed and understood that once it is agreed to provide an exit to the relevant Investor(s) in the manner set out in this Article 18 (a), the available amount of investment by an incoming Investor, shall (to the extent mandated under Applicable Law) be first utilized to meet the capital adequacy ratio of fifteen percent (15%) of the SFB Entity as per the approved business plan of the SFB Entity for a period of three (3) years following such investment by an Incoming Investor and the remaining amount after such utilization shall be available to provide an exit to the relevant Investor through a direct purchase by the incoming Investor, in a manner acceptable to the Investors and in accordance with Applicable Law. The term "**Incoming Investor**" shall, for the purposes of this Article 18, means and include any Person who invests in Equity Shares or Share Equivalents on or after the September 27, 2016 but shall exclude each of the Investors. In the event that the number of the Investor(s) desiring to transfer any part of their respective shareholding pursuant to such proposed acquisition of shares by the new round's investor is more than one (1), then the transfer of shares shall be in proportion to the *inter se* shareholding of such selling Investor(s) in the Company. It is hereby clarified that any exit provided to the Investor pursuant



to this Article shall be subject to approval from the RBI (to the extent such approval is required) in terms of the Approval Letter or under the SFB Guidelines or under any other Applicable Law. Provided however, that nothing contained in this Article 18 shall apply in case of any Securities issued under Article 13 above.

b) Listing Rights

- (i) If a Listing is proposed by the Company (and approved in accordance with the terms hereof), the Company, shall: (A) ensure that all shares of the Company are included in the Listing such that, subject to Applicable Law, Investor Securities will be freely tradable by each corresponding Investor immediately following the Listing; and (B) keep each Investor fully informed of all material activities undertaken in connection with the Listing.
- (ii) Right to Offer Shares for Sale. If the Company proposes to undertake an Offering (including any Offering which is being offered as part of a Listing or after a Listing (whether by way of an offer to the public or a private placement)), it shall give prompt notice to each Investor of its intention to do so, specifying the material terms of such Offering. Within thirty (30) days after receipt of that notice, each Investor may deliver a notice to the Company requiring it to include in such Offering such of its Equity Shares, subject to Article 18(b)(i)(A) below, (including upon conversion of any Share Equivalents held by it) as such Investor may specify.
- (iii) Costs. Each Investor shall be responsible for their respective out-of-pocket expenses incurred by them in connection with any Listing or Offering and if any Investor participates in an Offering, then such Investor shall be responsible for the expenses incurred or to be incurred by the Company in relation to such Listing and Offering (which shall be *pro rata* to the participation of such Investor in the Listing and Offering).
- (iv) Indemnification. To the extent permitted by Applicable Law, the Company shall indemnify and hold harmless each Investor, and each of its respective officers, directors, employees and consultants, and legal advisers, from and against any loss, claim or liability (and any actions, proceedings or settlements in respect thereof) arising out of or based on: (A) any untrue statement of a material fact contained in any prospectus, offering circular, or other offering document relating to any Listing or Offering; (B) any failure to state therein a material fact necessary to make the statements therein not misleading; and (C) any violation of Applicable Law (including but not limited to, securities laws and exchange requirements applicable to any Listing or Offering); provided, that the Company shall not be liable under this Article 18 to the extent that any such loss, claim or liability is directly based on any written statement furnished by any of the Investors to the Company expressly for inclusion in the relevant offering document.
- (v) Investors Not to be Deemed Promoters. None of the Investors shall be deemed to be a promoter of the Company for the purpose of any Listing/Offering and none of the Equity Shares and Share Equivalents held by any of the Investors shall be subject to any statutory or regulatory



moratorium imposed in connection with such Listing/Offering, and no declaration or statement shall be made that may result in any of the Investors being deemed a promoter, either directly or indirectly, in filings with any Authority, offer documents or otherwise, with a view to ensuring that restrictions under Applicable Law to promoters do not apply to the Investors, each of which is a financial investor in and not the promoter of the Company. For the avoidance of doubt, it is clarified that each of the Investors shall be subject to any regulatory restrictions as may be applicable to them under Applicable Law. The Company shall at its own cost make any and all applications to statutory and regulatory Authorities that may be required to obtain any necessary Authorization or exemption in this regard.

18. Other Investor Exits.

a) Secondary Sale

Subject to the terms and conditions of this Article, the Company, at any time after September 30, 2018 and prior to the completion of Listing or September 30, 2023 (whichever is earlier shall, if so required by the Investor(s), facilitate an exit to such Investor(s) by procuring a purchaser for the Equity Shares/Share Equivalents held by such Investor(s), at a price and on terms and conditions, acceptable to the relevant Investor(s) exercising such a right, provided that in the event the Company is unable to provide an exit to the aforementioned Investors, such Investors shall be entitled to exercise their rights for SFB Listing during the Listing Period in accordance with Article 19(b) below.

b) SFB Listing.

- (i) Subject to Applicable Law and approval of the RBI and other Authorities (to the extent such approval is required), the Company shall, make best efforts to complete the listing of the equity share of the SFB Entity on a Relevant Market ("**SFB Listing**") by September 30, 2023 or by any such date permitted by RBI ("**SFB Listing Period**") Provided that:

- (A) Mode of IPO. The Investor Super Majority, and the Company shall in good faith consider proposing to the SFB Entity and approving a fresh issuance of equity shares/share equivalents or an offer for sale of existing equity shares/shares equivalents of the SFB Entity including, if so permitted by the SFB Entity, in consultation with the investment bankers and underwriters appointed by the SFB Entity ("**Appointed Bankers**"). In the event of a SFB Listing, subject to advice from the Appointed Bankers, (if available), the Company shall ensure that, of the total number of equity shares/ share equivalents offered in the SFB Listing, at least thirty three percent (33%) of such Equity Shares/ Share Equivalents are offered through a process of offer for sale ("**Offer For Sale Securities**"), and, to the extent any Investor holds any equity shares/share equivalents of the SFB Entity ("**SFB Investor**"), each such Investor will have a right to sell up to its pro-rata share therein. Within twenty one (21) days of the meeting of the Board deciding to proceed with a SFB Listing,



each of the SFB Investors shall send a written notice to the Company, and the SFB Entity which written notice shall provide the irrevocable intention of the SFB Investor to participate in the SFB Listing through the offer for sale process; the number of equity shares/ share equivalents of the SFB Entity proposed to be tendered by the SFB Investor (being no greater than its pro-rata share) together with their respective Affiliates. In the event that any Investor decides not to tender in an SFB Listing to the full extent of its pro-rata entitlement, the other SFB Investors shall have the right to tender in an offer for sale such number of additional equity shares/ share equivalents of the SFB Entity on a pro-rata basis inter-se. The Company shall ensure the SFB Entity includes all such equity shares/ share equivalents of the SFB Investor(s) together with their Affiliates in the SFB Listing.

- (B) Advisors to IPO. The Company shall ensure that the SFB Entity takes all such steps, and extend all such cooperation to the lead managers, underwriters and others as may be required for the purpose of expeditiously making and completing the SFB Listing including (i) preparing and signing the relevant offer documents; (ii) conducting road shows with adequate participation of senior management; (iii) entering into appropriate and necessary agreements; (iv) providing all necessary information and documents necessary to prepare the offer documents, including all disclosures, warranties etc.; (v) filing with appropriate regulatory authorities; and (vi) obtaining any necessary regulatory or other approvals in relation to the SFB Listing. Each SFB Investor shall be responsible for their respective expenses incurred in relation to the SFB Listing and, if any SFB Investor participates in an offer for sale in the SFB Listing, then such SFB Investor shall be responsible for the expenses incurred or to be incurred by the Company in relation to the SFB Listing (which shall be *pro rata* to the participation of such SFB Investor in the SFB Listing through the offer for sale).

c) Exit Post SFB Listing Period and Merging Period

In the event of (i) the Company not having achieved Listing prior to the expiry of the Merging Period; (ii) a failure of the Company to provide the Investors an exit in accordance with Article 19(a) and (iii) a failure of the Company to complete the SFB Listing (as contemplated in Articles 19(b)) and undertaking the a-merger of the Company with the SFB Entity (as contemplated in Article 19(b) within six (6) months of expiry of the Merging Period), the Investor Super Majority shall have the right to elect any one (1) or a combination of the following options to exit the Company (which decision shall be binding on all the Investors, Sponsors and the Company).

(i) Third Party Buyer and Drag Along.

- (A) Third Party Buyer. The Investor Super Majority shall be entitled, in one (1) or more tranches, to find a suitable third party (including a Competitor) for the purchase of all or some of the respective



214

Investor Securities at a price acceptable to the Investor Super Majority and each Investor who voted in favour of such a sale shall be entitled to sell its respective Investor Securities to the said identified third party. For the purposes of this Article 19(c), (A) IFC's prior consent shall not be required; (B) IFC shall not be entitled to vote in relation to the Drag Along Right; (C) the shareholding of IFC on a Fully Diluted Basis shall not be counted towards calculating the Investor Super Majority; and (D) IFC shall not be subject to the Drag Along Right and shall not be entitled to exercise its rights set out in Article 17 in relation to any sale of the Drag Along Shares (*as defined below*) by the Sponsors. Any Transfer of Investor Securities in accordance with this Article 19(c)(i) shall be in compliance with Applicable Law or subject to prior approval of the RBI, if applicable.

- (B) Drag Along Right. In the event that the Investor Super Majority exercises this right and wishes to sell all or a part of the Investor Securities held by such Investor Super Majority to a third party buyer as set forth under (i) above ("**Third Party Buyer**"), such Investor Super Majority along with other Investors who voted in favour of such a sale and drag (the "**Dragging Shareholders**", as on the date of determination) shall, have the right to drag along ("**Drag Along Right**") all other Shareholders-(other than IFC) ("**Dragged Shareholders**") which shall also include any Person(s) that have executed a Deed of Adherence pursuant to purchase of any Equity Shares and/ or Share Equivalents of the Dragged Shareholders) in a proposed sale of the Investor Securities held by the Dragging Shareholders ("**Dragging Shareholders' Shares**") to transfer all or some of the Equity Shares and/or Share Equivalents held by them at the time of such offer to the Third Party Buyer on the same price. It is hereby clarified that the exercise of the Drag Along Right and any Transfer of the Equity Shares/Share Equivalents held by the Dragged Shareholders pursuant to such Drag Along Right shall be in compliance with Applicable Law or subject to prior approval of the RBI, if required.
- (C) Procedure. The Dragging Shareholders shall provide a drag along notice ("**Drag Along Notice**") to the Dragged Shareholders, requiring the Dragged Shareholders to sell such number of Equity Shares/Share Equivalents held by them in the Company as may be required by the Dragging Shareholders ("**Drag Along Shares**") to the Third Party Buyer ("**Drag Along Purchaser**") on the terms and the price per Equity Share/Share Equivalent negotiated or determined by the Investor Super Majority. Provided however that the sale of the Dragging Shareholders' Shares and the Drag Along Shares shall occur in a manner so as to ensure that (A) first, all the Dragging Shareholders' Shares shall be Transferred to the Drag Along Purchaser, (B) second, up to all the Equity Shares/Share Equivalents held by other Investors (other than IFC) shall be Transferred to the Drag Along Purchaser; and (C) last, up to all the Equity Shares/Share Equivalents (as directed by the Dragging Shareholders) held by the



other Shareholders, (other than IFC) and any employees holding shares under the employee stock option plan. It is hereby clarified that if a Drag Along Purchaser does not seek to acquire the sum total of (a) the Dragging Shareholders' Shares; and (b) the Equity Shares/Share Equivalents held by other Investors (other than IFC), the Dragging Shareholders shall be entitled to determine the number of Equity Shares/Share Equivalents (belonging to the other Investors) that they require.

- (D) Transfer of Shares. Subject to Article 19(c)(i)(A), Article 19(c)(i)(B) and Article 19(c)(i)(C), the Drag Along Notice shall specify (a) the proposed valuation of the Company and the offer price for each Drag along Share; (b) any terms agreed upon or executed between the Dragging Shareholder and the Drag along Purchaser including any non-cash consideration; and (c) the proposed date for the closing of the Transfer of the Drag along Shares from the Dragged Shareholders to the Drag along Purchaser. A Drag along Notice shall be revocable by the Dragging Shareholders by written notice to the Dragged Shareholders at any time before the completion of the aforesaid Transfer, and any such revocation shall not prohibit the Dragging Shareholders from exercising a Drag along Right at any time in future. The Transfer of the Drag along Shares of the Dragged Shareholders shall take place simultaneously with the Transfer of the Dragging Shareholders' Shares in the Company and payment for the Drag along Shares shall be made simultaneously with the Transfer of the Drag along Shares from the Dragged Shareholders to the Drag along Purchaser. The Dragged Shareholders shall, when called upon prior to the closing of the Transfer of the Drag Along Shares from the Dragged Shareholders to the Drag Along Purchaser, deliver the share certificates in respect of the Drag Along Shares, to the Company along with the duly executed share transfer forms in favor of the Drag Along Purchaser and if the Drag Along Shares are in dematerialized form, shall issue appropriate instructions to their depository participant to give effect to the Transfer in accordance with this Article 19(c)(i).
- (E) Co-operation. The Company and each of the Dragged Shareholders shall take all necessary and desirable actions in connection with the consummation of the sale pursuant to the exercise of the Drag Along Right by the Dragging Shareholders, including without limitation, the timely execution and delivery of such agreements and instruments and other actions reasonably necessary to co-operate with the Drag Along Purchaser to provide such access and information as may be requested by the Drag Along Purchaser.
- (F) Employee Shares. The options or Equity Shares held by the Sponsors or employees which were issued pursuant to an employee stock option plan or transferred to any Sponsors or employees of the Company from an employee welfare trust shall not be excluded from the applicability of the Drag along Right as contemplated under this Article 19(c)(i).



216

(ii) Third Party Sale

- (A) The Investor Super Majority shall, subject to the provisions of the Act, the SFB Guidelines and the Approval Letter, have the right to require the Company to make best efforts to provide an exit to the Investors by undertaking a transaction that enables the Investors to fully dispose of the Investor Securities to any third party in accordance with the terms hereof and provisions of Applicable Law. ("**Third Party Sale Notice**") upon receipt of the Third Party Sale Notice, the Company shall promptly, and in any event not later than thirty (30) days, identify and appoint an investment banking firm of repute and recognised standing, acceptable to the Investors ("**Third Party Sale Investment Bank**") to: (i) determine the value of the Investor Securities (which determination shall be made not later than fifteen (15) Business Days from the date of appointment of the Third Party Sale Investment Bank), and (ii) make best efforts to: (a) identify a potential purchaser or group of purchasers ("**Purchaser**"); and (b) procure a valid, binding and written offer ("**Third Party Sale Offer**") from the Purchaser in respect of all of the Investor Securities ("**Third Party Sale**"), provided that the appointment of the Third Party Sale Investment Bank shall be subject to the Investors agreeing on the fees with the Third Party Sale Investment Bank, which shall be payable by the Investors participating in the Third Party Sale.
- (B) Upon receipt of the Third Party Sale Offer, the Company shall deliver a Notice, to each of the Investors setting out the details of the Third Party Sale Offer including: (i) the exact nature of the transaction proposed; (ii) identity of the Purchaser; (iii) time required to close; and, (iv) such other terms of the Third Party Sale such as offer price, payment mechanism, percentage of shareholding intended to be acquired etc., as the Investor might request ("**Third Party Sale Offer Notice**").
- (C) Notwithstanding anything contained herein, it is clarified that the Third Party Sale Offer shall comply with the following terms and conditions: (i) the offer shall be for all, and not less than all, of the Securities held by the Investors; (ii) the agreed price/ consideration for all the Securities held by the Investors shall be paid to the Investor(s) solely and fully in cash (without any deferment); and (iii) the Investor not being required to provide any representations, warranties or indemnities except for any representations, warranties or indemnities with respect to their due authorization and title of the Investor Securities.
- (D) Within (thirty) 30 Business Days from receipt of the Third Party Sale Offer Notice, each Investor shall provide the Company, with a written notice which shall provide the irrevocable intention of such Investor(s) to participate in the Third Party Sale and the number of Equity Shares/Share Equivalents proposed to be tendered by the Investor (being up to its relevant Investor Securities) together with



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their respective Affiliates ("**Third Party Sale Intimation Notice**").

- (E) The Company shall render all assistance necessary and take all necessary steps to expeditiously complete the sale of Investor Securities pursuant to the Third Party Sale within (ninety) 90 days from the expiry of the Third Party Sale Intimation Notice period, failing which the obligation of the participating Investor, pursuant to the Third Party Sale Intimation Notice shall lapse and the provisions of Section 19(c)(ii) shall again become applicable, provided that if the Third Party Sale does not consummate within the stipulated time period on account of an Investor's act, omission or failure to procure any necessary consent or Authorization as may be required by such Investor to consummate the Third Party Sale, then the Third Party Sale Intimation Notice as well as such Investor's rights under Section 19(c)(ii) shall lapse.
- (F) The Company shall obtain all consents and Authorizations and provide representations, warranties, covenants and indemnities (including with respect to the Business) as may be agreed by the Company with the Purchaser. All costs and expenses incurred in relation to a Third Party Sale shall be borne entirely by the Investors participating in the Third Party Sale.

(iii) Listing

Subject to approval of the RBI (to the extent such approval is required), the Investor Super Majority shall have the right to require the Company to undertake a Listing, by sending a written notice to the Company. Upon the issuance of such notice by the Investor Super Majority, the Company and the Sponsors shall make best efforts to effect a Listing within six (6) months of the date of issuance of the said notice, provided however that the Company shall seek the prior written consent of the Investor Super Majority in respect of all the terms and conditions of such Listing. The provisions of Article 19(b)(i)(A) and (B) shall apply mutatis mutandis to the Listing to be undertaken pursuant to this Article 19(c)(iii).

19. Liquidation Preference

- (a) Subject to Applicable Law and until Listing, in the event of an occurrence of any Liquidation Event, the total proceeds from such Liquidation Event remaining after discharging or making provision for discharging the liabilities of the Company as required under Applicable Law, shall be distributed:
 - (i) First to the Investors, Shareholders which have been allotted Equity Shares pursuant to ESOP Plan 2010 and the Other Shareholders (other than the Shareholders which have been allotted Equity Shares pursuant to grant of employee stock options of the Company excluding the ESOP Plan 2010) in proportion to their inter se Pro-rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis, an amount which would result in the Investors



receiving an aggregate amount equivalent to one hundred percent (100%) of the per Equity Share/ Share Equivalent consideration paid by such Investors, Shareholders which have been allotted Equity Shares pursuant to ESOP Plan 2010 and Other Shareholders (other than the Shareholders which have been allotted Equity Shares pursuant to grant of employee stock options of the Company excluding the ESOP Plan 2010) respectively, plus all declared but unpaid dividends;

- (ii) Second, to the Shareholders which have been allotted Equity Shares pursuant to grant of employee stock options of the Company (excluding the ESOP Plan 2010) and Sponsors of the Company in proportion to their inter se Pro-rata Share of the shareholding in the Company, calculated on a Fully Diluted Basis, an amount equal to the face value of such Equity Share on a per Equity Share basis; and
- (iii) To the extent that there are assets of the Company available for distribution after payment of the liquidation preference amount to the Investors and the amounts to the Sponsors, Shareholders which have been allotted Equity Shares pursuant to ESOP Plan 2010 and the Other Shareholders pursuant to Article 20(a)(i) and Article 20(a)(ii) above, all Shareholders will share pro rata, on a Fully Diluted Basis, in the distribution of such remaining assets of the Company.

SHARE CERTIFICATES

- 20. The certificates of shares shall be issued in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.
- 21. A certificate may be renewed or a duplicate of a certificate may be issued if such certificate: - is proved to have been lost or destroyed, or defaced.
 - (i) having been defaced or mutilated or torn, is surrendered to the Company, or
 - (ii) has no further space on the back thereof for endorsement of transfer.

The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of renewed or duplicate certificates, the form of such Registers, the fee on payment of which, the terms and conditions, if any, including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as prescribed by the Companies (Share Capital and Debentures) Rules, 2014 or any other Rules in substitution or modification thereof.

CORPORATE GOVERNANCE

22. Authority of the Board

The Company will have a board of directors (the "Board") and the powers of the



Board will be those laid down by the Act, as supplemented by these Articles. Subject to the provisions of these Articles, and the Act, the business and affairs of the Company shall be managed, supervised, operated and controlled by or under the direction and control of the Board and the Board shall have, and is hereby granted, the full and complete power, authority and discretion for, on behalf of and in the name of the Company, to direct the performance of all contracts and other undertakings that it may in its sole discretion deem necessary or advisable to carry out any and all of the objectives of the Company.

23. Number of Directors

The maximum number of Directors on the Board shall be 10 (Ten).

24. Board Composition

- a) At all times when the Equity Shares and the Share Equivalents held by any Investor (along with its Affiliates) is equal to at least the Minimum Shareholding, such Investor shall have the right to nominate one (1) Director.
- b) The Directors appointed by the relevant Investors pursuant to this Article 25, are collectively referred to as "**Nominee Directors**" and individually as "**Nominee Director**", and in each such case the Shareholders (which are Parties) shall, in accordance with Article 46, ensure that such nominee is promptly appointed as a Director. If the Nominee Directors are required at any time to retire by rotation under Applicable Law, the Shareholders (which are Parties) shall ensure that such retiring Nominee Director(s) is/are re-appointed at the general meeting in which such Director(s) is/are required to retire and further, the Shareholders shall exercise their votes accordingly, in order to ensure such re-appointment. Each Nominee Director shall be a non-executive director and shall not in any manner whatsoever be responsible for the day- to-day management of the Company and/or be liable for any failure by the Company to comply with any Applicable Law. For the avoidance of doubt, it is hereby clarified that (i) none of the Nominee Directors shall be construed as an "officer in default" (under the Act) or an "occupier" (of the Company's premises) under Applicable Law. The Nominee Directors shall not be required to hold any qualification Equity Shares or Share Equivalents. To the extent required under Applicable Law, the Board shall at all times be constituted in a manner such that the Company is Owned and Controlled by Residents and/or Indian companies which are Owned and Controlled by Residents. Accordingly, it is agreed that the number of Directors nominated by Non-Resident or Persons that are Owned or Controlled by Non-Residents shall always constitute less than fifty percent (50%) of the total number of Directors on the Board.
- c) Subject to Article 25(b) above, the Board shall be composed of (i) two (2) Directors; (ii) at least two (2) designated independent Directors; and (iii) such number of Nominee Directors appointed by the relevant Investors (together with their Affiliates) pursuant to Article 25(a) above.
- d) One of the independent directors nominated pursuant to Article 25(c), as agreed by a majority of the Directors, shall be the Chairperson of each Board Meeting.



- e) The Board has constituted the following committees whose members shall all be Directors: (i) the audit committee; (ii) the nomination and remuneration committee; (iii) the corporate social responsibility committee; and (iv) the share allotment committee. Each Nominee Director shall, at the option of relevant Investor, be a member of any committee or sub-committees of the Board (as existing from time to time). Each Investor (excluding IFC) shall, so long as the Equity Shares and/or Share Equivalents held by such Investor (along with its Affiliates) represent, in the aggregate, at least four point nine five percent (4.95%) of all existing Equity Shares and Share Equivalents on a Fully Diluted Basis, at its own discretion have the right to appoint an observer each (each being referred to as an "Investor Observer") from time to time to attend all meetings of the Board and the committees and sub-committees thereof (as existing as of September 27, 2016, or at any time in the future), as a permanent invitee. The Investor Observers may or may not be the Nominee Directors appointed by the relevant Investors and shall not be entitled to a separate vote at any such meetings, however, the Investor Observers shall have the right to review all documentation, financial information and other information that is presented to the board committees or sub-committees of the Company. Any financial audit of the Company must be in compliance with the Accounting Standards and approved by the audit committee. Minutes of the committee meetings and documents presented at such committee meetings, shall be presented at each Board meeting. For avoidance of doubt it is clarified that IFC does not retain the right to appoint an Investor Observer. It is clarified that in the event the shareholding percentage of an Investor (along with its Affiliates) falls below the aforementioned four point nine five percent (4.95%) of all existing Equity Shares and Share Equivalents on a Fully Diluted Basis due to a dilution pursuant to, (i) any issuance of Equity Shares and/or Share Equivalents under an ESOP scheme; the aggregate shareholding required for appointing the Investor Observer under this Article for such Investor shall stand revised to the diluted shareholding percentage of such Investor.
- f) Each Nominee Director shall be entitled to examine the books, accounts and records of the Company and shall have free access, at all reasonable times and with prior reasonable written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business affairs and financial position of the Company, as the relevant Nominee Director may reasonably require. Each Nominee Director may provide such information to the respective Investor appointing such Nominee Director and their respective Affiliates and its representatives (including legal, financial and professional advisors and bankers).

25. Removal/Resignation of Directors

The relevant Investors may at any time require the removal of their respective Nominee Directors and each Investor shall be entitled to nominate another person as its respective Nominee Director in place of any Nominee Director so removed. In the event of the resignation, retirement or vacation of office of any such Nominee Director, the concerned Investor shall be entitled, subject to Article 25, to nominate another Person as its Nominee Director in place of such resigned/retired/terminated Nominee Director and Shareholders (which are Parties) shall, ensure, to the fullest extent of all rights and powers available to them,



that such nominee is promptly appointed as a Director.

26. Alternate Director

Each Director (the "**Original Director**") may appoint an alternate Director (the "**Alternate Director**") to act for her/ him during her/ his absence in accordance with the provisions of the Act. The act of an Alternate Director acting for the Original Director will be deemed to be the act of the Original Director. Upon appointment of the Alternate Director, the Company shall ensure compliance with provisions of the Act, including filing necessary forms with the relevant registrar of companies. The Alternate Director shall be entitled to receive notice of a meeting of the Board or committee thereof, along with all relevant papers in connection therewith and to attend and vote thereat in place of the Original Director and generally to perform all function of the Original Director in her/ his absence.

27. Procedures of the Board

- a) Subject to Applicable Law, the Board shall meet at least once every quarter of each Financial Year and at least 4 (four) times every Financial Year, subject to an annual schedule and confirmation of the date of the next Board meeting at the previous Board meeting in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings.
- b) Written notice of each meeting of the Board shall be given to all the Directors and their alternates, if any. Written notice of each meeting of a committee of the Board shall be given to all Directors on that committee and their alternates, if any. Written notice of a meeting under this Article 28(b) shall be sent to the address notified from time to time by the Directors and their alternates, if any, at least twenty-one (21) days in advance of such meeting; provided that where, exceptionally, the Board or a committee of the Board is required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, a meeting of the Board or a committee of the Board may be convened at shorter notice in accordance with the provisions of the Act and with consent of a majority of the Directors on the Board or on such committee, including each of the Nominee Directors, if appointed (in the case of a meeting of a committee, if each such Nominee Director has been appointed to such committee). Provided further that none of the matters listed at Article 32, may be discussed or decided upon by the Board at any meeting unless, the same has already been approved in accordance with Article 32, which decision shall be binding on the Board.
- c) An agenda setting out in detail the items of business proposed to be transacted at a meeting of the Board together with necessary information and supporting documents shall be circulated to each of the Directors and their alternates, if any. An agenda setting out in detail the items of business proposed to be transacted at a meeting of a committee of the Board together with necessary information and supporting documents shall be circulated to each of the Directors on that committee and their alternates, if any. The agenda, information and documents shall be circulated at least twenty-one (21) days prior to the date of the relevant meeting; provided that where, exceptionally, the Board or a committee of the Board is required to make a decision in



circumstances in which the foregoing notice requirements cannot be observed, such requirement to circulate agenda information and documents may be waived subject to Applicable Law and with the consent of a majority of the Directors on the Board or on such committee, including each of the Nominee Directors, if appointed (in the case of a meeting of a committee, if each such Nominee Director has been appointed to such committee). Unless waived in writing by each Nominee Director (that has been appointed) and another Director, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board. Provided that notwithstanding anything stated herein, none of the matters listed at Article 32, may be discussed or decided upon by the Board at any meeting unless, the same has already been approved in accordance with Article 32, which decision shall be binding on the Board.

- d) The Company expressly undertakes that, subject to Applicable Law, no Nominee Director shall be liable for any default or failure of the Company in complying with the provisions of any Applicable Law, including but not limited to, defaults under the Act, taxation and labour laws of India, unless otherwise finally held by a competent court in India. Subject to the provisions of Section 197 of the Act, the Company shall indemnify and hold harmless to the maximum extent permitted by Applicable Law, each Nominee Director from and against any and all threatened pending or completed actions, suits, claims or proceedings and any and all costs, damages, judgments, amounts paid in settlement and expenses or liabilities which such Director may directly or indirectly incur, suffer, and/or bear due to the failure of the Company to comply with any of the provisions of any Applicable Law, or this Article 28(d) or that are in any way related to, his or her activities or his or her position as a Director.
- e) The reasonable costs incurred by each Director who is not an employee of the Company in attending a meeting of the Board or a committee or a General Meeting (including the reasonable costs of domestic travel and attendance of each Nominee Director) shall be reimbursed by the Company, at such rates as determined by the Board in accordance with Applicable Law.

28. Quorum at Board Meetings

- a) Subject to Applicable Law, the quorum for a meeting of the Board, duly convened and held, shall be a majority of the Directors then in office. The quorum for a meeting of a committee of the Board, duly convened and held, shall be a majority of the Directors on that committee, provided however that for any meetings of the Board or a Board committee, the agenda in respect of which includes any of the matters listed at Article 32, the same shall only be taken up if already approved in accordance with Article 32 below, which decision that be binding on the Board or such Board Committee.
- b) In the absence of a valid quorum at a meeting of the Board or a committee of the Board, duly convened, the meeting shall be adjourned to the same time and place not earlier than ten (10) days but no later than twenty-one (21) days thereafter (unless a shorter time period is specifically approved by the Board), as the Chairperson (or, if applicable, the Chairperson of the committee) may determine. The quorum requirements as set out in Article 29(a) shall also be



applicable at such adjourned meeting. At any adjourned meeting of the Board, the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum even if any/all of the Nominee Directors that have been appointed are not physically present at such adjourned meeting of the Board. Provided that:

- (i) written notice of the adjournment was given to each Nominee Director at her / his usual address for service of notices of Board meetings not less than three (3) Business Days before the date of the adjourned Board meeting; and
- (ii) no matters may be considered at the adjourned Board meeting that were not specifically set out on the agenda for the adjourned Board meeting.

For the avoidance of doubt, it is clarified that none of the matters listed at Article 32, may be discussed or decided upon by the Board at any such adjourned meeting unless, the same has already approved in accordance with Article 32, which decision shall be binding on the Board.

- c) If permitted by Applicable Law, any Director shall be entitled to participate in a meeting of the Board or a committee of the Board of which ~~he or~~ she or he is a member, at which she or he ~~she~~ is not physically present, by telephone or video conference or similar electronic means and the Chairperson of such meeting shall ensure that such Director's observations are duly recorded in the minutes of such meeting.
- d) At any Board meeting, each Director may exercise one vote. Subject to Articles 29(a) and 29(b) above, all decisions of the Board shall be taken by majority vote of the Directors present or duly represented at the meeting. In case of an equality of votes, the Chairperson of the Board shall not have a second or casting vote.

29. Resolution by Circulation or Written Consent

Subject to Applicable Law, the Board may take decisions through resolution by circulation or written consent. No resolution shall be deemed to have been duly passed by the Board or a committee of the Board by circulation or written consent, unless the resolution has been circulated in draft form, together with the information required to make a fully-informed, good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, to all Directors or to all Directors on the relevant committee at their usual address, and has been unanimously approved in writing by such of them as are entitled to vote on the resolution. For the avoidance of doubt, it is clarified that none of the matters listed at Article 32, may be decided upon by the Board through resolution by circulation or written consent unless the same has already approved in accordance with Article 32, which decision shall be binding on the Board.

30. General Meetings



- a) Not less than twenty one (21) days' prior written notice of all General Meetings shall be given to the Shareholders at their respective addresses notified by them to the Company in writing provided that where, exceptionally, the Shareholders are required to make a decision in circumstances in which the foregoing notice requirements cannot be observed, a General Meeting may be convened at shorter notice with the consent of each Investor, provided that, consent (either in writing or by electronic mode) of at least ninety five percent (95%) of the Shareholders entitled to vote at such meeting has been duly obtained.
- b) Every notice of a General Meeting under Article 31(a) above, shall specify the place, date and hour of the meeting and shall contain an agenda and accompanying materials with a statement of the business to be transacted thereof and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with Section 102 of the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice without the prior consent of all Shareholders.
- c) The Board shall provide the Company's previous Financial Year's audited financial statements to all the Shareholders at least twenty-one (21) days before the General Meeting that is held to approve and adopt such audited financial statements.
- d) The quorum for a General Meeting shall be as per the provisions of the Act, provided however that for any General Meeting, the agenda in respect of which includes any of the matters listed at Article 32, the quorum of the General Meeting will include duly authorized representatives of Investor(s) that, together with their respective Affiliates, in the aggregate hold at least sixty percent (60%) of all Equity Shares or Share Equivalents on a Fully Diluted Basis held by all the Investors at such time; or duly authorized representatives of all Investor(s) holding at least the Minimum Shareholding as applicable (the "Investor Super Majority Representation"), provided further that the requirement of the Investor Super Majority Representation under this Article shall not apply if, for an Investor Super Majority Matter, the prior written approval of the Investor Super Majority has already been obtained.
- e) In the absence of a valid quorum at a General Meeting, duly convened and held, the meeting shall be adjourned to the same time and place not earlier than ten (10) days but no later than twenty-one (21) days thereafter as the Chairperson may determine, subject to notice requirements specified under Applicable Law. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Shareholders present at such adjourned meeting being not less than two in number, shall constitute quorum. For the avoidance of doubt, it is clarified that none of the matters listed at Article 32, may be discussed or decided upon by the Shareholders at such adjourned meeting unless Investor Super Majority Representation is present at such adjourned General Meeting, provided that the requirement of the Investor Super Majority Representation under this Section shall not apply if, for an Investor Super Majority Matter, the prior written approval of the Investor Super Majority has already been obtained.



- f) Subject to Article 31(d) above, any resolution, which under the provisions of the Act or the Articles is permitted or is required to be done or passed by the Company in a General Meeting shall be sufficiently so done if passed by ordinary resolution, as defined under Section 114(1) of the Act, unless either the Act or the Articles specifically require such act to be done or resolution passed by a special resolution as defined under Section 114(2) of the Act.
- g) Notwithstanding anything to the contrary contained in these Articles, whether prior to the conversion of the Share Equivalents held by the Investors, if any, or after such conversion, all Shareholders shall have equal voting rights. It is clarified that one (1) Equity Share shall be entitled to one vote.
- h) The provisions of this Article 31 shall apply, mutatis mutandis, to meetings of any class of Shareholders.

31. Investor Consent Rights

- a) Investor Super Majority Consent Requirement.
 - i. Subject to any additional requirements imposed by the Act and notwithstanding anything additional contained in these Articles, no action shall be taken by the Company in relation to itself or in relation to any Subsidiary, at any General Meeting or at any Board meeting or committee thereof or by resolution by circulation or otherwise in any manner, with respect to any of the matters set out in Article 32.(b) (the "**Investor Super Majority Matters**") or otherwise, without the prior written consent of such Investors as representing at least sixty percent (60%) of all Equity Shares or Share Equivalents held by all Investors (in the aggregate) at the relevant time, on a Fully Diluted Basis (the "**Investor Super Majority**").
 - ii. In relation to a Subsidiary, to the extent that any Investor Super Majority Matter or any Minimum Shareholding Matter will be considered at a meeting of the shareholders of such Subsidiary, the Company shall not (at such meeting of the shareholders) take any decision with respect to any Investor Super Majority Matter or any Minimum Shareholding Matter unless such matter has been considered by the Company and the Company shall ensure and shall not vote in favour of such Investor Super Majority Matter or Minimum Shareholding Matter at a meeting of the shareholders of the Subsidiary unless such matter has been approved by the Investor Super Majority under Section 32(a)(i) or by the Investors under Section 32(c) of this Agreement.
 - iii. Notwithstanding anything in this Articles, if: (A) an Investor has any direct voting rights in a Subsidiary; and (B) an Investor has either given its consent or either rejected such matter or withheld its consent in relation to an Investor Super Majority Matter or a Minimum Shareholding Matter, then while exercising its voting rights at the Subsidiary, it shall vote in line with such consent or rejection (or abstention) given in relation to such Investor Super Majority Matter or



Minimum Shareholding Matter.

b) Investor Super Majority Matters:

- (i) Any alteration in the capital structure of the Company, or change the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the Equity Shares and/or Share Equivalents held by any Investor in any manner whatsoever including by way of issuance or authorization of any Equity Shares or Share Equivalents having a structural or legal preference over, or ranking senior to or pari passu with the Equity Shares with respect to any matter; or any Share Equivalents that may be held by the Investors with respect to any matter, including, without limitation, dividend rights, voting rights or liquidation preference.
- (ii) Any arrangement for sale or lease or pledging or any other form of disposal of the Company or any of its Subsidiaries or any of its respective assets/ undertaking for an aggregate value greater than twenty percent (20%) of total assets of the Company or the Subsidiaries, as applicable, as per the audited balance sheet of the preceding financial year.
- (iii) Consolidation, reconstitution, restructuring, acquisition, merger, joint venture, sale or amalgamation of the Company or partnerships with any other company or legal entity, whether in India or worldwide.
- (iv) Creating a new Subsidiary or divesting or transferring any shareholding of any Subsidiary.
- (v) Authorizing or undertake any Listing, any Offering or any delisting (unless required under Applicable Law) of the Equity Shares of the Company (or any Subsidiary) save as envisaged pursuant to the Exit provisions.
- (vi) Buy back of outstanding issued Equity Shares and/or Share Equivalents save as envisaged pursuant to the Exit provisions.
- (vii) Entering into any agreement, arrangement or transaction with any Related Party, other than nonmaterial agreements having a term of less than one (1) year that are negotiated on arm's length basis in the ordinary course of business and contemplated by the Business Plan.
- (viii) Changes in the terms of any existing employee stock option scheme or plan of the Company (including but not limited to increasing the number of Equity Shares/Share Equivalents authorized for issuance), issuance of any Equity Shares of the Company pursuant thereto, creating any new stock or option plan and/or issuance of any sweat Equity Shares.
- (ix) Authorization of undertaking any reduction of capital or share



repurchase, other than any repurchase of Equity Shares or Share Equivalents issued to or held by employees, officers, directors or consultants of the Company or its Subsidiaries pursuant to an employee stock plan upon termination of their employment.

- (x) Directly or indirectly declaring, authorizing or making any Distribution in relation to any Equity Shares of the Company or Share Equivalents (or shares or share equivalents of any Subsidiary) or declaration of or payment of any dividend, or making any Distribution or redemption unless it is consistent with the Company Documents and the dividend policy of the Company previously approved by the Investor Super Majority (as applicable).
 - (xi) Engaging in any transaction or transactions that would result in a change of control of the Company. For the purpose of this sub-clause (xi) "**control**" means the power to direct the management or policies of the Company, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise; provided that, in any event, the direct or indirect ownership of twenty-six percent (26%) or more of the voting share capital of the Company is deemed to constitute control of the Company, and "**controlling**" and "**controlled**" have corresponding meanings
 - (xii) Changes in the size of the Board or election procedure and composition of committees or sub-committees of the Board other than in case of appointment of Directors to ensure that the majority of the Board is comprised in a manner such that the Company is Owned and Controlled by Residents and/or Indian companies which are Owned and Controlled by Residents, in accordance with Article 25(b) above
 - (xiii) Change the remuneration payable to the Key Sponsors from the Company and/or Subsidiaries (excluding SFB entity) as disclosed in the Accounts.
 - (xiv) Any direct or indirect arrangements, transactions or agreements between the Trust and the Company and/or its Subsidiaries.
 - (xv) Conversion of the Company from a public limited company to any other form of corporate organization permitted under Applicable Law.
 - (xvi) Enter into any binding agreement to take any of the foregoing actions.
- c) Minimum Shareholding Consent Requirement. Subject to any additional requirements imposed by the Act and notwithstanding anything contained in these Articles, no action shall be taken by the Company at any General meeting or at any Board Meeting or committee thereof or by resolution by circulation or otherwise in any manner, with respect to any of the matters set out in Article 32(f) (the "**Minimum Shareholding Matters**"), without the prior written consent of each Investor, who together with their respective Affiliates, holds at least the



228

Minimum Shareholding.

d) Minimum Shareholding Matters.

- (i) Amend or repeal or authorize any amendment or other section in relation to the Company Documents or the charter of any Subsidiary: (a) in any material manner; (b) in any way which may alter or change the rights, privileges or preferences of the Equity Shares or any Share Equivalents that may be held by the Investors. It is hereby clarified that any such alteration or change of rights, privileges or preferences of the Equity Shares or any Share Equivalents may be effected only on a *pari-passu* basis with respect to the same class of Equity Shares or any Share Equivalents; or (c) in contravention of the terms of these Articles and the Transaction Documents, except in relation to a capital raised that has already been approved by the Investors.
 - (ii) Take any action relating to or authorizing or undertaking a Liquidation Event.
 - (iii) Make any change to the nature of the business of the Company or to the nature of the business of any of its Subsidiaries, or, enter new lines of business or exit the current line of business, except as set forth in the approved Business Plan.
 - (iv) Acquisition, leasing or any form of transactions in real estate/ property/ property development that are not directly linked to the operations of the Company.
 - (v) Enter into any binding agreement to take any of the foregoing actions.
- e) Subject to receipt of full and satisfactory information from the Company, each Investor shall use its best endeavors to provide its written response to a consent request in relation to the matters listed under Article 32 within fifteen (15) days of receipt of such request from the Company. Provided that, in the event that no response is received within such time, the same shall be deemed to be a denial of consent. For avoidance of doubt, it is hereby clarified that, other than in case of any applicable Investor Super Majority Matters or Minimum Shareholding Matters, all decisions pertaining to (i) exercise of voting rights by the Company as a shareholder of the SFB Entity; and (ii) the manner of exercise of votes by the directors appointed by the Company on the board of directors of the SFB Entity, shall be determined by the Board on a basis of simple majority of votes.

32. Accuracy of Financial Books and Records.

The Nominee Directors shall not be responsible for verifying the accuracy of the financial books and records, which are presented to the Board or others. The Company shall indemnify the Investors and/or the Nominee Directors for any losses, claims, damages, liabilities, costs (including reasonable attorneys' fees and



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disbursements) and expenses that may arise out of the financial books and records not being true, fair and accurate.

33. Complete Effect.

Each Shareholder shall each vote its Equity Shares at any General Meeting or matters required to be voted by way of a postal ballot, and shall take all other actions necessary, to give effect to the provisions of these Articles. In addition, each Shareholder shall not exercise its voting rights to approve any matter which is inconsistent with the provisions of these Articles.

COVENANTS

34. General Reporting Covenants.

a) The Company shall furnish to the Investors, the following information:

- (i) within ninety (90) days after the end of each Financial Year, audited annual financial statements (a balance sheet as of the end of such Financial Year and the related statements of income, shareholders' equity and cash flows for the Financial Year then ended) for the Company on a consolidated and an unconsolidated basis, and for its Subsidiaries, (provided that, for a Subsidiary whose securities are listed on any stock exchange or whose securities are in the process of being listed, then upon filing of red herring prospectus of such Subsidiary, the board of directors of such Subsidiary have approved their audited annual financial statements for the relevant period and the Company has, after making reasonable efforts, obtained such financial information in accordance with Applicable Law), audited in accordance with the Accounting Standards and certified by the Auditors, along with a consolidating statement prepared by the Auditors, and a copy of all management letters delivered by the Auditors;
- (ii) within thirty (30) days after the end of each quarter of each Financial Year, unaudited quarterly financial statements (a balance sheet as of the end of such quarter and the related statements of income, shareholders' equity and cash flows for the quarter then ended) for the Company on a consolidated, (provided that, for a Subsidiary whose securities are listed on any stock exchange or whose securities are in the process of being listed, then upon filing of red herring prospectus of such Subsidiary, the board of directors of such Subsidiary have approved their financial statements for the relevant period and the Company has, after making reasonable efforts, obtained such financial information in accordance with Applicable Law) and an unconsolidated basis and for its Subsidiaries (provided that, for a Subsidiary whose securities are listed on any stock exchange or whose securities are in the process of being listed, then upon filing of red herring prospectus of such Subsidiary, the board of directors of such Subsidiary have approved their financial statements for the relevant period and the Company has, after



making reasonable efforts, obtained such financial information in accordance with Applicable Law), prepared in accordance with the Accounting Standards and including operational and financial milestones and performance, certified by the managing director or the chief financial officer of the Company;

- (iii) no later than thirty (30) days before the commencement of each Financial Year, the proposed annual Business Plan, provided that with respect to a Subsidiary whose securities are listed on any stock exchange or whose securities are in the process of being listed, then upon filing of red herring prospectus of such Subsidiary, the Business Plan shall only include such information relating to such Subsidiary which does not constitute unpublished price sensitive information under Applicable Law;
- (iv) irrevocable authorization, in the agreed form, to the Auditors (whose fees and expenses shall be for the account of the Company) to communicate directly with the Investors at any time regarding the Company's financial statements (both audited and unaudited), accounts and operations, and provide to the investors a copy of that authorization;
- (v) no later than thirty (30) days after any change in Auditors, issue an authorization similar to the irrevocable authorization set out in (iv) above to the new Auditors and provide a copy thereof to the Investors; and
- (vi) promptly provide to the Investors such information as the Investors may from time to time request with regard to any material developments in or affecting the Company's business and the business of any of its Subsidiaries (provided that, with respect to the Subsidiaries whose securities are listed on any stock exchange or whose securities are in the process of being listed, then upon filing of red herring prospectus of such Subsidiary, only such information relating to such Subsidiaries shall be provided to the Investors which (and in the form as) are publicly available,

provided that with respect to a Subsidiary proposing to list its securities on any stock exchange and having filed a red herring prospectus in this regard, any information set out in Clauses 35 (a) (i), (ii), (iii) and (vi) to be provided to the Investors after the date of filing of the red herring prospectus until the date of commencement of listing and trading of such Subsidiary on the stock exchanges shall be provided if (and in the form as) publicly available and subject to there being no restrictions under Applicable Law to share such information.

- b) The Company shall furnish to the Investors (other than NMI) the following information, provided that, with respect to a Subsidiary proposing to list its securities on any stock exchange and having filed a red herring prospectus in this regard, any information set out in Clauses 35 (b) to be provided to the Investors (other than NMI) after the date of filing of the red herring prospectus until the date of commencement of listing and trading of such Subsidiary on



the stock exchanges and post the listing shall be provided if (and in the form as) publicly available and subject to there being no restrictions under Applicable Law to share such information:

- (i) within thirty (30) days from the end of each month, provide monthly financial information in the format prescribed by the Investors (other than NMI) as applicable, from time to time;
- (ii) on a quarterly basis within thirty (30) days from the end of each quarter- report data on financial MIS and social performance metrics, the format of which shall be prescribed by the Investors (other than NMI). The Company shall at its cost collect and compile the data required for such reporting;
- (iii) provide copies of minutes of board meetings and general meetings and documents presented at such board meetings and general meetings within thirty (30) days of such board meetings and/or general meetings in each case, for both the Company and Subsidiaries; and
- (iv) Deliver such financial statements and other information as may be required by the Investors (other than NMI) and reasonably requested by the Investors (other than NMI) or their respective Nominee Directors with a minimum notice period of fifteen (15) days.

Provided that so long as Sarva Capital and Lok are Affiliates, the Company shall be deemed to have complied with the provisions of Article 35 (a) and Article 35 (b) so long as the said information as detailed therein is provided to Sarva Capital. However the proviso shall lapse in the event of any Transfer of Equity Shares and/or Share Equivalents by either Lok or Sarva Capital or in the event Sarva Capital and Lok cease to be Affiliates of each other.

So long as Sarva Capital and Lok collectively hold Equity Shares comprising at least five per cent (5%) of the share capital of the Company on a Fully Diluted Basis, Sarva Capital and Lok shall be entitled to visitation rights and full access to all books of account, records and the like of the Company during office hours of the Company and upon providing reasonable notice to the Company. This right shall be collectively exercised by Sarva Capital and Lok only so long as they remain Affiliates of each other. In the event of any Transfer of Equity Shares and/or Share Equivalents to any Person, not being an Affiliate of Sarva Capital and Lok, the right as contained herein shall be exercised individually so long as each Investor holds five per cent (5%) of the share capital of the Company on a Fully Diluted Basis.

- c) The Company shall furnish to NMI the following information, provided that, with respect to a Subsidiary proposing to list its securities on any stock exchange and having filed a red herring prospectus in this regard, any information set out in Clauses 35 (c) and (vi) to be provided to NMI after the date of filing of the red herring prospectus until the date of commencement of listing and trading of such Subsidiary on the stock exchanges and post the listing shall be provided if (and in the form as) publicly available and subject to there being no restrictions under Applicable Law to share such information:



- (i) on a quarterly basis within thirty (30) days from the end of each quarter report data on social performance metrics, the format of which shall be prescribed by NMI. The Company shall at its cost collect and compile the data required for such reporting;
- (ii) copies of minutes of Board meetings and General Meetings and documents presented at such Board meetings and General Meetings within thirty (30) days of such Board meetings and/or General Meetings; and
- (iii) such financial statements and information as may be required by NMI and reasonably requested by NMI or the NMI Nominee Director within such time period as specified by NMI or the NMI Director, as the case may be, in each instance.

35. Investor Reporting Covenants.

- a) The Company shall promptly (and in any event within fifteen (15) days of notice of the same) notify the Investors upon becoming aware of any: (i) litigation or investigations or proceedings which have or may reasonably be expected to have a Material Adverse Effect; or (ii) any criminal investigations or proceedings against the Company or any Related Party, (provided that if the Related Party is a Subsidiary proposing to list its securities on any stock exchange and having filed a red herring prospectus in this regard, any information set out in Clauses 3.02(a) to be provided to the Investors after the date of filing of the red herring prospectus until the date of commencement of listing and trading of such Subsidiary on the stock exchanges and post the listing, shall be provided if (and in the form as) publicly available and subject to there being no restrictions under Applicable Law to share such information and any such notification shall specify the nature of the action or proceeding and any steps that the Company proposes to take in response to the same.
- b) Upon a request from the Investors, and with reasonable prior notice to the Company, the Company shall permit representatives of the Investors and the CAO, during normal office hours, to:
 - (i) visit any of the sites and premises where the business of the Company or any of its Subsidiaries is conducted;
 - (ii) inspect any of the offices, branches and other facilities of the Company or any of its Subsidiaries;
 - (iii) have access to the books of account and all records of the Company and any of its Subsidiaries; and
 - (iv) have access to those employees and agents of the Company and any of its Subsidiaries who have or may have knowledge of matters with respect to which the Investors and the CAO seeks information.

Provided that: (A) no such reasonable prior notice shall be necessary if special



circumstances so require; and (B) in the case of the CAO, such access shall be for the purpose of carrying out the CAO's Role.

Provided further that, with respect to a Subsidiary proposing to list its securities on any stock exchange and having filed a red herring prospectus in this regard, any information or inspection rights exercisable by the Investors, as set out in Clauses 36 (b), after the date of filing of the red herring prospectus till the date of commencement of listing and trading of such Subsidiary on the stock exchanges and post the listing shall be exercisable in compliance with Applicable Law and all information to be shared shall be provided if (and in the form as) publicly available.

c) The Company shall and shall ensure that its Subsidiaries shall:

- (i) within ninety (90) days after the end of each Financial Year, deliver to the Investors, the S&E Performance Report consistent with the requirements of these Articles confirming compliance with the social and environmental covenants of these Articles, Social and Environmental Action Plan and Applicable S&E Law or, as the case may be, identifying any non-compliance or failure, and the actions being taken to remedy any such deficiency;
- (ii) within three (3) days after becoming aware of the occurrence, notify the Investors of any social, labor, health and safety, security or environmental incident, accident or circumstance with respect to any Client or in relation to any Client Operations having, or which could reasonably be expected to have, any material adverse social and/or environmental impact or any material adverse impact on the implementation or operation of the Client Operations in compliance with the S&E Requirements (including, without limitation, (AA) any workplace accident which results in death, serious or multiple injuries and (BB) any such event that results in a loss of life or severe permanent injury or severe permanent damage to health to any persons and a material breach of Applicable S&E Law), specifying in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures the Company and/or the Client is taking or plans to take to address them and to prevent any future similar event; and keep the Investors informed of the on-going implementation of those measures; and
- (iii) Within ninety (90) days after the end of the expiry of any of the insurance policies referred to in Article 37(g) and Article 37(h) below, the Company shall furnish to the Investors a certificate from an Authorized Representative confirming that, as of the date of such certificate, the Company maintains the insurance policies required to be maintained pursuant to Article 37(g) and Article 37(h) below and providing a detailed explanation of any material changes in such insurance policies.



36. Investor Policy Covenants

a) Sanctionable Practices.

- (i) Each of the Shareholders, shall not engage in (nor authorize or permit any Affiliate or any other Person acting on its behalf to engage in) any Sanctionable Practice with respect to any shareholding in the Company or any Relevant Financing Operations.
- (ii) Each of the Shareholders further covenant that should it become aware of any violation of Article 37(a)(i), it shall promptly notify the Investors;
- (iii) If any Investor notifies the Company and/or any other Shareholders, of its concern that there has been a violation of Article 37(a)(i), the Company and any other such Shareholder shall cooperate in good faith with the relevant Investor(s), the Company and its/their representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from the relevant Investor(s), and shall furnish documentary support for such response upon the request of the relevant Investor(s); and
- (iv) The Company has incorporated the covenants under this Article 37 (a) in its articles of association to ensure that these provisions are applicable to all Shareholders.

b) Affirmative Social and Environmental Covenants. The Company shall and shall ensure that its Subsidiaries shall:

- (i) use all reasonable efforts to ensure the continuing operation of the S&E Management System to identify, assess, monitor and manage the social and environmental performance of the Relevant Financing Operations in compliance with the S&E Requirements and the Social and Environmental Action Plan;
- (ii) in the event any successor or replacement S&E Officer is appointed, ensure that such S&E Officer shall be reasonably acceptable to the Investors;
- (iii) without limiting any other right, remedy or claim of the Investors hereunder, if the Company becomes aware of any change in the scope of the Relevant Financing Operations, advise and consult with the Investors regarding any material social or environmental risk posed by such development and, if requested by the Investors, amend the S&E Management System to identify, assess monitor and manage such risks in compliance with the S&E Requirements;
- (iv) if the Company becomes aware that any Client has undertaken Client Operations in a manner that is not in accordance with the S&E



Requirements, promptly: (A) require the relevant Client to undertake, as appropriate or necessary in the Company's reasonable judgment, corrective measures to remedy such inconsistency or breach; and (B) if the relevant Client does not implement corrective measures as provided under sub - article (A), use reasonable efforts to dispose of the Company's investment in such Client on commercially reasonable terms, taking into account liquidity, market constraints and fiduciary responsibilities; and

- (v) Undertake and implement the Social and Environmental Action Plan in accordance with the requirements and schedule specified therein.
- c) Negative Social and Environmental Covenants. The Company shall not and shall ensure that its Subsidiaries shall not:
- (i) amend, waive the application of, or otherwise materially restrict the scope or effect of, the S&E Management System (including the S&E Requirements); or
 - (ii) provide loans, funding, investments or other support to Clients engaged in any of the activities on the Exclusion List except that, in the case of tobacco, the Company shall use all reasonable efforts not to provide funding to Clients engaged in such activities, and shall ensure that in all events, the Company's aggregate funding to such Clients shall not at any time exceed two percent (2%) of the Company's total disbursed portfolio in respect of such Relevant Financing Operations.
- d) UN Security Council Resolutions. The Company shall and shall ensure that its Subsidiaries shall institute, maintain and comply with internal policies, procedures and controls consistent with its business and customer profile, for the purpose of ensuring that it will not enter into any transaction: (i) with, or for the benefit of, any of the individuals or entities named on lists promulgated by; or (ii) related to any activity prohibited by, the United Nations Security Council or its committees pursuant to any resolution under Chapter VII of the United Nations Charter.
- e) Shell Banks. The Company shall and shall ensure that its Subsidiaries shall institute, maintain and comply with appropriate internal procedures and controls to ensure that:
- (i) any financial institution with which the Company or its Subsidiaries conducts business or enters into any transaction, or through which the Company or its Subsidiaries transmits any funds, does not have correspondent banking relationships with any Shell Bank; and
 - (ii) the Company shall not and shall ensure that its Subsidiaries shall not conduct business or enter into any transaction with, or transmit any funds through a Shell Bank.



- f) AML/CFT. The Company shall and shall ensure that its Subsidiaries shall institute, maintain and comply with internal policies, procedures and controls for AML/CFT consistent with its business and customer profile, in compliance with national laws and regulations, and in furtherance of applicable international AML/CFT best practices.
- g) D&O Insurance. The Company has obtained a directors and officers liability insurance policy for all the Directors (including the Nominee Directors), providing adequate and customary coverage with a financially sound and reputable insurer or insurers, in a form and substance satisfactory to the Investors, and shall at all times ensure and maintain such policy on an ongoing basis from such date.
- h) General Insurance. The Company shall, at all times, continue to maintain compliance with the requirements as agreed between the Shareholders on an ongoing basis.

37. Other Affirmative Covenants. The Company shall, and the Sponsors and the Other Shareholders, shall ensure that the Company shall:

- a) undertake its business, activities and investments, and cause its Subsidiaries to undertake their business, activities and investments, in compliance with Applicable Law;
- b) not issue or create any further employee stock option ("**ESOP**") except as approved by the Investor Super Majority. Any issuance of ESOP shall be made through appropriate mechanisms approved by the Board and the nomination and remuneration committee of the Board in accordance with the Act and Applicable Law (in the manner approved by the Investor Super Majority). As of Effective Date, the Company has issued a total of one million two hundred thousand (1,200,000) Equity Shares towards ESOPs, in the format laid down in the shareholders' agreement dated February 19, 2010 executed by and between the Company, the Key Sponsors, the Other Shareholders, at the relevant point in time, IFC and Aavishkaar Goodwill India Microfinance Development Company I Limited ("**ESOP Plan 2010**").

Further, to be in compliance with Section 10B(4) read with Section 5 (ne) of the Banking Regulation Act, 1949, the Sweat Equity Shares has been transferred to the Trust on January 28, 2019.

Further, the Shareholders acknowledge that the Board has approved, in its meeting dated 24 May, 2016, the issuance of Equity Shares (or equity shares of the SFB Entity, subject to the SFB Guidelines), representing seven percent (7%) of the paid up equity share capital of the Company (of the SFB Entity, as the case may be) on a Fully Diluted Basis as on the Effective Date, to the employees of the Company (or employees of the SFB Entity, as may be applicable) under an ESOP plan in the form provided by the Company to AGIMDC II, IFC, NMI, CDC and Sarva Capital on May 19, 2016 ("**New ESOP Plan**") which may be implemented by the Company (or the SFB Entity, as may be applicable) within three (3) years of the date of commencement of business by the SFB Entity and



the Shareholders agree to take all necessary steps and actions, including, but not limited to, passing of necessary resolutions at meetings of the Board and Shareholders and providing approval of the compensation committee of the Board, to give effect to such New ESOP Plan. It is hereby clarified that the price for each Equity Share to be issued under the aforementioned New ESOP Plan, shall be the same price at which Equity Shares have been subscribed to, by HDFC Life, ICICI Pru, Faering, HDFC Ergo, RBL, SIDBI, AIA and Shriram under the Share Subscription Agreement dated September 27, 2016.

- c) carry out the Relevant Financing Operations at all times in compliance with (i) all statutes and regulations of any Authority and (ii) all Applicable Laws, including the relevant provisions of the Act, the Reserve Bank of India Act, 1934 and all applicable guidelines and regulations issued by the RBI or any other Authority, including guidelines and regulations relating to non-banking financial companies, and all shall ensure that all procedural filings and submissions as required under the same are duly complete at all times;
- d) in the event of any investment by any new investor (other than the Investors), (without prejudice to any of the Investors' rights contained herein) provide each of the Investors any rights granted to such new investors that are further to/more favourable than the rights of the Investors under these Articles; provided that nothing stated herein will restrict the Drag Along Right being provided to such new investor to the exclusion of IFC, and the restriction provided in Article 19(c)(i)(A) and (B) of these Articles with respect to IFC shall continue to be effective. Further, in the event of such investment by new investors, the Company shall ensure that it resolves any material issues raised by such new investors during the course of any diligence exercise undertaken in relation to such investment to the satisfaction of the Investors;
- e) adhere to the reporting requirements of the Investors as set out in this sub-article; The Company shall and shall ensure that its Subsidiaries (if any) shall:
 - (i) Measure and report to the Investors on the Social Performance and Development Impact of the activities of the Company and its Subsidiaries, if any, on an annual basis.

For this purpose:

- (A) **"Social Performance"** shall be measured against the application of the SMART Campaign Client Protection Principles and shall be independently reviewed by an external audit / ratings organization as set forth in Schedule 9 of the Shareholders Agreement
- (B) **"Development Impact"** shall also be measured and reported on through the SP Standards Report and shall be based on the "Poverty Assessment" and "Social Goals" aspects of the SP Standards Report.
- (ii) If the Company should determine to utilize a different standard or tool for measuring and reporting on Social Performance, such standard or tool shall provide reasonably equivalent information as the SP Standards Report and shall be used only with the prior approval of the Investors. In



such case, the Company shall develop an appropriate plan and schedule acceptable to the Investors for measuring and reporting on Social Performance and Development Impact within a reasonable time (being not less than ninety (90) days from date of notification of change of standard or tool by the Company to the Investors) and shall endeavor to obtain any training or technical assistance that it may require to meet this objective.

- (iii) At all times have in place a designated Officer responsible for Social Performance Management responsibilities.
 - (iv) Within one hundred and twenty (120) days from September 27, 2016, the Company shall undertake to obtain a Social Rating from any of the established Microfinance Rating Companies at a mutually agreeable time and provide the results of such ratings to the investor.
 - (v) The Company shall include summary information regarding the Social Performance and Development Impact in its quarterly and annual reports in such form as shall be mutually agreed with the Investors.
- f) shall adapt and comply with the SMART Campaign Client Protection Principles set forth in the Schedule 7 of the Shareholders Agreement and will endorse the principles of MF Transparency as set forth in Schedule 8 of the Shareholders Agreement.
- g) ensure that none of the Investors shall be deemed to be a promoter of the Company for any reason whatsoever, including but not limited to the purpose of any Listing/Offering, and none of the Equity Shares and Share Equivalents held by the Investors shall be subject to any statutory or regulatory moratorium imposed in connection thereto, and no declaration or statement shall be made that may result in any of the Investors being deemed as a promoter, either directly or indirectly, in filings with any Authority, offer documents or otherwise, with a view to ensuring that restrictions under Applicable Law to promoters do not apply to the Investors, each of which is a financial investor in and not the promoter of the Company. For the avoidance of doubt, it is clarified that each of the Investors shall be subject to any regulatory restrictions as may be applicable to them under Applicable Law.
- h) adopt and comply with the Management Plan (as more particularly set out in Schedule 14 of the Shareholders Agreement), within thirty (30) days from the Effective Date, and undertake all such actions as are set out in the Management Plan, within the agreed timelines. The Management Plan shall form the basis of management of the business of the Company.
- i) subject to the Applicable Law and approval of the RBI and other Authorities (to the extent such approval is required), shall on a best effort basis, undertake a the merger of the Company with the SFB Entity, provided that the Company shall initiate the process of undertaking the merger of the Company with SFB Entity within three (3) months from the date on which the Company and the SFB Entity are eligible under Applicable Law to undertake such a merger or by any such date as permitted by RBI ("**Merging Period**"), on terms acceptable to all Shareholders.



38. **Issuance of Share Capital:** - During the term of the Shareholders Agreement, subject to the other restrictions set forth herein, the Company shall not issue any Equity Shares and/or Share Equivalents to any Person that, unless such Person:

- a) executes an Accession Instrument confirming that it shall be bound by the Shareholders Agreement in respect of all Equity Shares and/or Share Equivalents held or to be held by such Person and promptly provides copies of such executed Accession Instrument to each of the other parties to the Shareholders Agreement or enter into a fresh shareholders' agreement; and
- b) delivers to each of the other parties to the Shareholders Agreement: (i) a Certificate of Incumbency and Authority; (ii) a copy of the applicable corporate documentation of such Person authorizing the execution of the Accession Instrument (if applicable) and the subscription or purchase of the applicable Equity Shares and/or Share Equivalents; and (iii) executes any other documentation reasonably requested by any Shareholder.

39. **Conflict of Interest.**

- a) The Sponsors covenant to disclose to the Board of Directors, any conflict or potential conflict of interest with respect to the business of the Company and the Subsidiaries. Any such disclosure shall be made in writing by the concerned Shareholder to the Board and shall provide full particulars of the conflict or potential conflict of interest.
- b) The Board of Directors shall maintain a register on behalf of the Company of all such disclosures with regard to conflict of interest and such register shall be available for inspection at the registered office of the Company, upon prior written request of any Shareholder.
- c) In the event that the Board of Directors determines in good faith that a conflict exists or a potential Conflict may arise with respect to any matter, then the Board acting in good faith shall use its best efforts to determine steps required to be taken to resolve such conflict in an amicable manner. If the Board, in its sole and absolute discretion, determines that such conflict is materially serious to prejudice any actions taken by such interested Shareholder in relation to the Company and/or the Subsidiaries or in exercise of such Shareholder's rights under these Articles, then the Board shall communicate this in writing to the interested Shareholder and the interested Shareholder shall in good faith consider the Board's recommendation.
- d) In applying the provisions of this Article 39, the Shareholders undertake to be guided by and adhere to the principles of openness, transparency and utmost good faith.
- e) The Shareholders shall take all steps to ensure that their respective Nominee Directors refrain from participating in any deliberations or decisions (including exercise of their respective voting rights) relating to matters in which such Nominee Directors may have a conflict of interest in terms of this Article 40.



f) The provisions of this Article 40 shall not apply to any Investor.

40. Change in Beneficiaries

It is understood and agreed that any change in the beneficiaries of the Trust would require the prior written consent of each of the Investors.

BORROWING POWERS

41. Subject to these Articles and the provisions of the Act, the Directors of the Company may from time to time borrow from Shareholders and / or other Persons or from any financial institutions or may themselves lend; any sum or money for the purpose of the Company's Business as they think fit.

COMMON SEAL

42. The Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for the safe custody of the seal for the time being.

43. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or such other person as the Board may appoint for the purpose; and such director or other persons aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

45. Compliance by the Company

Each Sponsor and Other Shareholders shall exercise all such rights and powers as are available to it (including any voting rights attached to any shares of the Company held by such Sponsor or Other Shareholder) to ensure compliance with and to fully and effectually implement the provisions of these Articles and the other Transaction Documents, as promptly as reasonably possible, including without limitation, as required to cause the Company and its Subsidiaries to take all actions required to be taken by it hereunder.

44. Pari Passu Rights of the Investor and/or its Affiliates

- a) Any and all Equity Shares and/or Share Equivalents acquired, purchased, received or subscribed by, or issued or Transferred to, the Investor and/or its Affiliates shall rank paripassu (with equal pace) with other Equity Shares and/or Share Equivalents of the Company, as the case may be.
- b) It is clarified that the aforesaid sentence shall not affect or prejudice any rights or privileges of the Shareholders available pursuant to these Articles or pursuant to Applicable Laws. To clarify, the preferential rights to payment of dividend and preferential rights to any distribution of assets available to any holder of preference shares issued by the Company by Applicable Laws shall not be affected or prejudiced in any manner whatsoever. Provided however that notwithstanding any



statutory preference capable of being enforced by either of CDC or Sarva Capital on account of any Share Equivalents held by either of them at the relevant time, each of CDC and Sarva Capital undertakes to waive any such statutory preference and shall have the same level of priority to any distribution as the holders of any Equity Shares issued by the Company. For any reason whatsoever, if under applicable Law, it is not possible for the Shareholders to strictly adhere to the provisions of this Article 46, after statutory distributions are made to the Shareholders contrary to the provisions of this Article 46, the Shareholders shall exchange such amounts as are necessary to give full commercial effect to the distributions agreed under this Article 46, provided however that any such payments inter-se between the Shareholders post completion of the statutory distributions shall, to the extent possible, be tax neutral.

- c) It is further clarified that with respect to voting rights, whether prior to the conversion of the Share Equivalents held by any Investor or after such conversion, such Investor shall have the same voting rights on all matters in the same manner as holders of Equity Shares, in respect of the preference shares held by it on an "as if converted basis".

45. Term

- a) The Overriding Articles shall become effective on the Effective Date and shall cease to have effect with respect to an Investor where such Investor no longer holds Equity Shares or Share Equivalents provided, however, that the provisions of Article 14 (Preemptive Right), Articles 25 (a) and 25 (b) (Board Composition), Article 26 (Removal/Resignation of Directors), Article 32 (Investor Consent Rights) and Article 35 (General Reporting Covenants) and, shall cease to have effect and be of no further force or effect upon a Listing; and
- b) Article 17 (Tag-Along Rights) shall cease to have force or effect upon SFB Listing.

46. Overriding Provisions

In the event of any inconsistency between the provisions of the Overriding Articles and any other provisions of these Articles, the terms of the Overriding Articles shall apply.

47. Exercise of rights as between AGIMDC II and AVMS

- a) The shareholding of AGIMDC II and AVMS shall be reckoned collectively with respect to the rights accorded to them under these Articles (except for voting rights and the right to receive dividends).
- b) AGIMDC II and AVMS shall collectively be reckoned as being 1 (One) Investor wherever any reference to them has been made or can be inferred, in these Articles in the context of determining numerical majority of/ out of the Investors.



ANNEX I
List of Existing Agreements

S. No.	DETAILS OF THE AGREEMENT
1.	Pursuant to a subscription agreement dated December 30, 2009 executed <i>inter alia</i> between IFC, the Sponsors and the Company, IFC had subscribed to 972,222 (nine hundred seventy two thousand two hundred and twenty two) Equity Shares in the Company and pursuant to the letter agreement dated October 27, 2010 (the said subscription agreement and the letter agreement hereinafter are collectively referred to as the " IFC Subscription Agreement ") between IFC, the Sponsors and the Company, IFC had further subscribed to 732,468 (seven hundred thirty two thousand four hundred and sixty eight) Equity Shares on the terms and conditions of the IFC Subscription Agreement.
2.	Pursuant to a letter agreement dated October 27, 2010 executed <i>inter alia</i> between the Company, the Sponsors, Aavishkaar Goodwill India Microfinance Development Company I Limited and AGIMDC II, AGIMDC II holds 1,363,636 (one million three hundred sixty three thousand six hundred and thirty six) Equity Shares in the Company and pursuant to the investment agreement dated June 8, 2011 (the said letter agreement and the investment agreement hereinafter collectively referred to as the " AGIMDC II Investment Agreement ") between AGIMDC II, the Sponsors and the Company, AGIMDC II had subscribed to 600,000 (six hundred thousand) compulsorily convertible debentures (" CCDs ") of face value of INR. 100 (Rupees one hundred only) issued by the Company to AGIMDC II in compliance on the terms and conditions set out in the AGIMDC II Investment Agreement; which have been converted to 2,089,864 (two million eighty nine thousand eight hundred and sixty four) Equity Shares on December 20, 2012.
3.	Pursuant to a subscription agreement dated September 8, 2011 (the " NMI Subscription Agreement ") between NMI, Mr. Govind Singh and the Company, NMI subscribed to 4,952,978 (four million nine hundred fifty two thousand nine hundred and seventy eight) compulsorily convertible preference shares (" CCPS ") Series A on the terms and conditions set out in the NMI Subscription Agreement. The said CCPS Series A have converted to 4,952,978 (four million nine hundred fifty two thousand nine hundred and seventy eight) Equity Shares on September 20, 2011.
4.	Pursuant to a letter agreement dated November 2, 2011 (" IFC CCPS Letter Agreement ") between IFC, the Sponsors and the Company, IFC subscribed to 1,003,134 (one million three thousand one hundred and thirty four) CCPS Series A on terms and conditions set out in the IFC CCPS Letter Agreement. The said CCPS Series A have converted to 1,003,134 (one million three thousand one hundred and thirty four) Equity Shares on November 28, 2011.
5.	Pursuant to a share purchase agreement dated March 22, 2013 between AGIMDC II, AVMS, the Sponsors and the Company, amended vide an agreement dated January 22, 2014 (collectively referred to as " AGIMDC II Share Purchase Agreement "), AGIMDC II purchased 399,500 (three hundred ninety nine thousand and five hundred) Equity Shares from Mr. Govind Singh, and AVMS purchased 625 (six hundred and twenty five) Equity Shares from Mr. Govind Singh on terms and conditions set out in the AGIMDC II Share Purchase Agreement.
6.	Pursuant to a letter agreement dated March 22, 2013 (" 2013 AGIMDC II Letter Agreement ") between AGIMDC II, AVMS, NMI, the Sponsors and the Company,



S. No.	DETAILS OF THE AGREEMENT
	(i) AGIMDC II subscribed to 2,289,600 (two million two hundred eighty nine thousand and six hundred) Equity Shares, (ii) AVMS subscribed to 5,400 (five thousand four hundred) Equity Shares, and NMI subscribed to 1,650,000 (one million six hundred and fifty thousand) Equity Shares on terms and conditions set out in the 2013 AGIMDC II Letter Agreement.
7.	Pursuant to a letter agreement dated March 22, 2013 (" 2013 IFC Letter Agreement ") between IFC, the Sponsors and the Company, IFC subscribed to 1,050,000 (one million fifty thousand) Equity Shares on terms and conditions set out in the 2013 IFC Letter Agreement.
8.	Pursuant to a subscription agreement dated November 28, 2014 (" Existing Investors Subscription Agreement ") between CDC, Sarva Capital, AGIMDC II, NMI, IFC, the Sponsors and the Company, (i) CDC has subscribed to 8,571,750 (eight million five hundred seventy one thousand seven hundred and fifty) Equity Shares and 31,713,000 (thirty one million seven hundred and thirteen thousand) CCDs; (ii) Sarva Capital has subscribed to 4,285,875 (four million two hundred eight five eight hundred and seventy five) Equity Shares and 15,856,500 (fifteen million eight hundred and fifty six thousand and five hundred) CCDs; (iii) AGIMDC II has subscribed to 389,625 (three hundred and eight nine thousand six hundred and twenty five) Equity Shares and 1,441,500 (one million four hundred forty one thousand and five hundred) CCDs; (iv) NMI has subscribed to 779,250 (seven hundred seventy nine thousand two hundred and fifty) Equity Shares and 2,883,000 (two million eight hundred and eight three thousand) CCDs; and (v) IFC has subscribed to 2,337,750 (two million three hundred and thirty seven thousand seven hundred and fifty) Equity Shares and 8,649,000 (eight million six hundred forty nine thousand) CCDs, on terms and conditions set out in the Existing Investors Subscription Agreement. The said CCDs have converted to 6,727,847 (six million seven hundred and twenty seven thousand eight hundred and forty seven) Equity Shares on September 10, 2016.
9.	Pursuant to a share purchase agreement dated November 27, 2014 (" Sarva Capital Share Purchase Agreement ") executed between Sarva Capital, Aavishkaar Goodwell India Microfinance Development Company I Limited and the Company, Sarva Capital has purchased 989,661 (nine hundred eighty nine thousand six hundred and sixty one) Equity Shares from Aavishkaar Goodwell India Microfinance Development Company I Limited. Additionally, pursuant to a Share Purchase Agreement dated December 17, 2015 (" Second Sarva Capital Share Purchase Agreement ") executed between Sarva Capital, Company and Mr. Govind Singh, Sarva Capital has purchased 200,000 (two hundred thousand) Equity Shares from Mr. Govind Singh. Further, pursuant to the share purchase agreement dated 4th August 2016 (" Lok Share Purchase Agreement "), Lok (an Affiliate of Sarva Capital) had agreed to purchase 1,301,756 (one million three hundred and one thousand seven hundred and fifty six) Equity Shares from Aavishkaar Goodwell India Microfinance Development Company I Limited and AGIMDC II so as to ensure that on the Effective Date, the aggregate shareholding percentage of Sarva Capital and Lok collectively, shall: (i) be not less than 9.95% (nine point nine five percent); and (ii) not exceed 9.98% (nine point nine eight percent); of all existing Equity Shares and Share Equivalents on a Fully Diluted Basis.
10.	Pursuant to a subscription agreement dated 27 th September, 2016 executed inter alia between, the Sponsors and the Company (" 2016 Investor Subscription Agreement "), HDFC Life, ICICI Pru, Faering, HDFC Ergo, RBL, SIDBI, Arpwood



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S. No.	DETAILS OF THE AGREEMENT
	Investments Advisors LLP and Shriram had collectively subscribed to 36,120,277 (thirty six million one hundred and twenty thousand two hundred and seventy seven) Equity Shares in the Company on the terms and conditions of the 2016 Investor Subscription Agreement.
11.	Pursuant to a share purchase agreement dated 21st August, 2017 executed between IFC, responsAbility Participations Mauritius and the Company (" RA Share Purchase Agreement "), responsAbility Participations Mauritius purchased 4,269,726 (four million two hundred sixty nine thousand seven hundred twenty six) Equity Shares of the Company held by IFC constituting 4.99% (four point nine percent) of the total issued and paid-up share capital of the Company in accordance with the terms of the RA Share Purchase Agreement.
12.	Pursuant to a share purchase agreement dated 8th November 2017 executed between Sarva Capital LLC, Hero Enterprise Partner Ventures and the Company (" Hero Share Purchase Agreement "), Hero Enterprise Partner Ventures purchased 4,269,726 (Four Million Two Hundred and Sixty Nine Thousand Seven Hundred and Twenty Six) Equity Shares of the Company from Sarva Capital LLC. Pursuant to the Acceptance Letter to Renounced Shares, Hero subscribed to 5,75,770 Equity Shares of the Company as renounced by Sarva Capital in favour of Hero by virtue of Renunciation Notice dated November 10, 2017.
13.	Pursuant to Share Purchase Agreement dated March 29, 2019 executed between Aavishkaar Goodwell India Microfinance Development Company II Ltd, Sustainability Finance – Real Economies SICAV – SIF, Sponsors and the Company (" Share Purchase Agreement "), Sustainability Finance – Real Economies SICAV – SIF purchased 2,198,828 (Two Million One Hundred Ninety Eight Thousand Eight Hundred and Twenty Eight Only) Equity shares of the Company held by Aavishkaar Goodwell India Microfinance Development Company II Ltd. constituting 2.26% (two point two six percent) of the total issued and paid- up share capital of the Company in accordance with the terms of the Share Purchase Agreement.



**ANNEX II
ANTI-CORRUPTION GUIDELINES**

The purpose of these Guidelines is to clarify the meaning of the terms "Corrupt Practice", "Fraudulent Practice", "Coercive Practice", "Collusive Practice" and "Obstructive Practice" in the context of the operations of the Company as required by the Investors.

1. CORRUPT PRACTICES

A "**Corrupt Practice**" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.

INTERPRETATION

- A. Corrupt practices are understood as kickbacks and bribery. The conduct in question must involve the use of improper means (such as bribery) to violate or derogate a duty owed by the recipient in order for the payor to obtain an undue advantage or to avoid an obligation. Antitrust, securities and other violations of law that are not of this nature are excluded from the definition of corrupt practices.
- B. It is acknowledged that foreign investment agreements, concessions and other types of contracts commonly require investors to make contributions for bona fide social development purposes or to provide funding for infrastructure unrelated to the project. Similarly, investors are often required or expected to make contributions to bona fide local charities. These practices are not viewed as Corrupt Practices for purposes of these definitions, so long as they are permitted under local law and fully disclosed in the payor's books and records. Similarly, an investor will not be held liable for corrupt or fraudulent practices committed by entities that administer bona fide social development funds or charitable contributions.
- C. In the context of conduct between private parties, the offering, giving, receiving or soliciting of corporate hospitality and gifts that are customary by internationally-accepted industry standards shall not constitute corrupt practices unless the action violates Applicable Law.
- D. Payment by private sector persons of the reasonable travel and entertainment expenses of public officials that are consistent with existing practice under relevant law and international conventions will not be viewed as Corrupt Practices.
- E. The World Bank Group¹ does not condone facilitation payments. For the purposes of implementation, the interpretation of "Corrupt Practices" relating to facilitation payments will take into account relevant law and international conventions pertaining to corruption.

2. FRAUDULENT PRACTICES

A "**Fraudulent Practice**" is any action or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

¹ The "World Bank" is the International Bank for Reconstruction and Development, an international organization established by Articles of Agreement among its member



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countries and the "World Bank Group" refers to the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes.

INTERPRETATION

- A. An action, omission, or misrepresentation will be regarded as made recklessly if it is made with reckless indifference as to whether it is true or false. Mere inaccuracy in such information, committed through simple negligence, is not enough to constitute a "Fraudulent Practice" for purposes of these Articles.
- B. Fraudulent Practices are intended to cover actions or omissions that are directed to or against a World Bank Group entity. It also covers Fraudulent Practices directed to or against a World Bank Group member country in connection with the award or implementation of a government contract or concession in a project financed by the World Bank Group. Frauds on other third parties are not condoned but are not specifically sanctioned in MIGA, or PRG operations. Similarly, other illegal behavior is not condoned, but will not be considered as a Fraudulent Practice for purposes of these Articles.

3. COERCIVE PRACTICE

A "**Coercive Practice**" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

INTERPRETATION

- A. Coercive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.
- B. Coercive Practices are threatened or actual illegal actions such as personal injury or abduction, damage to property, or injury to legally recognizable interests, in order to obtain an undue advantage or to avoid an obligation. It is not intended to cover hard bargaining, the exercise of legal or contractual remedies or litigation.

4. COLLUSIVE PRACTICE

A "**Collusive Practice**" is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

INTERPRETATION

Collusive Practices are actions undertaken for the purpose of bid rigging or in connection with public procurement or government contracting or in furtherance of a Corrupt Practice or a Fraudulent Practice.

5. OBSTRUCTIVE PRACTICES

An "**Obstructive Practice**" is (i) deliberately destroying, falsifying, altering or concealing of



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247

evidence material to the investigation or making of false statements to investigators, in order to materially impede a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice, and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) an act intended to materially impede the exercise of the Subscribing Investors' access to contractually required information in connection with a World Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice.

INTERPRETATION

Any action legally or otherwise properly taken by a party to maintain or preserve its regulatory, legal or constitutional rights such as the attorney-client privilege, regardless of whether such action had the effect of impeding an investigation, does not constitute an Obstructive Practice.

GENERAL INTERPRETATION

A person should not be liable for actions taken by unrelated third parties unless the first party participated in the prohibited act in question.



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248

Annexure-III

OTHER SHAREHOLDERS

#	Name of Shareholder	Address	No. of Equity Shares
1	Nirmal Estates (Pvt.) Ltd.	Unit No. – 208, Aggarwal Corporate Heights, A-7 Netaji Subhash Place, Pitampura, Delhi, India 110034	73,562
2	Via Projects Pvt. Ltd.	D 1034, New Friends Colony, New Delhi, India 110025	1,14,206
3	Ira Singh Tharakan	2401, Prasarnmitthani, 41 41, Soisukhmvit, 23, Klongtoey Nua, Bangkok Wattana, District - Bangkok, Thailand 10110	1,20,206
4	Satya Narayan Bansal	504, Signia Pearl, G Block, Plot No. R11, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, India 400051	1,99,394
5	Gyanandra Narain Mishra	Flat No. 403, Bldg No. 35, NRI Complex, Sector 54/56/58, Nerul, Navi Mumbai, Maharashtra, India 400706	2,146
6	Abhisheka Kumar	BH 606, Amrapali Village, Indirapuram, Ghaziabad, Uttar Pradesh, India 201010	92,662
7	Kaushik Bishnu Mazumdar	A701, Ann Abode CTS, F 1110, TPS 11 18-A, St. Martin Road, Bandra (W), Mumbai, India 400050	1,15,000
8	Vinod Dua	242-243 Tribhuwan Complex, Ishwar, New Friends Colony, New Delhi, Delhi, India 110025	87,134
9	Alok Shukla	House No.2/14, GF, Shanti Niketan, Chanakya, Puri Delhi, India 110021	86,401
10	Deep Kalra	J6/11A, DLF Phase 2, Sikanderpur Ghosi, (68) DLF Qe Farrukhnagar, Gurgaon, Haryana, India 122002	86,401
11	Ramni Nirula	C/o ICICI Bank Limited, NBCC Place, North Tower, Pragati Bhisim Pitamah Marg, Lodhi Road New Delhi, India 110003	79,592
12	Molecule Enterprises (Pvt.) Ltd.	207, Aggarwal Corporate Heights, Netaji Subhash Place, Pitampura, Delhi, India 110034	1,38,564
13	Emerging Buildwell (Pvt.) Ltd.	207, Aggarwal Corporate Heights, Netaji Subhash Place, Pitampura, Delhi, India 110034	1,18,564
14	Saira Ziauddin	74, Manik Bagh, Main Road, Near Nirvana, Indore, India 452007	67,794
15	Amrit Kumari Sivaprakasam	1002, Sparkle Citi of Joy, Opp. Lok Everest ACC Compound, JSD Road, Mulund West, Mumbai, India 400080	60,651
16	Sudhakar Solonraj	6, Omega Bldg, 19, A K Marg, Johnwillson Education, Soc Grant Rd, Mumbai, Maharashtra, India 400007	6,742
17	Sushma Agarwal	A 102, 10 Floor, Pranik Garden, Tower A, Mahavir Nagar, Kandivali W, Mumbai, India 400067	1,10,197
18	Veena Rani	C-41, Vidisha Apartment, Plot No. 79, Opposite DDA Market, IP Extension, Delhi, India 110092	58,567
19	Priyanka Jain	1903, Building Number 5, Oxford Regency Heights, Azad Nagar, Off G B Road, Brahmmand, Thane,	31,235



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#	Name of Shareholder	Address	No. of Equity Shares
		Maharashtra, India 400607	
20	Kirti Tatiwala	04 06, Spring Grove, 53, Grange Rd, Singapore 111111	61,603
21	Chattanathan D	1101, Raheja Tipco Heights, Tower 3, Rani Sati Marg, Malad East, Mumbai, Maharashtra, India 400097	7,965
22	Leena Pillai	Parekh Bldg, 1st Flr, 30, Laburnum Rd., Grant Rd, NR Mani Bhavan Chowk, Mumbai, Maharashtra, India 400007	26,586
23	Trilok Nath Shukla	S/o Raghubeer Ram Shukla, 372, Vishwkarma Nagar Extension, New Ideal Star School, Susuwahi, Varanasi, Uttar Pradesh, India 221011	1,21,750
24	T. R. Ramanaathan	Flat B-6, Block B, Second Floor, PLA Royal Arcade, 10th Cross, West Extn., Thillai Nagar, Trichy, Tamil Nadu, India 620018	11,500
25	Ramesh Chandra Singh	5/871, Sector-5, Vasundhra, Ghaziabad, Uttar Pradesh, India 201012	19,121
26	Abhishek Verma	S/o Gopi Nath Verma, 28/26, Kotha Parcha, Near Shiv Mandir, Allahabad, Uttar Pradesh, India 211003	35,225
27	Ashish Maurya	Babhani Khan Gadipur, Ahraura, Near Badi Bazar, Mirzapur, Uttar Pradesh, India 231301	35,157
28	Shailendra Kumar	S/o Ranjit Singh, 108, Sonbad, P/O Motiledha Sirala, Giridih, Jharkhand, India 815302	2,814
29	Rahul Dwivedi	S/o Heera Mani Dwivedi, 22, Manikathi Jigna, Near Durga Temple, Mirzapur, Uttar Pradesh, India 231313	48,904
30	Ajay Kumar Tiwari	S/o Ramnaresh Tiwari, Sirmour Road, Village Bedhowa, Post Mandow Teh Sirmour, Rewa Mado, Madhya Pradesh, India 486441	20,447
31	Shyam Sundar Rai	H. No. 175, Nasirpur, Police Stn Lanka, Tahsil Varanasi, Near DHU, Varanasi, Uttar Pradesh, India 221005	50,099
32	Purnima Garg	Fl No. A-01, Mahavir Sadhana, Sector-14, Sanpada, Navi Mumbai, Maharashtra, India 400705	60,500
33	Vijay Adhikari	C 704, Mahavir Sadhana, Sec 14, Sanpada, Navi Mumbai, Navi Mumbai, India 400705	8,848
34	Indra Deo Pandey	S/o Lakshmi Narain Pandey, Shakti Niwas, Station Road, Shivpuri Colony, Pili Kothi, Mahuarua, Mirzapur, Uttar Pradesh, India 231001	18,941
35	Vineet Kumar Pandey	Plt No. 35, Veena Vell, Rajiv Ngr, Wardha Road, Beside Shanti Nursing Home, Nagpur, Maharashtra, India 440022	4,398
36	Jugal Kishore Pandey	Sh 15/62, Panchkroshi Road, Shivpur, Near Kali Mandir, Varanasi, Uttar Pradesh, India 221003	3,019
37	Tapi Bhushan Singh	114/4/3, Nai Bazar, Cod Naini, Near Kali Mandir, Allahabad, Uttar Pradesh, India 211002	6,700
38	Leena Kumar:	C/o A K Srivastava, A 13/157, PO. Kashi R S Ghasiyari Tola, Varanasi, Uttar Pradesh, India 221001	21,559
39	Arvind Kumar	29-30, Kidwainagar, Near Roadways Bus St, Chittorgarh, Rajasthan, India 312001	31,490
40	Gajay Kumar Tiwari	S/o Anand Dev Tiwari, Damodar Pathra Sadawa Mirzapur, Near Kali Mandir, Mirzapur, Uttar Pradesh,	27,250



#	Name of Shareholder	Address	No. of Equity Shares
		India 231001	
41	Sonam Bhati	182, Rajput Mohalla Mahalan, Th Mozamabad, Dist Jaipur, Jaipur, Rajasthan, India 302001	2,000
42	Mukesh Kumar Singh	PO Daihar, PS Chauparan, Daihar, Hazaribagh, Chatra, Jharkhand, India 825408	6,170
43	Neeraj Rana	48, Canal Road, Kaulagarh, PO IPE PS Cantt, Near HT Media Office, Dehradun, Uttaranchal, India 248001	9,608
44	Ashish Kumar Mishra	2, Koklamau, Tehsil - Bhadohi, Distt - Sant Ravidas Nagar, Uttar Pradesh, India 221404	12,199
45	Atul Srivastava	S/o Ram Chandm Srivastava, 220 KV Substation, Hydell Colony, Chanditara, Near Durga Mandir, Chandauli, Sahupuri, Uttar Pradesh, India 221009	40
46	Jitendra Bharti	S/o Udhou Bharti, Jodavalpur Bhanpur, Gopalganj, Near Kali Mandir, Gopalganj, Bihar, India 841426	2,124
47	Jeewan Singh Tariyal	T-235, C-3, First Floor, Rd No. 20, Near Ram Dev Mandir, Bajleet Nagar, Patel Nagar, Delhi, India 110008	8,712
48	Lavkush Dubey	S/o Kailash Nath Dubey, V P O Raipur Pokhta, Raipur Parokhta, Mirzapur, Near Bio Gas, Mirzapur, Uttar Pradesh, India 231001	7,928
49	Mukesh Dwivedi	Jamgla Banpurawa Ashmaw Bhadosni, Near BSNL Tower, Bhadohi, Uttar Pradesh, India 221401	6,222
50	Narayan Datta Dwivedi	S/o Krishna Datta Dwivedi, 33K, Kalana Dubey, Near UP Allahabad Gramin Bank, Mirzapur, Uttar Pradesh, India 231303	567
51	Priyanka Singh	S-2/326 B Rajarshi Nagar, Bhojubeer Near Hanuman Mandir Varanasi, Uttar Pradesh India-221002	64,641
52	Rupesh Kumar Singh	S/o Surendra Pratap Singh, Bajahan Baburi, Chandauli, Near Ram Janki Mandir, Chandauli, Uttar Pradesh, India 232102	4,219
53	Anjali Deshpande	306, Wing-B, Oberoi Splendor, J V Link Road, CTS No. 1, Opp Majas Depot, Jogeshwari (E), Mumbai, India 400060	90,055
54	Ankit Kumar Srivastava	58/335, K Khajuri Sudhakar Road, Sikraul, Near Hanuman Mandir, Varanasi, Uttar Pradesh, India 221002	2,362
55	Savinay Raje Prajapati	S/o Ramratan, Village Kotawan, Post Koraut, Durga Mandir, Varanasi, Uttar Pradesh, India 221105	16,005
56	Ashwani Kumar	Utkarsh Micro Finance Pvt Ltd, S-2/639-56, Varuna Vihar Colony, J P Mehta Road, Cantt., Varanasi, Uttar Pradesh, India 221002	73,672
57	Raghvendra Singh	S-2/326-B, Rajarshi Nagar, Bhojubir, Near BSNL Tower, Varanasi, Uttar Pradesh, India 221002	11,348
58	Harshit Agarwal	H N K40/38, Bhutahi Emali, Part K-40, Police Station - Kotavali, Tahshil Varanasi, Varanasi, Uttar Pradesh, India 221001	11,075
59	Rajeev Kumar Singh	S/o Virendra Kumar Singh, Village - Babura, Mirzapur, Uttar Pradesh, India 231307	11,893
60	Bipin Pal Singh	B 4, First Floor, Sardar Nagar, Dr Mukherjee Nagar, North West Delhi, Delhi, India 110009	2,837



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251

#	Name of Shareholder	Address	No. of Equity Shares
61	Rajeev Sen Gupta	901, A-2 Matoshree Pride, G D Ambekar Marg, Bhoiwada, Parel, Mumbai, Maharashtra, India 400012	5,674



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Part B | Notice to Parties

Sl	Name of party	attention of	address	phone/fax
1.	Utkarsh CoreInvest Limited	Managing Director & Chief Executive Officer	S-24/1-2, Fourth Floor, Mahavir Nagar, Orderly Bazar, Near Mahavir Mandir, Varanasi-221002, Uttar Pradesh, India (formerly at Utkarsh Micro Finance Ltd. S-2/639-56, Varuna Vihar Colony, J.P. Mehta Road, Cantt. Varanasi -221002)	+91 542 2282002
2.	Sponsors	Mr. Govind Singh	Progressive Highness, Flat No. 503-504, Plot 5,6, Section - 16 A, Navi Mumbai, Thane, Maharashtra, India (formerly at C-402, Mahavir Sadhana, Plot No. 18 E.F&G, Sector 14, Sanpada, Navi Mumbai, 400705)	+ 91 9936485777
3.	Other Shareholders	Mr. Raghvendra Singh	S- 2/326- B, Rajarshi Nagar, Bhojibir, Varanasi - 221002	+91 7524839999
4.	Aavishkaar Bharat Fund	Vineet Chandra Rai	13B (III) 6 th floor Techniplex, II Ops, Hotel A. K. Plaza, Veer Savarkar Flyover S.V. Road Goregaon (West) Mumbai - 400 062	Phone: +91 22 6124 8900 Fax: +91 22 6124 8930
5.	Aavishkaar Goodwell India Microfinance Development Company II Limited	Ms. Nusrath Bhugeloo <i>With a copy marked to -</i> Mr. Vineet Rai	6th Floor, Tower A, 1 Cyber City, Ebene, Republic of Mauritius Aavishkaar Venture Management Services Pvt Ltd, Premises No. 13B (III), 6th Floor, Techniplex II Opp. Hotel A.K. Plaza, Veer Savakar Flyover, S.V. Road, Goregaon (West), Mumbai 400062.	230 403 6000
6.	Aavishkaar Venture Management Services Private Limited	Mr. Vineet Rai	Aavishkaar Venture Management Services Private Limited, Premises No. 13B (III), 6th Floor, Techniplex II, Opp. Hotel A.K. Plaza, Veer Savakar Flyover, S.V. Road, Goregaon (West), Mumbai - 400062, Maharashtra ("AVMS")	
7.	British International Investment plc	The General Counsel	123 Victoria Street, London, SW1E 6DE, United Kingdom	+44(0)207963 4700
8.	Faering Capital India Evolving Fund II	Mr. Sameer Shroff / Aditya Parekh	Office No. 1004, Ceejay House, Plot F, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra, India - 400018	022 6154 9502
9.	Faering Capital	Mr. Aditya Parekh	Office No. 1004, Ceejay House, Plot F, Dr. Annie Besant Road, Worli,	+9819193331



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Sl	Name of party	attention of	address	phone/fax
	India Evolving Fund III		Mumbai, Maharashtra, India - 400018	
10.	HDFC Ergo General Insurance Company Limited	Mr. Abhiranjan Gupta	1 st Floor, HDFC House, 165 166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai - 400 020	022 66383646
11.	HDFC Life Insurance Company Limited	Prasun Gajri (Chief Investment Officer)	13 th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai - 400 011	022 6751 6104
12.	Hero Enterprise Partner Ventures	Mr. Amit Aggarwal	264, Okhla Industrial Estate, Phase 3, New Delhi - 110020	+91-11-47467000
13.	ICICI Prudential Life Insurance Company Limited	Alwin Dabre (Associate Vice President)	Raheja Tipco Plaza, Rani Sati Marg, Malad (East), Mumbai 400 097	+91 22 4230 7000
14.	International Finance Corporation	Director, Global Financial Markets Department Director, Department of Financial Operations <i>With a copy (in the case of communications relating to payments)</i>	International Finance Corporation, 2121 Pennsylvania Avenue, N.W. Washington, D.C. 20433, United States of America	+1 (202) 974-4872 +1 (202) 522-7419 <i>If the Company obtains facsimile facilities, the Company shall promptly provide the facsimile number to IFC for purposes of this provision</i>
15.	Lok Capital Growth Fund	Mr. Vishal Mehta Mr. Manoj Agrawal	CoWrks Worli, PS56, 3rd Floor, Birla Centurion, Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 030	+91-124-4339830
16.	NMI Frontier Fund KS	Ole Sandsbraate	7th Floor, Rosenkrantz' Gate 22, 0160, Oslo, Norway	+47 97001270



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254

SI	Name of party	attention of	address	phone/fax
17.	RBL Bank Limited	Mr. Rajeev Ahuja	One Indiabulls Centre, Tower, 2B, 6th Floor, 841, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013	022 4302 0600
18.	responsAbility Participations Mauritius	Mr. Henning Haugerudbraten and Ms. Wazeeha Nubeebokus	responsAbility Participations Mauritius, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	+66 8 5164 3838 E-mail: henning.haugerudbraten@responsability.com and wazeeha.nubeebokus@iqeq.com With copy to: E-mail: FIE.admin@responsability.com
19.	Shriram Life Insurance Company Limited	Mr Casparus J H Kromhout	Ramky Selenium, Plot No. 31 & 32, Beside Andhra Bank Training Centre, Financial District, Gachibowli, HYDERABAD-500032	(040) 23009400
20.	Small Industries Development Bank of India	Asst. General Manager / Branch In Charge	Small Industries Development Bank of India (SIDBI), Varanasi Branch Office, 3rd Floor, Anant Complex, D-64/132K, Sagra Varanasi - 221010	0542-2223465
		Chief General Manager	Small Industries Development Bank of India (SIDBI), Lucknow SIDBI Tower, 15, Ashok Marg, Lucknow-226 001	0522-4237245
21.	Sustainability Finance - Real Economies SICAV -SIF	Mr. Aditya Mohan	9A, Boulevard Prince Henri, L-1724, Luxembourg	+3130694248 1



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255

Name, Address, description and occupation of subscribes	Number of Equity shares	Witness
1. S: Manoharan S/o P. Somasundaram 2B Bypass Road Sattur Occupation: Business	100	S. Sathasivam S/o S.S. Sankaralingam 94/5 Main Road, Kovilpatti 627 701
2. S. Jeyaseelan S/o P. Somasundaram 34C, Vakil Stree, Kovilpatti Occupation: Business	100	Occupation: Chartered Accountants



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256

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH AT ALLAHABAD**

ANNEXURE – 5

**COMPANY PETITION (CAA) No./ALD/2026
SECOND MOTION**

[Under Sections 230-232 of Companies Act, 2013 and Rule 15(1) of the
Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**CONNECTED WITH
COMPANY APPLICATION (CAA) No. 37/ALD/2025
FIRST MOTION**

[Under Sections 230-232 of the Companies Act, 2013]

IN THE MATTER OF:

Petition for Sanction of the Scheme of Amalgamation between Utkarsh
CoreInvest Limited and Utkarsh Small Finance Bank Limited and their
respective Shareholders (“Scheme”).

IN THE MATTER OF:

UTKARSH COREINVEST LIMITED

AND

UTKARSH SMALL FINANCE BANK LIMITED

AND IN THE MATTER OF:

SCHEME OF AMALGAMATION BETWEEN THE PETITIONER
COMPANIES AND THEIR RESPECTIVE SHAREHOLDERS

1. Utkarsh CoreInvest Limited
..... **Petitioner Company 1/ Transferor Company**

2. Utkarsh Small Finance Bank Limited
Varanasi, Uttar Pradesh – 221005.
..... **Petitioner Company 2/ Transferee Company**




INDEPENDENT AUDITOR'S REPORT

**To the Members of Utkarsh CoreInvest Limited
 (Formerly known as Utkarsh Micro Finance Limited)**

Report on the Audit of the Standalone Financial Statements
Opinion

We have audited the accompanying Standalone financial statements of **Utkarsh CoreInvest Limited** (the "Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, Standalone Statement of Profit and Loss (including Standalone Other Comprehensive Income), Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity for the year ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and total comprehensive income (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the Standalone financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone 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 Those Charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 Company'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 Standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we did not identify any matters that were of such significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2025, that they would be considered key audit matters. Accordingly, no such matters have been described in our auditor's report. Furthermore, there were no circumstances where disclosure was precluded by law or regulation, or where adverse consequences were expected to outweigh the public interest benefits of such communication.

Other Matter:

We draw attention to the Note No. 35 of Financial Statements- Scheme of Amalgamation (the "Scheme") involving [UCL/Transferor Company] and [USFBL/Transferee Company], as approved by the respective Boards of Directors on February 13, 2024, and March 14-16, 2024, with the final approval provided by both the Boards on September 20, 2024. The Scheme has been formulated in compliance with the dilution requirements stipulated under the guidelines issued by the Reserve Bank of India (RBI) for Small Finance Banks (SFB Guidelines) and the RBI (Acquisition Directions), which require the promoter's equity stake in the Transferee Company to be reduced to 40% within five years, and further to 26% within 15 years, from the commencement of business operations.

Pursuant to the Scheme, the equity shareholding of the Transferor Company in the Transferee Company would be reduced to nil upon the dissolution of the Transferor Company, and no shareholders of the Transferor Company will qualify as promoters of the Transferee Company. Consequently, this amalgamation is intended to ensure compliance with the above-stated regulatory requirements.



The RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Further, the approval from Stock Exchanges is awaited.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2025 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.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with schedule V to the companies Act, 2013 in respect of the remuneration paid by the Company to its directors during the year. The remuneration paid is in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
 - h. 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note no.22 to the standalone financial statements.
 - ii. The Company 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 Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, 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 company 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("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, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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; and

(c) Based on the audit procedures 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 (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid dividend during the year.
- vi. Based on our examination of the books of account and other relevant records of the Company, and according to the information and explanations given to us, we report that the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operative from 1st April, 2023 for all relevant transactions recorded in the software.



262

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For DMKH & CO.

Chartered Accountants

Firm Registration No.: 116886W

MANISH Digitally signed by
MANISH KANKANI
KANKANI Date: 2025.05.30
15:47:24 +05'30'

CA Manish Kankani

Partner

Membership No.:158020

UDIN: 25158020BMIZKU4703

Place: Mumbai

Date: 30th May,2025



ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the Company and Books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -

- i. (a)
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties held by the company; hence the said clause is not applicable to the company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. The Company is a Non-Banking Finance Company ("NBFC"). Accordingly, it does not hold any inventory. Hence the provisions of Clause 3(ii) of the said order is not applicable to the company.
- iii. (a) During the year, the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.
- (b) The investments made by the Company, during the year, are not prejudicial to its interest. During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has not granted any loans to its employees during the year, Accordingly, the requirement to report under clause 3(iii)(c) of the Order is not applicable to the Company.



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(d) There are no amounts of loans and advances in nature of loans granted to companies, Firms, Limited Liability Partnerships, or any other parties which are overdue for more than ninety days.

(e) There were no amounts of loans and advances in nature of loans granted to companies, Firms, Limited Liability Partnerships or any other parties which has fallen due during the years, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted loans and advances in the nature of loans, either repayable at demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order are not applicable to the company.

- iv. There are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 of the Companies Act 2013 are applicable. The Company being NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the companies Act, 2013, for the services rendered by the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employee's state insurance, income tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were in outstanding, at the year ending, for a period of more than six months from the date they become payable.
- (b) The dues of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, cess and other statutory dues have not been deposited on account of any dispute are as follows:



Nature of the statute	Nature of the dues	Amount in (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending.
Income Tax Act, 1961	Income Tax Demands	1.04	AY 18-19	Income-tax Appellate Tribunal (ITAT)

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirements to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company did not have any outstanding loans or borrowings due to any lender during the year. Accordingly, the requirements to report on clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year, hence the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries or associates.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments), hence the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debenture during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to Company.
- xi. (a) No Fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under subsection (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rule, 2014 with the Central Government.
- (c) To the best of our knowledge and according to the information and explanations given to us,



no whistle-blower complaints received during the year by the company.

- xii. The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) The Internal Audit reports of the company issued till the date of the audit report, for the period under audit, have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirements to report to clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company has obtained the requisite registration as a Non-Banking Financial Institution under section 45 – IA of the Reserve Bank of India Act, 1934.
(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, and continues to fulfil the criteria of a CIC.
(d) There is no Core Investment Company as a part of the Group, Hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has neither incurred cash losses in the current financial year nor in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report Clause 3(xviii) of the Order is not applicable to the company.
- xix. On the basis of the financial ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the



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267

future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts in respect of CSR that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note no. 19 to the financial statements.

(b) In respect of ongoing projects, there are no unspent amounts in respect of CSR, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note no. 19 to the financial statements.

For DMKH & CO.

Chartered Accountants

FRN: 116886W

MANISH Digitally signed
by MANISH
KANKANI KANKANI
KANKANI Date: 2025.05.30
15:47:58 +05'30'

CA Manish Kankani

Partner

MRN: 158020

UDIN: 25158020BMIZKU4703

Place: Mumbai

Date: 30th May, 2025



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268

Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading of 'Report on other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls 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 standalone financial statements of **Utkarsh CoreInvest Limited** ("the Company") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Company'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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company with reference to these standalone financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ("ICAI"). 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 over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A company's internal financial controls over financial reporting with reference to these standalone 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 company's internal financial controls over financial reporting with reference to these standalone 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 company; (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 company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial Reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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270

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2025, based on the internal financial controls over financial reporting criteria established by the Company 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 DMKH & CO.

Chartered Accountants

FRN: 116886W

MANISH
KANKANI

Digitally signed
by MANISH
KANKANI
Date: 2025.05.30
15:48:32 +05'30'

CA Manish Kankani

Partner

MRN: 158020

UDIN: 25158020BMIZKU4703

Place: Mumbai

Date: 30th May, 2025



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271

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Balance Sheet as at 31 March 2025
 (All amounts are in Rupees millions unless otherwise stated)

	Note	As at 31 March 2025	As at 31 March 2024
Assets			
Financial assets			
Cash and cash equivalents	3	1.25	24.96
Bank balance other than above	4	531.85	463.48
Investments in subsidiaries	6	7,899.58	7,898.78
Other financial assets	5	6.86	3.12
Non-financial assets			
Current tax assets (net)	-	122.55	124.16
Property, plant and equipment	7	3.11	-
Other non-financial assets	8	0.19	0.19
Total assets		8,565.39	8,514.69
Liabilities and equity			
Liabilities			
Financial liabilities			
Trade payables			
- Total outstanding due to micro and small enterprises		0.57	0.75
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9	0.94	2.02
Other financial liabilities	10	3.41	2.64
Non-financial liabilities			
Provisions	11	0.43	0.36
Other non-financial liabilities	12	0.59	4.01
Equity			
Equity share capital	13	993.72	987.44
Other equity	14	7,565.73	7,517.47
Total liabilities and equity		8,565.39	8,514.69

Summary of material accounting policies 2
 The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for **DMKH & Co.**
 Chartered Accountants
 ICAI Firm Registration No. 116886W/066580

Digitally signed
 by **MANISH KANKANI**
 Date: 2025.05.30
 19:33:16 +05'30'

Manish Kankani
 Partner
 Membership No: 158020

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
 CIN: U65191UP1990PLC045609

Digitally signed by
Suman Saurabh
 Date: 2025.05.30
 17:33:54 +05'30'

Suman Saurabh*
 Managing Director and CEO
 DIN: 07132387

Digitally signed by
G.S. SUNDARARAJAN
 Date: 2025.05.30
 18:48:07 +05'30'

G.S. Sundararajan**
 Chairperson
 DIN: 00361030

Digitally signed by
Neeraj Kumar Tiwari
 Date: 2025.05.30
 17:39:57 +05'30'

Neeraj Kumar Tiwari
 Company Secretary
 FCS: 12101

Digitally signed by
Harshit Agrawal
 Date: 2025.05.30
 17:36:44 +05'30'

Harshit Agrawal
 Chief Financial Officer
 ACA: 417412

Place: Mumbai
 Date: 30 May 2025

Place: Varanasi, Gaya Jee* & Chennai**
 Date: 30 May 2025



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272

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2025
 (All amounts are in Rupees millions unless otherwise stated)

	Note	For the year ended 31 March 2025	For the year ended 31 March 2024
Other income	15	434.54	45.20
Total income		434.54	45.20
Expenses			
Employee benefits expenses	16	15.63	14.36
Depreciation	17	0.19	-
Others expenses	18	13.04	10.54
Total expenses		28.86	24.90
Profit/(Loss) before tax		405.68	20.30
Tax Expense:			
Current tax	56	102.98	5.85
Profit/(Loss) for the year		302.70	14.45
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
-Actuarial gain/(loss) on defined benefit obligation*		(0.11)	(0.32)
Total		(0.11)	(0.32)
Total Comprehensive Income for the year		302.59	14.13

*Absolute amount for 31 March 2025: INR 109,418, (31 March 2024: INR 3,24,390)

Earnings per equity share

Basic earnings per share of INR 10 each	29	3.06	0.15
Diluted earnings per share of INR 10 each	29	3.05	0.15

Summary of material accounting policies

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached.

for **DMKH & Co.**
 Chartered Accountants
 ICAI Firm Registration No. 116886W/066580

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
 CIN: U65191UP1990PLC045609

MANISH KANKANI Digitally signed by
 MANISH KANKANI
 Date: 2025.05.30
 19:34:04 +05'30'

Manish Kankani
 Partner
 Membership No: 158020

Suman Saurabh Digitally signed
 by Suman
 Saurabh
 Date: 2025.05.30
 17:34:19 +05'30'

Suman Saurabh*
 Managing Director and CEO
 DIN: 07132387

**G S SUNDARA
 RAJAN** Digitally signed by
 G S
 SUNDARARAJAN
 Date: 2025.05.30
 18:50:05 +05'30'

G.S. Sundararajan**
 Chairperson
 DIN: 00361030

**Neeraj Kumar
 Tiwari** Digitally signed
 by Neeraj Kumar
 Tiwari
 Date: 2025.05.30
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Neeraj Kumar Tiwari
 Company Secretary
 FCS: 12101

Harshit Agrawal Digitally signed
 by Harshit
 Agrawal
 Date: 2025.05.30
 17:37:15 +05'30'

Harshit Agrawal
 Chief Financial Officer
 ACA: 417412

Place: Mumbai
 Date: 30 May 2025



Place: Varanasi, Gaya Jee* & Chennai**
 Date: 30 May 2025



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Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Cash flow statement for the year ending 31 March 2025
(All amounts are in Rupees millions unless otherwise stated)

Note	For the year ended 31 March 2025	For the year ended 31 March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before Tax	405.68	20.30
Adjustments for:		
Depreciation and amortisation	0.19	-
Dividend income	(379.64)	-
Interest income	(40.59)	(34.42)
Sharebased payment adjustment	(0.36)	(7.96)
Actuarial gain/(loss) on defined benefit obligation	(0.11)	(0.32)
Operating (Loss)/profit before Working Capital Changes	<u>(14.83)</u>	<u>(22.40)</u>
Adjustments for:		
(Increase) in bank balance other than above	(68.25)	(38.85)
Decrease/(increase) in other financial assets	(3.74)	(1.73)
Decrease in other non financial asset	0.00	0.05
(Decrease)/Increase in trade payables	(1.26)	0.03
(Decrease)/Increase in other financial liability	0.77	0.70
(Decrease)/Increase in other non financial liability	(3.42)	3.20
Increase/(Decrease) in provision	0.07	(0.55)
Cash Flow before taxation	<u>(75.83)</u>	<u>(37.16)</u>
Income Tax (paid)/ refund - Net	<u>(101.37)</u>	<u>(8.23)</u>
Net cash flow from operating activities	<u>(192.03)</u>	<u>(67.79)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	379.64	-
Interest income	40.47	33.51
Purchase of property, plant and equipments	(3.30)	-
Net cash used in Investing Activities	<u>416.81</u>	<u>33.51</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares including Securities premium	51.51	59.19
Payment to shareholder under Shareholder agreement	(300.00)	-
Net cash flow from Financing Activities	<u>(248.49)</u>	<u>59.20</u>
Net (Decrease)/Increase in Cash and Cash Equivalent Flow (A+B+C)	(23.71)	24.92
Opening Cash and Cash Equivalent	7 24.96	0.04
Closing Cash and Cash Equivalent	3 1.25	24.96

Summary of material accounting policies 2
The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

for DMKH & Co.
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

MANISH KANKANI Digitally signed by
MANISH KANKANI
Date: 2025.05.30
19:34:39 +05'30'

Manish Kankani
Partner
Membership No: 158020

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

Suman Saurabh Digitally signed by
Suman Saurabh
Date: 2025.05.30
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Suman Saurabh*
Managing Director and CEO
DIN: 07132387

G S SUNDARA RAJAN Digitally signed by
G S SUNDARA RAJAN
Date: 2025.05.30
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G.S. Sundararajan**
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari Digitally signed by
Neeraj Kumar Tiwari
Date: 2025.05.30
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Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal Digitally signed by
Harshit Agrawal
Date: 2025.05.30
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Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Mumbai
Date: 30 May 2025

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025



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Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
 Standalone statement of changes in equity as at 31 March 2025
 (Amount in millions unless otherwise stated)

A Equity Share Capital

	Balance as at 1st April 2023	Changes during the year	Balance as at 31 March 2024	Changes during the year	Balance as at 31 March 2025
Paid up share capital	984.21	3.23	987.44	6.28	993.72
	<u>984.21</u>	<u>3.23</u>	<u>987.44</u>	<u>6.28</u>	<u>993.72</u>

Other Equity	Reserves and Surplus									Other comprehensive income		Total
	Share application money pending allotment	Equity component of financial instruments	Statutory reserve	Other Equity - Fair valuation changes	Capital redemption reserve	Securities premium	ESOP reserve	Treasury shares	Retained Earnings	Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss	Actuarial gain / loss on post employment defined benefit plan	Total
Balance as at 31 March 2023	-	(109.01)	218.28	4,131.67	90.00	6,479.52	142.77	(2.45)	(3,323.07)	(160.62)	(0.13)	7,453.96
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	14.45	-	(0.32)	14.13
Share options exercised	-	-	-	-	-	17.75	(17.75)	-	-	-	-	-
Transfer to / from retained earnings	-	-	2.87	-	-	-	(35.73)	-	32.86	-	-	(0.00)
Equity settled share based plan	-	-	-	-	-	-	(6.57)	-	-	-	-	(6.57)
Shares issued	-	-	-	-	-	34.41	-	-	-	-	-	34.41
Share application money received	21.54	-	-	-	-	-	-	-	-	-	-	21.54
Balance as at 31 March 2024	21.54	(109.01)	218.15	4,131.67	90.00	6,531.69	81.71	(2.45)	(3,275.76)	(160.62)	(0.45)	7,517.47
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	302.70	-	(0.11)	302.59
Share options exercised	-	-	-	-	-	32.16	(32.16)	-	-	-	-	-
Transfer to / from retained earnings	-	-	60.60	-	-	-	(8.75)	-	(51.85)	-	-	-
Equity settled share based plan	-	-	-	-	-	-	0.44	-	-	-	-	0.44
Shares issued	(21.54)	-	-	-	-	66.54	-	-	-	-	-	45.00
Payment to shareholders under shareholder agreement	-	-	-	-	-	-	-	-	(300.00)	-	-	(300.00)
Share application money received	0.23	-	-	-	-	-	-	-	-	-	-	0.23
Balance as at 31 March 2025	0.23	(109.01)	278.75	4,131.67	90.00	6,630.39	42.24	(2.45)	(3,324.91)	(160.62)	(0.56)	7,565.73

Summary of material accounting policies
 The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

for DMKR & Co.
 Chartered Accountants
 ICAI Firm Registration No. 116886W/066580

for and on behalf of Board of Directors of
 Utkarsh CoreInvest Limited
 CIN: U65191UP1990PLC045609

MANISH KANKANI
 Digitally signed by
 MANISH KANKANI
 Date: 2025.05.30
 19:35:18 +05'30'

Manish Kankani
 Partner
 Membership No: 158020

Suman Saurabh
 Digitally signed by
 Suman Saurabh
 Date: 2025.05.30
 17:25:11 +05'30'

Suman Saurabh*
 Managing Director and CEO
 DIN: 07132387

G S SUNDAR ARAJAN
 Digitally signed by
 G S SUNDAR ARAJAN
 Date: 2025.05.30
 18:26:49 +05'30'

G.S. Sundaararajan**
 Chairperson
 DIN: 00361030

Neeraj Kumar Tiwari
 Digitally signed by
 Neeraj Kumar Tiwari
 Date: 2025.05.30
 17:41:00 +05'30'

Neeraj Kumar Tiwari
 Company Secretary
 FCS: 12101

Harshit Agrawal
 Digitally signed by
 Harshit Agrawal
 Date: 2025.05.30
 17:27:08 +05'30'

Harshit Agrawal
 Chief Financial Officer
 ACA: 417412

Place: Mumbai
 Date: 30 May 2025

Place: Varanasi, Gaya, Jee* & Chennai**
 Date: 30 May 2025



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274

275

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	<u>As at 31 March 2025</u>	<u>As at 31 March 2024</u>
3 Cash and Bank Balances		
Cash and cash equivalents		
Balances with Banks		
- On current accounts	1.25	24.96
Total	<u>1.25</u>	<u>24.96</u>
4 Bank balance other than above		
In Bank deposits	531.85	463.48
Total	<u>531.85</u>	<u>463.48</u>
5 Other financial assets		
Receivable from Utkarsh Small Finance Bank Limited	5.77	2.18
Other recoverable	0.02	0.01
Plan assets receivable for leave encashment provision	1.07	0.93
Total	<u>6.86</u>	<u>3.12</u>
6 Investments in subsidiaries		
Investment in -		
- 759,272,222 (31 March 2024: 759,272,222) Equity shares of Utkarsh Small Finance Bank Limited	7,899.58	7,898.78
Total	<u>7,899.58</u>	<u>7,898.78</u>
Out of Above		
In India	7,899.58	7,898.78
Outside India	<u>-</u>	<u>-</u>
	<u>7,899.58</u>	<u>7,898.78</u>

Name of the entity and Relationship	Subsidiary details		Proportion of the ownership interest	
	Principal place of business	Principal activities	As at 31 March 2025	As at 31 March 2024
Utkarsh Small Finance Bank Limited- Subsidiary	Varanasi	Banking Business	68.92%	69.06%



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Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)

Notes to standalone financial statements as at 31 March 2025

(Amount in millions unless otherwise stated)

7 Property, Plant and Equipment

Particulars	Gross value				Depreciation				Net value
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	For the year	Disposals	As at 31 March 2025	As at 31 March 2025
Owned Assets									
Vehicles	0.10	-	-	0.10	0.10		-	0.10	-
Computers	2.98	3.30	-	6.28	2.98	0.19	-	3.18	3.11
Total	3.08	3.30	-	6.38	3.08	0.19	-	3.27	3.11
Particulars	Gross value				Depreciation				Net value
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	For the year	Disposals	As at 31 March 2024	As at 31 March 2024
Owned Assets									
Vehicles	0.10	-	-	0.10	0.10		-	0.10	-
Computers	2.98	-	-	2.98	2.98		-	2.98	0.00
Total	3.08	-	-	3.08	3.08	-	-	3.08	-



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276

277

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
8 Other non-financial assets		
Pre-paid expenses	0.19	0.19
Total	0.19	0.19
9 Trade payables		
Total outstanding due to micro and small enterprises (Refer Note 21)	0.57	0.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.94	2.02
Total	1.51	2.77

Trade payables ageing schedule:

As on 31 March 2025:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.57		-	-	-	0.57
(ii) Others	0.43	0.51		-	-	-	0.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	0.43	1.08	-	-	-	-	1.51

As on 31 March 2024:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.75	-		-	-	-	0.75
(ii) Others	1.55	-	0.47	-	-	-	2.02
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	2.30	-	0.47	-	-	-	2.77

10 Other financial liabilities

Employee benefits payable	3.41	2.64
Total	3.41	2.64

Information about the Company's exposure to liquidity risk is included in Note 31

11 Provisions

Provision for employee benefits		
Provision for gratuity	0.12	0.01
Provision for other employee benefits	0.31	0.35
Total	0.43	0.36

12 Other non-financial liabilities

Statutory dues payable		
TDS payable	0.36	3.61
GST payable	0.15	0.34
PF payable	0.08	0.06
Total	0.59	4.01



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278

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
13 Share capital		
Authorised		
Equity shares		
10,00,00,000 (31 March 2024: 10,00,00,000) Equity shares of INR 10 each	1,000.00	1,000.00
Issued, subscribed and paid-up		
Equity shares		
9,93,71,965 (Previous year 9,87,44,490) equity shares of Rs. 10 each, fully paid up	993.72	987.44
	<u>993.72</u>	<u>987.44</u>

(a) Reconciliation of the number of shares outstanding is set out below:

	31 March 2025		31 March 2024	
	Number of shares (in units)	Amount	Number of shares (in units)	Amount
Outstanding as at the beginning of the year	9,87,44,490	987.44	9,84,20,960	984.21
Issued during the year	6,27,475	6.28	3,23,530	3.23
Outstanding at the end of the year	9,93,71,965	993.72	9,87,44,490	987.44

(b) Rights, preferences and restrictions attached to equity shares

(i) Equity shares

The Company has single class equity shares having a par value of INR 10 per equity share. They entitle the holders to participate in the dividends in proportion to the number of shares held.

However, as per the Shareholders Agreement, in the event of liquidation, the net proceeds shall be distributed in the following manner:

- First preference shall be given to the Investors (ABF, AGIMDC II, AVMS, CDC, FCIEF II, FCIEF III, HDFC Ergo, HDFC Life, HDFC Ltd., Hero, ICICI Pru, IFC, JIF, Lok CGF, NMI, rAPM, RBL, Sarva Capital, SFRE-SICAV-SIF, Shriram and SIDBI), shareholders which have been allotted equity shares pursuant to ESOP plan 2010 and other shareholders (other than the shareholders which have been allotted equity shares pursuant to grant of employee stock option of the Company excluding ESOP Plan 2010).
- Second preference shall be with shareholders which have been allotted equity shares pursuant to grant of employee stock options of the Company (excluding ESOP Plan 2010) and sponsors of the Company.
- Remaining shareholders shall have third preference over the residual assets of the Company at the time of liquidation.

(c) Details of shareholder holding more than 5% shares is set below:

Equity shares	As at 31 March 2025		As at 31 March 2024	
	Number of shares (in units)	% of Holding	Number of shares (in units)	% of Holding
British International Investment PLC (Formerly known as CDC Group PLC)	1,37,26,978	13.81%	1,37,26,978	13.90%
RBL Bank Limited	85,81,150	8.64%	97,02,950	9.83%
NMI Frontier Fund KS, Norway	77,02,602	7.75%	77,02,602	7.80%
Faering Capital India Evolving FUND II	76,60,082	7.71%	76,60,082	7.76%
	3,76,70,812	37.91%	3,87,92,612	39.29%

(d) Shares reserved for issue under options - Refer Note 26 for details of shares to be issued under employee stock option plan.

(e) Pursuant to Shareholder Agreement dated September 27, 2016 (post receipt of RBI's in-principle approval for issue of SFB licence) and subsequent amendments thereto, Mr. Govind Singh was to be issued upto three percent (3%) of the paid up share capital of the promoter company either by the promoter company or by the SFB entity on a fully diluted basis within a period of Seven (7) years from the date of commencement of banking operations i.e. upto January 22, 2024, commencement of banking operations i.e. upto January 22, 2024.

Subject to RBI approval, the Board of Directors of the Bank has, vide the resolution passed at its meeting held on January 14, 2020, read along with resolution passed by it on July 20, 2020, approved the grant of options equivalent to 0.60% of the paid up share capital of the Bank as of March 31, 2020 constituting 45,55,633 Equity Shares to Mr. Govind Singh, Managing Director and Chief Executive Officer of the Bank under the MD & CEO ESOP Plan. However, in response to the Bank's letter dated January 21, 2021 in the matter seeking RBI approval, Department of Regulation, RBI Central Office vide its reply letter dated June 9, 2021 has stated that the said remuneration proposal does not have RBI approval.

The Second Restated and Amended Shareholders' Agreement dated March 1, 2021, as amended by the First Amendment to the Second Restated and Amended Shareholders' Agreement, dated February 21, 2023, and the Second Amendment to the Second Restated and Amended Shareholders' Agreement dated April 26, 2024 ("SASRASHA"), (collectively, "SHA") and Amendment of the Articles of Association of the Company dated May 27, 2024 (as amended from time to time) executed amongst the Company, the sponsors and the other shareholders provides that the Company has agreed to issue Equity Shares/Share Equivalents/other securities that are equal to 3% of the paid up share capital of the Company on a Fully Diluted Basis as on September 27, 2016, to RAAAG Family Private Trust ("Trust") ("Permitted Sponsor Issuance"), within a specified time period as reflected in the SASRASHA, at a price not less than ₹109.36 per share) and as amended from time to time.

Further in this regard, basis discussions between the Company, Trust and the Investors (as defined in the SHA), including calls with Investors dated January 18, 2024 and April 30, 2024, it was proposed that the Company makes a settlement to the Trust, for an amount aggregating to INR 30,00,00,000 (Indian Rupees Thirty Crore) ("Settlement amount"), in consideration of the waiver/ termination/ cancellation of the right of the Trust in relation to the Permitted Sponsor Issuance, which will constitute a full and final settlement for the Trust, for such waiver/ termination/ cancellation of the Permitted Sponsor Issuance.

Appropos the above, the Board of Directors of the company accorded its approval dated June 07, 2024 towards settlement to the trust amounting to ₹30 crore subject to approval by the shareholders of the company. The Company vide Extra-Ordinary general meeting of shareholders held on June 29, 2024 received requisite approval towards the above stated payment to the trust and thereby extinguishment/ waiver/ cancellation of the rights of the trust under the Shareholders Agreement dated April 26, 2024 and Articles of Association of the Company. Further, the Company provisioned the above amount of ₹30 crore in its books of accounts during June 2024, out of which an amount of ₹10 crore has been paid to the trust dated June 29, 2024 and the balance of ₹20 crore paid dated August 12, 2024.



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Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
14 Other equity		
Capital redemption reserve		
Balance as at the beginning of the year	90.00	90.00
Add: Transfer from surplus in Statement of Profit and Loss	-	-
Balance as at the end of the year	<u>90.00</u>	<u>90.00</u>
Securities premium		
Balance as at the beginning of the year	6,531.69	6,479.52
Add: Transfer from stock option outstanding	32.16	17.75
Add: On issue of shares during the year	66.54	34.41
Balance as at the end of the year	<u>6,630.39</u>	<u>6,531.69</u>
Employees stock options outstanding		
Balance as at the beginning of the year	82.71	142.77
Add: Compensation for options granted	0.44	(6.57)
Less: Transfer to Retained Earnings	(8.75)	(35.73)
Exercise of stock options	(32.16)	(17.75)
Balance as at the end of the year	<u>42.24</u>	<u>82.71</u>
Equity component of financial instruments		
Balance as at the beginning of the year	(109.01)	(109.01)
Balance as at the end of the year	<u>(109.01)</u>	<u>(109.01)</u>
Remeasurement of defined benefit plans		
Balance as at the beginning of the year	(0.45)	(0.13)
Other comprehensive income	(0.11)	(0.32)
Balance as at the end of the year	<u>(0.56)</u>	<u>(0.45)</u>
Statutory reserve		
Balance as at the beginning of the year	218.15	215.28
Add: Transferred from surplus	60.60	2.87
Balance as at the end of the year	<u>278.75</u>	<u>218.15</u>
Other Equity - Fair valuation changes		
Balance as at the beginning of the year	4,121.67	4,121.67
Add: Fair valuation of equity share capital	-	-
Less: Loss on extinguishment	-	-
Balance as at the end of the year	<u>4,121.67</u>	<u>4,121.67</u>
Retained earnings		
Balance as at the beginning of the year	(3,275.76)	(3,323.06)
Add: Profit/(loss) for the year	302.70	14.45
Add: Amount transferred to statutory reserve (created under Section 45-1C of RBI Act, 1934)	-	(2.87)
Add: ESOP Reserve Adjustment	(51.85)	35.73
Less: Payment to shareholder under shareholder agreement	(300.00)	-
Balance as at the end of the year	<u>(3,324.91)</u>	<u>(3,275.76)</u>
Share Application money pending allotment		
Balance as at the beginning of the year	21.54	-
Shares issued during the year	(21.54)	-
Share application money received during the year	0.23	21.54
	<u>0.23</u>	<u>21.54</u>
Treasury shares		
Balance as at the beginning of the year	(2.45)	(2.45)
Treasury shares exercised during the year	-	-
Balance as at the end of the year	<u>(2.45)</u>	<u>(2.45)</u>
Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss		
Balance as at the beginning of the year	(160.62)	(160.62)
Total Comprehensive Income for the year	-	-
	<u>(160.62)</u>	<u>(160.62)</u>
Total	<u>7,565.73</u>	<u>7,517.47</u>



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280

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

Nature and purpose of other reserve :

Capital Redemption Reserve

Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Companies Act, 2013.

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ESOP Reserve

The said amount is used to recognise the grant date fair value of options issued to employees under Utkarsh CoreInvest Ltd and its subsidiary Utkarsh Small Finance Bank.

Equity component of financial instruments

This represents the equity component of the financial liability created on account of classification of equity share capital as financial liability.

Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) actuarial gains and losses
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Statutory reserve

The said reserve has been created under Section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-Banking Financial Company shall create a reserve fund and transfer a sum not less than 20% of net profit every year before declaration of dividend.

Other Equity - Fair valuation changes

The said reserve represents the premium amount paid by the shareholders transferred on account of reclassification of equity share capital as financial liabilities. During the year ended 31 March 2019, due to substantial modification of the shareholder agreement, the Company has reclassified the equity share capital from financial liability to equity. Accordingly, the amount debited to said reserve in the previous periods was credited. Further, on the date of said reclassification, the Company has recorded the equity at the fair valuation on the date of reclassification and accordingly, the impact of the same has been booked in other equity. Loss on extinguishment of financial liability has been recorded in the said reserve.

Retained Earnings

The said amount represents accumulated surplus/(deficit) of the profits earned by the Company.

The company has provided for INR 30 million to RAAG trust in lieu of issuing 3% of share capital on fully diluted basis as per share holder agreement and article of association

Share Application money pending allotment

This amount represents amount received from share holders against which shares are yet to be allotted.

Treasury shares

The said amount represents shares issued to the ESOP trust and subsequently issued to the employees of the Company.

Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss

The said amount represents fair value changes on financial liabilities designated at fair value through profit or loss relating to own credit risk which is recognised in other comprehensive income.



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Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

	For the year ended 31 March 2025	For the year ended 31 March 2024
15 Other income		
Dividend Income	379.64	-
Interest on financial assets at amortised cost	40.59	34.42
Dividend income from current investments	-	-
Recovery from written off portfolio	12.70	10.68
Miscellaneous income	1.61	0.09
Total	434.54	45.20
16 Employee benefit expenses		
Salaries and bonus	12.91	14.08
Contribution to provident and other funds	0.51	(0.09)
Share based payment to employees	1.98	0.18
Staff welfare expenses	0.23	0.19
Total	15.63	14.36
17 Depreciation		
Depreciation of property, plant and equipment	0.19	-
Total	0.19	-
18 Other expenses		
Repairs and maintenance	0.02	0.02
Contribution towards Corporate Social Responsibilities	0.50	0.40
Legal and professional charges	6.58	5.18
Loss on sale of property, plant and equipment	-	-
Director sitting fees	3.67	3.13
RBI Compounding fees	-	-
Communication expenses	0.07	0.06
Miscellaneous expenses #	1.32	2.84
Lease rent *	0.88	0.93
Total	13.04	10.54

* Represents lease rentals for short term leases in the current year

-Includes INR 1,91,172 /- for year ended 31 March 2025 for director travel (INR 1,33,162 for the year ended 31 March 2024)

19 Details of corporate social responsibility expenditure		
Average net profit of the Company for last three financial years	20.99	15.14
Gross amount required to be spent by the company during the year	Nil	Nil
Corporate Social Responsibility expenses for the year	0.50	0.40
Various Head of expenses included in above:		
Other expenses (Contribution towards Corporate Social Responsibilities)	0.50	0.40
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.50	0.40
Details of related party transactions	0.50	0.40
Provision for CSR Expenses		
Opening Balance	-	-
Add: Provision created during the year	0.50	0.40
Less: Provision utilised during the year	0.50	0.40
Closing Balance	-	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	Nil	Nil
The total of previous years' shortfall amounts	Nil	Nil
The reason for above shortfalls by way of a note	-	-

The nature of CSR activities undertaken by the Company

	Contribution made towards CSR	Contribution made towards CSR activities
As per Section 135 of the Companies Act 2013, the Company has formed a CSR Committee of the Board of Directors. The CSR Committee has also approved a CSR Policy where certain focus areas out of list of activities covered in Schedule VII of the Companies Act 2013, has been identified.		

20 Auditors remuneration (Included in legal and professional charges, excluding taxes)

Payments to auditor (excluding tax)		
- Statutory auditor	90.00	1.06
- Other services	0.03	-
- Reimbursement of expenses	-	0.00
Total	90.03	1.06



Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

21 Amounts payable to Micro and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 30 September 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount remaining unpaid to any supplier as at the end of the year.	0.58	0.75
Interest due thereon remaining outstanding as at the end of the year.	Nil	Nil
The amount of interest paid by the buyer as per Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of the payments made to micro and small suppliers beyond the appointed date during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

22 A. Contingent liabilities

Claims against the company not acknowledged as debts in respect of Income Tax is INR 10.39 (31 March 2024: INR 10.39).

B. Commitments

There are no commitments as at 31 March 2025 and 31 March 2024.

C. Contingent assets

There are no contingent assets as at 31 March 2025 and 31 March 2024.

23 Details of pending litigations

	As at 31 March 2025	As at 31 March 2024
Proceedings by Company against theft*	2.51	2.51
Income Tax CIT (A) - Refund	114.30	114.30
Income-tax Appellate Tribunal (ITAT) - Demand	10.39	10.39

*An amount of INR 0.14 (31 March 2024: 0.14) has been recovered in earlier years and INR 2.37 (31 March 2024 : 2.37) is yet to be recovered. The total unrecovered amount (against theft) is written off in the previous years.



203

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

24 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(I) Assets						
A Financial assets						
Cash and cash equivalents	1.25	-	1.25	24.96	-	24.96
Bank balance other than above	-	531.85	531.85	-	463.48	463.48
Investment in subsidiary	-	7,899.58	7,899.58	-	7,898.78	7,898.78
Other financial assets	6.86	-	6.86	3.12	-	3.12
Total financial assets	8.11	8,431.43	8,439.54	28.08	8,362.26	8,390.34
B Non-financial assets						
Current tax assets (net)	-	122.55	122.55	-	124.16	124.16
Property, plant and equipment	-	3.11	3.11	-	-	-
Other non-financial assets	0.19	-	0.19	0.19	-	0.19
Total non-financial assets	0.19	125.66	125.85	0.19	124.16	124.35
Total Assets	8.30	8,557.09	8,565.39	28.27	8,486.42	8,514.69
(II) Liabilities						
A Financial liabilities						
Trade Payable	1.51	-	1.52	2.77	-	2.77
Other financial liabilities	3.41	-	3.41	2.64	-	2.64
B Non-financial liabilities						
Provisions	0.43	-	0.43	0.36	-	0.36
Other non-financial liabilities	0.59	-	0.59	4.01	-	4.01
Total financial liabilities	5.94	-	5.95	9.78	-	7.01
Total Liabilities	5.94	-	5.94	9.78	-	9.78
Net	2.36	8,557.09	8,559.45	18.49	8,486.42	8,504.91

25 Segment reporting

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' As the Company is not having any commercial operations, hence there are no separate reportable segments as per Ind AS 108.

Information about products and services:

The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about geographical areas:

The Company does not have any commercial operations. Hence, the said disclosure is not applicable.

Information about major customers (from external customers):

The Company does not have any commercial operations. Hence, the said disclosure is not applicable.



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204

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

26 Employee benefits

The Company operates the following post-employment plans -

i. Defined Benefit plan

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 Company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2025	31 March 2024
Net defined benefit liability	0.12	0.01

A) Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section D below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the year ending 31 March 2026 is INR 0.28

B) Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As at 31 March 2025			As at 31 March 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	0.70	0.68	0.01	1.42	1.26	0.16
Included in profit or loss						
Current service cost	0.17	-	0.17	0.13	-	0.13
Past Service cost	-	-	-	-	-	-
Interest cost (Investment Income)	0.05	0.05	0.00	0.10	0.09	0.01
Total (A)	0.22	0.05	0.17	0.23	0.09	0.14
Included in Other comprehensive income						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.01	-	0.01	(0.00)	-	(0.00)
- experience adjustment	0.11	-	0.11	0.33	-	0.33
- Return on plan assets excluding interest income	-	0.01	(0.01)	-	0.00	(0.00)
Total (B)	0.13	0.01	0.11	0.32	0.00	0.32
Other						
Contributions paid by the employer	-	0.18	(0.18)	-	0.61	(0.61)
Benefits Paid	-	-	-	(1.28)	(1.28)	-
Total (C)	-	0.18	(0.18)	(1.28)	(0.67)	(0.61)
Balance at the end of the year	1.04	0.92	0.12	0.70	0.68	0.01

C. Plan assets

	31 March 2025	31 March 2024
Insurer managed funds	100%	100%

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).



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285

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

D. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2025	31 March 2024
Discount rate	6.50%	7.10%
Future salary growth	8%	7.00% for the first 2 years, and 9.00% thereafter
<i>Withdrawal rate:</i>		
All ages	13.10% - 31.90%	13.10% - 31.90%
Retirement Age (in year)	60	60
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Discount rate: The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary escalation rate: Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.07)	0.07	(0.05)	0.05
Salary growth rate (1% movement)	0.07	(0.07)	0.05	(0.05)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

	31 March 2025	31 March 2024
0 to 1 Year	0.14	0.10
1 to 5 Year	0.50	0.32
5 Year onwards	1.12	0.90
Total	1.76	1.32

As at 31 March 2025, the weighted-average duration of the defined benefit obligation was 7 years (31 March 2024: 7 years)

G. Description of risk exposures

Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk (discount rate risk)

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For the current year and the previous years, we have used Indian Assured Lives Mortality (2012-14) ultimate table.

A change in mortality rate will have a bearing on the plan's liability.

Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

ii. Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Provident fund	0.50	0.52

iii. Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

	Year ended 31 March 2025	Year ended 31 March 2024
Amount recognised in Statement of Profit and Loss		
Provision for leave encashment and gratuity	0.11	(0.29)



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27 Employee stock options

A Description of share-based payment arrangements

The Company has formulated an Employee Stock Option Scheme to be administered through a Trust. The Scheme is applicable to all the eligible employees of the Company and its subsidiary Companies ("Group"). The scheme provides that subject to continued employment with the company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The Company formed Utkarsh ESOP Welfare Trust ("Trust") to issue ESOPs to employees of the Company as per Employer Stock Option Scheme. Total 1,200,000 equity shares has been reserved under ESOP scheme 2016 and pursuant to Shareholder agreement executed in the year 2016-17 additional 5,989,594 equity shares has been reserved for the purpose of ESOP scheme.

The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The Trust in turn allots the shares to employees on exercise of their right against cash. The compensation costs of stock options granted to employees are accounted by the Company using fair value method.

The Trust does not have any transactions/activities other than those mentioned above, hence it is treated as a part of the Company and gets consolidated with the standalone books of the Company.

The Company granted 17,500 (31 March 2024, 30,000) options to the employees of the Company during the year.

The options vested shall be exercised within a period of 24 months from the date of vesting. The plan shall be administered, supervised and implemented by the Compensation Committee under the policy and frame work laid down by the Board of Directors of the Company in accordance with the authority delegated to the Compensation Committee in this regard from time to time.

The said ESOP scheme is an equity settled scheme as the same would lead to a settlement in its own equity instruments.

The Company granted options to eligible employees of the Company and its subsidiary, Utkarsh Small Finance Bank Limited on September 19, 2024. Since the ESOP cost for the grant was not approved by the Nomination & Remuneration Committee (NRC) and the Board of Directors of the Bank, the Company cancelled grant by passing a Board Resolution on May 20, 2025. Therefore, the said grant may be considered for cancellation in totality effective September 19, 2024 in terms of fulfilling the requirement under corporate governance and accounting principles. Further to apprise that a note on the re-issuance of ESOP grant to the employees of USFBL and UCL may be placed before the Committee during current financial year.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

	31 March 2025		31 March 2024	
	Number of share options (In Units)	Average exercise price per share	Number of share options (In Units)	Average exercise price per share
Outstanding options at the beginning of the year	13,09,227	119.40	29,96,867	115.67
Add: Granted during the year	17,500	125.00	30,000	125.00
Add: Adjustment of previous year (negative impact)	2,43,554	110.61	-	-
Less: Lapsed/forfeited during the year	2,93,875	116.63	10,91,634	115.38
Less: Exercised during the year	6,27,475	116.11	3,23,530	116.37
Less: Adjustment of previous year	-	-	3,02,476	113.09
Outstanding options at the end of the year	6,48,731	120.68	13,09,227	119.40
Options vested and exercisable at the end of the year	6,13,888	120.44	9,91,210	117.60

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was 116.11 (31 March 2024 INR 116.37).

C Share options outstanding at the end of the year have the following contractual expiry date and exercise options

Grant date	Expiry date	Exercise price	No of options outstanding	
			As at 31 March 2025	As at 31 March 2024
1 April 2014	1 April 2016 - 1 April 2019	21.60	-	-
1 April 2015	1 April 2017 - 1 April 2020	21.60	-	-
1 April 2016	1 April 2018 - 1 April 2021	21.60	-	-
1 April 2017	1 April 2019 - 1 April 2022	109.36	-	-
1 April 2018	1 April 2020 - 1 April 2023	109.36	-	-
1 April 2019	1 April 2021 - 1 April 2024	109.36	-	-
1 June 2019	1 June 2021 - 1 June 2024	109.36	1,79,094	4,69,000
9 Dec 2019	9 Dec 2021 - 9 Dec 2024	125	12,500	35,000
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	125.00	4,16,669	7,67,727
1 April 2021	1 April 2023 - 1 April 2026	125.00	3,750	7,031
1 April 2022	1 April 2024 - 1 April 2027	125.00	7,031	12,188
1 April 2023	1 April 2025 - 1 April 2028	125.00	12,187	18,281
1 April 2024	1 April 2026 - 1 April 2029	125.00	17,500	-
Weighted average remaining contractual life of options outstanding at the end of the year			1.28 years	2.05 years

D Measurement of Fair Values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option on the grant date ranged between INR 9.54 - 203.60. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value
1 April 2014	1 April 2016 - 1 April 2019	33.83%	21.6	28.72	8.81%	11.57 - 16.12
1 April 2015	1 April 2017 - 1 April 2020	43.09%	21.6	45.51	7.74%	27.54 - 32.21
1 April 2016	1 April 2018 - 1 April 2021	52.41%	21.6	71.4	7.46%	53.15 - 57.95
1 April 2017	1 April 2019 - 1 April 2022	30.91%	109.36	82.19	6.68%	9.54 - 23.70
1 April 2018	1 April 2020 - 1 April 2023	29.51%	109.36	107.19	7.40%	23.88 - 42.55
1 June 2019	1 June 2021 - 1 June 2024	19.60%	109.36	132.13	7.03%	49.31 - 67.99
1 Oct 2020	1 Oct 2022 - 1 Oct 2025	47.00%	125.00	131.59	5.55%	50.10 - 65.77
1 April 2021	1 April 2023 - 1 April 2026	49.30%	125.00	142.50	5.80%	53.60 - 77.00
1 April 2022	1 April 2024 - 1 April 2027	49.10%	125.00	155.20	6.20%	60.00 - 88.30
1 April 2023	1 April 2025 - 1 April 2028	47.90%	125.00	166.70	7.10%	68.20 - 95.40
1 April 2024	1 April 2026 - 1 April 2029	46.70%	125.00	278.90	7.00%	173.50 - 203.60

The dividend yield has been taken as 0% in all the fair value calculations as Company has never distributed dividend in the past and does not intend to distribute its earnings in the foreseeable future.

E Expense recognised in statement of profit and loss

For details on the employee benefits expense, refer Note 26

As the scheme is applicable to all the employees of the group, the Company has made a cross charge to Utkarsh Small Finance Bank for the ESOP expense incurred by the Company on behalf of Utkarsh Small Finance Bank.



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287

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

28 Related party disclosure

I. Name of the related party and nature of relationship:-

A. Name of the Related Party Nature of Relationship

a. Key managerial personnel

i	Mr. Ashwani Kumar	- Managing Director & CEO (ceased to be MD & CEO w.e.f. 19 December 2023)
ii	Mr. Suman Saurabh	- Managing Director & CEO (w.e.f. 19 December 2023)
iii	Mr. G.S. Sundararajan	- Independent Director
iv	Mr. Gaurav Malhotra	- Nominee Director (ceased to be director w.e.f. 25 August 2022)
v	Mr. Atul	- Independent Director
vi	Mr. T. K. Ramesh Ramanathan	- Nominee Director (ceased to be director w.e.f. 13 March 2024)
vii	Mr. Harjeet Toor	- Nominee Director (ceased to be director w.e.f. 23 June 2022)
viii	Mr. Aditya Deepak Parekh	- Nominee Director

b. Subsidiaries Utkarsh Small Finance Bank Limited

c. Company in which Director / KMP / their Relatives are Member and have the Controlling Rights / Shareholding in that Company exceeding 50%
Utkarsh Welfare Foundation (Ceased to be related party w.e.f. Dec 19, 2023)
Faering Capital Private Limited (Mr. Aditya Deepak Parekh has the controlling right in the capacity of MD)
Faering Capital LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)
AMP Fitness LLP (Mr. Aditya Deepak Parekh has the controlling right in the capacity of designated Partner)

B. Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Year ended 31 March 2025	Year ended 31 March 2024
Utkarsh Welfare Foundation	(i) Contribution towards CSR activities	0.50	0.40
	(i) ESOP cost cross charge	(2.34)	(8.14)
	(ii) Fixed deposits placed during the year	589.35	178.75
	(iii) Fixed deposits matured during the year	521.10	139.90
Utkarsh Small Finance Bank Limited	(iv) Interest received	40.59	34.42
	(v) Service charge on collection	0.15	0.13
	(vi) Dividend received	379.64	-
	(vii) Rent Paid	0.88	0.93
	(viii) Deemed Investment in USFB (Basis IND AS Fair valuation)	0.80	1.39

C. Compensation of key managerial personnel

	Year ended 31 March 2025	Year ended 31 March 2024
Short-term employee benefits		
Ashwani Kumar	-	5.26
Suman Saurabh	5.81	2.10
GS Sundararajan	1.25	1.06
Post-employment defined benefit plan		
Ashwani Kumar	-	1.11
Suman Saurabh	0.25	0.11
Other long term benefits		
Ashwani Kumar	-	0.34
Suman Saurabh	0.11	-
Share-based payments		
Ashwani Kumar*	-	(0.32)
Suman Saurabh	0.82	-
Sitting fees		
GS Sundararajan	1.18	1.10
Atul	1.24	0.96
	10.66	11.73

* Reversal of ESOP Cost by ₹0.70 million due to cancellation of 39,875 ESOPs (proportionate 39,875 and Total 57,625) granted to Mr. Ashwani Kumar during FY24.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

D. Receivables (payable) as at balance sheet date:

Name of related party	Year ended 31 March 2025	Year ended 31 March 2024
Utkarsh Small Finance Bank Ltd. - Investment in FDR	527.00	458.75
Utkarsh Small Finance Bank Ltd. - Current Account	1.11	21.72
Utkarsh Small Finance Bank Ltd. - Other Receivables	5.77	2.18



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288

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

29 Earnings per share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
a) Basic earning per share		
Profit/(loss) after tax	302.70	14.45
Weighted average number of equity shares outstanding during the year – Basic	9,89,88,994	9,82,75,137
b) Diluted		
Profit/(loss) after tax	302.70	14.45
Weighted average number of equity shares outstanding during the year – Basic	9,89,88,994	9,82,75,137
Add: Weighted average number of potential equity shares on account of employee stock options	3,73,348	11,11,091
Weighted average number of equity shares outstanding during the year – Diluted	9,93,62,341	9,93,86,227
Earnings per share		
Basic – par value of INR 10 each	3.06	0.15
Diluted - par value of INR 10 each	3.05	0.15



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289

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

30 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	As at 31 March 2025		
	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	1.25
Bank balance other than above	-	-	531.85
Other financial assets	-	-	6.86
	-	-	539.96
Financial liabilities:			
Other financial liabilities	-	-	3.41
	-	-	3.41
	As at 31 March 2024		
	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	24.96
Bank balance other than above	-	-	463.48
Other financial assets	-	-	3.12
	-	-	491.56
Financial liabilities:			
Other financial liabilities	-	-	2.64
	-	-	2.64

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	1.25	-	-	-	-
Bank balance other than above	531.85	-	-	-	-
Other financial assets	6.86	-	-	-	-
	539.96	-	-	-	-
Financial liabilities:					
Other financial liabilities	3.41	-	-	-	-
	3.41	-	-	-	-
As at 31 March 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and cash equivalents	24.96	-	-	-	-
Bank balance other than above	463.48	-	-	-	-
Other financial assets	3.12	-	-	-	-
	491.56	-	-	-	-
Financial liabilities:					
Other financial liabilities	2.64	-	-	-	-
	2.64	-	-	-	-

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.



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290

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

C. Valuation framework

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.



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31 Financial risk management

The Company's activities exposure is to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

(a) Risk management structure and Company's risk profile

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment in debentures, cash and cash equivalents, other bank balances, etc.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Cash and bank balances and other financial assets

Cash and bank balances of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents and other financial assets have low credit risk based on the external credit ratings of the counterparties.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted.

As at 31 March 2025	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	3.41	(3.41)	(3.41)	-	-	-	-

As at 31 March 2024	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non - derivative financial liabilities							
Other financial liabilities	2.64	(2.64)	(2.64)	-	-	-	-



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D. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is not exposed to any currency risk as Company does not have any foreign currency transactions during the current year and comparative year.

(ii) Interest rate risk

The Company does not have any borrowings.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	31 March 2025	31 March 2024
Fixed rate instruments		
Financial assets	531.85	463.48
Financial liabilities	-	-

(iii) Legal and operational risk

a Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. The Company also has well established legal procedures to scrutinise product offerings and manage risks arising out of its transactions.

b Operational

Operational risk is the exposure to loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy.

The operational risk department operates independently from other units of the Company and reports directly to the Audit Committee, which consists of members of the Board. It conducts regular reviews of all business areas of the Company and reports control deficiencies and exceptions to the Company's policies and procedures. It also recommends measures to mitigate operational risk, which are implemented by management immediately.



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32. Capital management

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, the Company is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. The Company has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines. Going forward, attempt shall be made to strengthen Capital allocation practices and enhance efficiency of capital.

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Common equity Tier I (CET1) capital, which includes ordinary share capital, related share premiums and retained earnings.
- The Company does not have any elements in Tier 2 capital.

	As at 31 March 2025	As at 31 March 2024
Common equity Tier 1 (CET1) capital		
Paid up share capital	993.72	987.44
Capital redemption reserve	90.00	90.00
Securities premium account	6,630.39	6,531.69
(Deficit) in the statement of profit and loss account	(3,324.91)	(3,275.76)
Statutory reserve	278.75	218.15
ESOP outstanding account	39.79	80.26
Prepaid expenditure	(0.19)	(0.19)
	<u>4,707.55</u>	<u>4,631.59</u>
Tier 2 capital instruments		
Less: Investment in excess of 10% of Own fund		-
	<u>4,707.55</u>	<u>4,631.59</u>
Total regulatory capital	4,707.55	4,631.59
Risk weighted assets	7909.55	7,901.90
CRAR (%) - Refer note 34 (a)	59.52%	58.61%
CRAR -Tier I Capital (%)	59.52%	58.61%
CRAR -Tier II Capital (%)	0.00%	0.00%

ii. Capital allocation

Management uses extant regulatory capital ratios to monitor its capital base. The amount of capital allocated to each operation or activity is based primarily on regulatory capital requirements. Theoretically, maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Company to particular operations or activities. Going forward, capital allocation for various lines of business and activities shall be attempted, as part of annual business plan based on synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Company's longer-term strategic objectives.

33. Liquidity coverage ratio

Numerator	Denominator	31-Mar-25	31-Mar-24	% of variance	Explanation for change in the ratio by more than 25%
502.04	2.22	22666.00%	2720.88%	733.04%	Majority, due to higher increase in Callable FD by 202% against decrease in outflow by 64% year on year.

34 The Company has elected not to recognise right of use assets and lease liabilities for short term lease of building that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on straight line basis.

Rent expense recognised in the statement of profit and loss on account of short term exemption is INR 0.88 (31 March 2024 : INR 0.93)

35 As per the SFB Guidelines and RBI Clarifications read with the RBI Acquisition Directions, the promoter (in this case, 'UCL' or 'Transferor Company') of a small finance bank (in this case 'USFBL' or 'Transferee Company') is required to reduce its equity shareholding stake in the small finance bank to 40% within a period of 5 (five) years from the date of commencement of business operations by the small finance bank. Thereafter, the promoter's equity stake in such small finance bank is required to be further brought down to 26% within a period of 15 (fifteen) years from the date of commencement of business operations by the small finance bank.

Further, as per the RBI Clarifications, the promoter may elect to exit, or cease to be a promoter of a small finance bank after expiry of 5 (five) years from the date of commencement of business operations by the small finance bank depending upon the RBI's regulatory and supervisory comfort and regulations issued by Securities and Exchange Board of India ("SEBI"). In view of the foregoing, and pursuant to Direction 7.1 of the RBI Acquisition Directions, the Board of Directors of both the Transferor Company and the Transferee Company have, considering the option of such a reverse merger to be the most efficient mode of ensuring compliance with the RBI mandated dilution requirements, granted an in-principle approval to such proposed reverse merger on February 13, 2024 and March 14-16, 2024 respectively.

The Scheme has been formulated in view of the above, and consequent to the amalgamation as contemplated under the Scheme, and dissolution of the Transferor Company, the Transferor Company's shareholding in the Transferee Company would be reduced to nil and since none of the shareholders of the Transferor Company will qualify as a promoter of the Transferee Company, the Scheme will result in compliance with dilution requirements under the SFB Guidelines and the RBI Acquisition Directions.

Appropos the above, the Board of Directors of both the Transferor Company and the Transferee Company provided final approval to the scheme on September 20, 2024 and the scheme has been submitted to RBI on September 30, 2024 and the stock exchanges i.e. BSE and NSE on October 01, 2024. The appointed date under the said scheme is April 01, 2025 or such other date as may be approved by NCLT or such other competent authority.

Further, the RBI vide their NOC dated January 02, 2025 have conveyed their 'No-Objection' to the proposal and to proceed with the amalgamation in compliance with all applicable statutory and regulatory requirements. Also, the approval from the Stock Exchanges are awaited.



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Utarah Cardholders Limited (Formerly known as Utarrah Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
 (Amounts in millions unless otherwise stated)

3.6 Additional Disclosures as required by Reserve Bank of India (RBI)

a) Components of ANW and other related information:

Particulars	As at 31 March 2025	As at 31 March 2024
(i) ANW as % of Risk Weighted Assets	59.52%	58.61%
(ii) Unrealized appreciation in the book value of quoted investments	-	-
(iii) Diminution in the aggregate book value of quoted investments	-	-
(iv) Leverage Ratio	0.00	0.00

Note: The ANW as % of RWAs as at 31 March 2025 disclosed above is as per RBI circular "RBI/CS/2016/004, 799 dated August 24, 2016, Master Direction (RBI/CS/2016/004) (0.10.2016) (17) updated as on December 20, 2027. ANW as % of RWAs as at 31 March 2025 has been calculated without considering the fair value changes in other equity and equity component of financial instruments, the ANW as a % of RWAs as at 31 March 2025 will be 110.25% (31 March 24: 109.39%).

b) The Company has the following direct exposure to real estate sector:

Particulars	As at 31 March 2025	As at 31 March 2024
Residential Mortgages	-	-
Commercial Mortgages on residential property that is or will be occupied by the borrower or that is leased	-	-

c) Maturity pattern of certain items of assets and liabilities:

Particulars (31 March 2025)	1 day to 7 days		8 days to 14 days		15 days to 30/31 days		Over 1 month to Over 3 months		Over 3 months to Over 6 months		Over 6 months to Over 1 year		Over 1 year to 3 years		Over 3 years to Over 5 years		Total
	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to Over 3 months	Over 3 months to Over 6 months	Over 6 months to Over 1 year	Over 1 year to 3 years	Over 3 years to Over 5 years	Over 5 years	Over 5 years	Over 5 years	Over 5 years	Over 5 years	Over 5 years			
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,971.43

d) Investments:

Particulars	31 March 2025	31 March 2024
Value of investments	-	-
(i) Government investments	-	-
(ii) Outside India	7,971.43	7,971.43
(iii) Outside India	-	-
(iv) Provisions for Depreciation	-	-
(v) in India	-	-
(vi) in India	-	-
(vii) Net Value of Investments	7,971.43	7,971.43
(viii) in India	-	-
(ix) outside India	-	-
Movement of provisions held towards depreciation on investments	-	-
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Business Ratio:

Particular	31 March 2025	31 March 2024
Return on Equity	3.55%	0.17%
Return on Assets	3.54%	0.17%
Net Interest Margin	37.83%	37.77%

e) Provisional continuity

Particulars	For the Year ended 31 March 2025	For the Year ended 31 March 2024
Provision for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income Tax	102.98	5.85
Provision for Standard Assets	-	-
Other Provisions and Contingencies	-	-

f) Draw down from Reserves

There has been no draw down from reserves amounting to ₹100 mms. during FY 2024-25 in account of utilization of liability and thereby compliance with the Reserve Requirement Agreement dated April 26, 2024 with National Association of the Company, (previous year: Nil).

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Ukash Cardhost Limited (Formerly known as Ukash Micro Finance Limited)

Notes to standalone financial statements as at 31 March 2025
(Amounts in millions unless otherwise stated)

b) Concentration of Advances, Exposure and NP As

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Concentration of Advances	-	-
Total advances to twenty largest borrowers	-	-
(% of advances to twenty largest borrowers to total advances)	-	-
Total exposure to top five NP As Accounts	-	-

d) Sector wise Non-Performing Assets (NPA)

Sector	Percentage of NPAs to total advances in that sector For the year ended 31 March 2025	For the year ended 31 March 2024
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

d) Movement in Non-Performing Asset (NPA)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
NPAs, Gross advances percentage	-	-
Provision of NP As (Gross)	-	-
a) Opening balance	-	-
b) Addition during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
Movement of provisions for NP As (excluding provisions on standard assets)	-	-
a) Opening balance	-	-
b) Provision made during the year	-	-
c) Write off/write back of excess provisions	-	-
d) Closing balance	-	-

b) Disclosure with respect to customer complaints

Particulars	For the year ended 31 March 2025	Number of complaints For the year ended 31 March 2024
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

e) Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC.

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2025 and financial year ended 31 March 2024.

g) Registrations obtained from other financial sector regulators

Registrar	Registration No.	Date of Registration
Ministry of Corporate Affairs	U65191UP1992-024569	24 June 2016

e) Details of penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulator on the Company during the half-year ended 31 March 2025 and financial year ended 31 March 2024.

f) Unsecured Advances

The Company has not given any unsecured advances against intangible assets such as change over the rights, licenses, authority, etc. during the half-year ended 31 March 2025 and financial year ended 31 March 2024.

g) Details of non-performing financial assets purchased / sold

The Company has not purchased/sold any non-performing financial assets during the half-year ended 31 March 2025 and financial year ended 31 March 2024.

e) Disclosure of Frauds reported during the half-year ended March 31, 2024 and 2023.

During the half-year ended March 31, 2025:-

Particulars	Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh	
	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)
A) Person involved	-	-	-	-	-	-
Staff	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-
Total	-	-	-	-	-	-
B) Type of Fraud	-	-	-	-	-	-
Misappropriation and	-	-	-	-	-	-
Crimes	-	-	-	-	-	-
Financial Disbursement manipulation of books of accounts	-	-	-	-	-	-
Unauthorised access to information system	-	-	-	-	-	-
Unauthorised credit facilities extended for reward of the	-	-	-	-	-	-
illegal gratification	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-
Insider trading	-	-	-	-	-	-
Insider information exchange transactions	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads	-	-	-	-	-	-
as above	-	-	-	-	-	-
Total	-	-	-	-	-	-

Utkarsh Coreinvest Limited (Formerly known as Utkarsh Micro Finance Limited)

Notes to standalone financial statements as at 31 March 2025

(Amount in million unless otherwise stated)

During the year ended 31 March 2024:-

Particulars	Less than INR 1 Lakh		INR 1 Lakh to INR 5 Lakh		More than INR 5 Lakh	
	No. of accounts	Value (INR)	No. of accounts	Value (INR)	No. of accounts	Value (INR)
A) Fraud involved						
Staff	-	-	-	-	-	-
Customers	-	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-
Total	-	-	-	-	-	-
B) Type of Fraud						
Malrepresentation and Criminal Breach of Trust	-	-	-	-	-	-
Fraudulent Investment/ manipulation of books of accounts or through fictitious accounts and conversion of property or other assets of the borrower into other assets for the purpose of illegal gratification	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-
Other types of fraud or exchange transaction	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-
Total	-	-	-	-	-	-

- o) The Company has no exposure or transaction regarding overseas assets.
- o) There are no derivatives as at 31 March 2025 and 31 March 2024. Accordingly disclosure pertaining to derivatives vide DNRR (PD) CC No.053/03.10.119/2015-16 dated 01 July 2015 are not provided.
- o) The Company has no investment in other CFCs as at March 31, 2025 and March 31, 2024.
- o) The Company has no OCF Balance Sheet exposure as at March 31, 2025 and March 31, 2024.



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297

Utkarsh Cordivest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to consolidated financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

37. Additional Disclosures as required by Reserve Bank of India (RBI) under Sec 7(1)(b) of Reserve Bank of India (Reserve Bank) Act, 1934 and Reserve Bank of India (Reserve Bank) (Amendment) Act, 2022 (Refer Circular No. RBI/2022-23/76 DOR.ACC.REC.NO.2021.04.01/2022-23 dated April 13, 2022)

4. Exposure:

Category	As at 31 March 2025	As at 31 March 2024
<i>i) Direct exposure</i>		
a) Residential Mortgages— Fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limit.	Nil	Nil
b) Commercial Real Estate— Financing secured by mortgages on commercial real estate (offices, malls, retail space, multipurpose commercial buildings, multi tenanted residential buildings, hotels, serviced apartments, independent houses, plots, vacant land, agricultural land, etc.). Exposure would also include non-fund based (NFB) limit.	Nil	Nil
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures— i. Residential ii. Commercial Real Estate	Nil Nil	Nil Nil
<i>ii) Indirect Exposure</i> Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies. Total Exposure to Real Estate Sector	Nil	Nil

2. The Company does not have any exposure to capital market as at March 31, 2025 and March 31, 2024.

3. Sectoral exposure

Sectors	As at 31 March 2025		As at 31 March 2024	
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)
1. Agriculture and Allied Activities				
2. Industry				
3. Services				
4. Personal Loans				
5. Others, if any (please specify)				
Total				

4. Inter-group exposures

Particulars	As at 31 March 2025	As at 31 March 2024
i. Total amount of inter-group exposures	8,433.46	8,381.43
ii. Total amount of top 20 inter-group exposures	8,433.46	8,381.43
iii. Percentage of inter-group exposures to total exposure of the SHFC on borrowers/customers	100%	100%



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298

Utkarsh Credit Invest Limited (Formerly known as Utkarsh Micro Finance Limited).
 Notes to standalone financial statements as at 31 March 2025
 (Amount in millions unless otherwise stated)

5 The Company does not have any unhedged foreign currency exposure as at March 31, 2025 and March 31, 2024.

B) Related Party Distinctions

Related Party	Parent (as per ownership or control)		Subsidiaries		Associated/Joint ventures		Directors		Key Management Personnel		Relations of Key Management Personnel		Total	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Borrowings														
Deposits			527.00	458.75			0.31	10.30	0.60	0.48	0.75	1.41	528.66	470.95
Placement of deposits (Maximum Balance)			545.85	458.75			10.81	15.78	0.91	1.20	1.54	1.48	559.11	477.17
Advances														
Investments			7,899.58	7,898.78									7,899.58	7,898.78
Purchase of fixed/other assets														
Sale of fixed/other assets														
Interest paid														
Interest received														
Others			40.59	34.42			0.76	0.22	0.03	0.04	0.05	0.03	41.42	34.74

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	Year ended 31 March 2025	FY 2023-24
Complaints received by the NBFC from its customers		
1. Number of complaints pending at beginning of the year		
2. Number of complaints received during the year		
3. Number of complaints disposed during the year		
3.1 Of which, number of complaints rejected by the NBFC		
4. Number of complaints pending at the end of the year		
Maintainable complaints received by the NBFC from Office of Ombudsman		
5. Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman		
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
6. Number of Awards unimplemented within the stipulated time (other than those appealed)		

2) Since, no complaints have been received during year ended March 2025 and FY 2023-24, hence, the ground of complaints are Nil for both years.

D) The Company does not have any loan or have not issues any debt securities during year ended March 2025 and FY 2023-24.

E) Since, some of the conditions for divergence in asset classification and provisioning are met, hence, the same is not applicable to the Company during year ended March 2025 and FY 2023-24.



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Additional Disclosures as per Schedule III Amendment by Ministry of Corporate Affairs (MCA) dated March 24, 2021:

- 38 There are no immovable properties in the name of Company included in property, plant and equipment and intangible assets.
- 39 The Company has not entered into a transaction where the fair value of investment property (as measured for disclosure purposes in the financial statements) is measured on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- 40 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 41 The Company has not guaranteed any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.
- (a) The Company has not advanced / loaned / invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(I) directly or indirectly lend / invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
(II) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 42 (b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall:
(I) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries")
(II) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 43 No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 44 The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- 45 The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- 46 There are no identified promoter of the Company as at March 31, 2025 and March 31, 2024.
- 47 No transactions have taken place with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 48 There are no charges / satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.
- 49 There are no capital work in progress, investment property in progress and intangible assets as at March 31, 2025 and March 31, 2024. Hence, there are no projects in progress or temporarily suspended. Also, there are no projects whose completion is overdue or has exceeded its cost as per original plan.
- 50 The Company is in compliance with the number of layers prescribed u/s (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 51 There are no approved Scheme of Arrangements by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 as at March 31, 2025 and March 31, 2024.
- 52 There are no Security deposits, lease liabilities and long-term borrowings of the Company as at March 31, 2025 and March 31, 2024.
- 53 There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.
- 54 There have been no trading / investment in crypto / virtual currency during the year and previous year. Also, there have been no deposits and advances received from any person for the purpose of trading / investment in crypto currency during current year and previous year.



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300

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
Notes to standalone financial statements as at 31 March 2025
(Amount in millions unless otherwise stated)

Additional Disclosures as required by Reserve Bank of India (RBI) basis Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 vide RBI / DoR / 2023-24 / 106 DoR.FIN.REC.No.45/03.10.119/2023-24 updated as on March 21, 2024

55

Particulars		Amount outstanding	Amount overdue
Liabilities side			
(1)	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures: Secured	Nil	Nil
	Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
(b)	Deferred Credits	Nil	Nil
(c)	Term Loans	Nil	Nil
(d)	Inter-corporate loans and borrowing	Nil	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Public Deposits*	Nil	Nil
(g)	Other Loans (specify nature)	Nil	Nil
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)	In the form of Unsecured debentures	Nil	Nil
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c)	Other public deposits	Nil	Nil
Assets side		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a)	Secured	Nil	
(b)	Unsecured	Nil	
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i)	Lease assets including lease rentals under sundry debtors:		
(a)	Financial lease	Nil	
(b)	Operating lease	Nil	
(ii)	Stock on hire including hire charges under sundry debtors:		
(a)	Assets on hire	Nil	
(b)	Repossessed Assets	Nil	
(iii)	Other loans counting towards asset financing activities		
(a)	Loans where assets have been repossessed	Nil	
(b)	Loans other than (a) above	Nil	
(5)	Break-up of Investments		
Current Investments			
1. Quoted			
	(i) Shares		
	(a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (please specify)	Nil	
2. Unquoted			
	(i) Shares		
	(a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (please specify)	Nil	
Long Term investments			
1. Quoted			
	(i) Shares		
	(a) Equity	7899.58	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (please specify)	Nil	
2. Unquoted			
	(i) Shares		
	(a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of mutual funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (please specify)	Nil	



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301

Utkarsh CoreInvest Limited (Formerly known as Utkarsh Micro Finance Limited)
 Notes to standalone financial statements as at 31 March 2025
 (Amount in millions unless otherwise stated)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: Please see Note 2 below				
Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties **			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
2.	Other than related parties	Nil	Nil	Nil
Total				
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
Category		Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	
1.	Related Parties **			
	(a) Subsidiaries	NA	7899.58	
	(b) Companies in the same group	Nil	Nil	
	(c) Other related parties	Nil	Nil	
2.	Other than related parties	Nil	Nil	
Total		Nil	7899.58	
(8) Other information				
Particulars		Amount		
(i)	Gross Non-Performing Assets			
	(a) Related parties	Nil		
	(b) Other than related parties	Nil		
(ii)	Net Non-Performing Assets			
	(a) Related parties	Nil		
	(b) Other than related parties	Nil		
(iii)	Assets acquired in satisfaction of debt	Nil		



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Utkarsh CoreInvest Limited

56 Income tax

A. Amounts recognised in profit or loss

Particulars

	For the year ended 31 March 2025	For the year ended 31 March 2024
Current tax expense	102.98	5.85
Tax for earlier years	-	-
Tax expense	102.98	5.85

B. Reconciliation of effective tax rate

Particulars

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	%	Amount	%	Amount
Profit before tax		405.68		20.30
Tax using the Company's domestic tax rate	25.17%	102.10	25.17%	5.11
Effect of:				
Permanent differences	0.00%	-	0.50%	0.10
Tax for earlier years	0.00%	-	0.00%	-
Tax exempt income	0.00%	-	0.00%	-
Change in unrecognised temporary differences	0.15%	0.59	3.68%	0.75
Others	0.07%	0.28	-0.52%	(0.11)
Effective tax rate/tax expense	25.38%	102.98	28.82%	5.85

C. Uncertain tax positions

Claims against the company not acknowledged as debts in respect of Income Tax is INR 124.69 (31 March 2024: INR 124.69).

D. Unrecognised deferred tax balances

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	As at 31 March 2025	As at 31 March 2024
Deductible temporary differences	0.59	1.51
Deferred tax on account of indexation on equity shares of investment in subsidiary*	-	620.08
Total	0.59	621.59

* From FY 2024-25, there will be no indexed cost of acquisition. Hence, there is no disclosure made for deferred tax impact on investment in subsidiary as tax base and carrying value will be the same.

57 Audit Trail

A. Enhancing Accountability and Transparency: Implementation of Audit Trail

The company had implemented an audit trail system within our company's software which has impact on books of accounts with effect from April 01, 2023. This implementation underscores our commitment to transparency, accountability, and data integrity. Audit trail has been implemented for all transactions recorded in the software throughout the year.

By capturing and documenting critical events and activities within our systems, we ensure a comprehensive record that enhances security, facilitates compliance, and supports effective decision-making.

In addition, audit trail data is preserved in the system as per statutory requirement for record retention. The company's dedication to maintain a robust audit trail reflects ongoing efforts to uphold the highest standards of governance and security across all aspects of business operations.

B. Backup Schedule and Data Preservation:

The company is following a backup schedule and data preservation protocol within the organization. The company's backup schedule entails frequent and systematic backups of critical data assets to safeguard against potential data loss or corruption. This proactive approach ensures that valuable information remains protected and accessible in the event of unforeseen circumstances. The Backup for the accounting software Intellect Core Banking System is done on a Daily basis and preserved at Disaster Recovery (DR) site located at Hyderabad.

As per our report of even date attached.

for DMKB & Co.
Chartered Accountants
ICAI Firm Registration No. 116886W/066580

for and on behalf of Board of Directors of
Utkarsh CoreInvest Limited
CIN: U65191UP1990PLC045609

MANISH KANKANI
Digitally signed by
MANISH KANKANI
Date: 2025.05.30
19:35:58 +05'30'

Manish Kankani
Partner
Membership No: 158020

Suman Saurabh
Digitally signed by
Suman Saurabh
Date: 2025.05.30
17:03:01 +05'30'

Suman Saurabh**
Managing Director and CEO
DIN: 07132387

G S SUNDAR ARAJAN
Digitally signed by
G S SUNDAR ARAJAN
Date: 2025.05.30
18:50:44 +05'30'

G.S. Sundararajan**
Chairperson
DIN: 00361030

Neeraj Kumar Tiwari
Digitally signed by
Neeraj Kumar Tiwari
Date: 2025.05.30
17:41:32 +05'30'

Neeraj Kumar Tiwari
Company Secretary
FCS: 12101

Harshit Agrawal
Digitally signed by
Harshit Agrawal
Date: 2025.05.30
18:50:44 +05'30'

Harshit Agrawal
Chief Financial Officer
ACA: 417412

Place: Mumbai
Date: 30 May 2025

Place: Varanasi, Gaya Jee* & Chennai**
Date: 30 May 2025



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

1. Reporting entity

Utkarsh Coreinvest Limited ("the Company" or "Holding Company") is domiciled in India. The Company is having its registered office at Varanasi. The Company was formerly known as Utkarsh Micro Finance Limited and got the name changed to Utkarsh Coreinvest Limited w.e.f. 11 October 2018.

The company was primarily engaged in the business of micro finance, following group lending methodology and providing small value unsecured bank loans to lower income group of below poverty line ('BPL') in urban and rural areas. During the financial year 2016-17, the Company executed a business transfer agreement with its subsidiary Company 'Utkarsh Small Finance Bank Limited' ('USFB') and transferred all its assets and liabilities (except certain statutory assets, vehicle and statutory liabilities). Accordingly, the business of micro finance was also transferred to USFB.

On 3 May 2018, the RBI has granted its approval to the Holding Company for carrying on the business of a Non-Deposit taking- Systemically Important Core Investment Company (CIC-ND-SI) under the Certificate No C.07.00781.

2. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Basis of preparation

i. Statement of compliance

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

These financial statements were authorized for issue by the Company's Board of directors on 30 May 2025.

The Company is regulated by the Reserve Bank of India ('RBI'). The RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

ii. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:

- i. Certain financial assets and liabilities that are measured at fair value or amortised value;
- ii. Net defined benefit liability/ (asset): present value of defined benefit obligation less fair value of plan assets.



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

iii. Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All amounts have been rounded to the nearest million rupees, unless otherwise stated.

iv. Use of judgements and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements have been given below:

Note 30 - Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the standalone financial statements for every period ended is included below:

- Note 26 - Measurement of defined benefit obligations: The cost of the defined benefit gratuity plan, the present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.
- Note 31 - Impairment of financial assets: key assumptions in determining the average loss rate
- Note 30 - Fair value measurement of financial instruments: When the fair value of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques as per the valuation policy. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

b. Revenue Recognition

- Dividend income is accounted on an accrual basis when the right to receive the dividend is established. This is generally when the shareholders approve the dividend.
- Income from interest on deposits and interest bearing securities is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- All other fees are accounted for as and when they become due.

c. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The Company initially recognizes loans and advances on the date on which they are originated. All other financial assets are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

Financial instrument are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit or loss (FVTPL), transaction costs are added to, subtracted from, this amount. Trade receivables are measured at the transaction price.

Classification and subsequent measurement

Classifications

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Debt instruments at amortized cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.



Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (OCI). Interest income is recognized basis EIR method and the losses arising from ECL impairment are recognized in the profit or loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Instruments at fair value through profit and loss (FVTPL)

The Company classifies its investment in financial assets at fair value through profit and loss. The said classification depends upon the entity's business model for managing the financial assets and the contractual terms of the cash flow. The said assets are measured at fair value whose gains and losses shall be recorded in statement of profit or loss.

Financial assets not measured at fair value

The carrying value less expected credit loss provision of other financial assets are assumed to approximate their fair values due to their short-term nature.

Reclassification of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. If the Company evaluates that substantial risk and reward have not been transferred, the Company continues to recognize the transferred asset. If the Company evaluates



Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

that substantial risk and rewards are neither transferred nor retained and the control of the asset is also not transferred, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

Classification and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial liabilities designated at fair value through profit and loss

When a financial liability contract contains one or more embedded derivative, the Company may designate the entire hybrid contract as at fair value through profit and loss unless:

- the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or
- it is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortized cost.

The fair valuation change on the liabilities subsequently measured at fair value through profit and loss account is recognized in profit and loss account except the changes in the liability's credit risk, which is recognized in 'Other Comprehensive Income'



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

Financial liabilities not measured at fair value

The carrying value less expected credit loss provision of other financial liabilities are assumed to approximate their fair values due to their short-term nature.

Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability or equity based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability or equity recognized with modified terms is recognized in profit or loss or in other equity in case the same is a transaction with the shareholders.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously ('the offset criteria').

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.



Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company has classified the financial instruments based on a hierarchy of valuation techniques, as summarized below:

Level 1 financial instrument, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 financial instrument, if there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction like quoted price for identical instruments, interest rates and yields adjusted for condition and location of the asset or to the extent to which it relates.

Level 3 financial instrument, if adjustments are based on one or more unobservable inputs where there is no market activity for the asset or liability at the measurement date

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument.

d. Impairment of Financial Assets

Impairment of financial instruments

The Company recognizes impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- Financial assets that are debt instruments
- Bank balance
- Other financial assets

No impairment loss is recognized on equity investments.

ECL are probability weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

- Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

With respect to other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognized in the Statement of Profit or Loss.

e. Investment in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

f. Foreign Currency transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

g. Property, Plant and Equipment (PPE)

Initial Measurement

Property, plant and equipment are stated at cost less accumulated depreciation as adjusted for impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognized in statement of Profit and loss.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

Subsequent Measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Impairment

Carrying amounts of cash generating assets are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognized in the statement of Profit and Loss whenever the carrying amount exceeds the recoverable amount.

Depreciation

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment which are in accordance with lives prescribed under Schedule II of Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

h. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

The Company has formulated an Employees Stock Option Scheme to be administered through a Trust and also issues options to employees which are not routed through trust. The scheme provides that subject to continued employment with the Company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Company has following defined contribution plans:

Provident Fund



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

The Company contributes to mandatory government administered provident funds which are defined contribution schemes as the Company does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and recognized in the statement of Profit and Loss

iv. Defined benefit plans

The Company's net obligation in respect of gratuity is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

i. Income Tax

Income tax expense comprises of current tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

Current tax



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Cash and cash equivalents are carried at amortized cost in the statement of financial position.

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has been identified as the chief operating decision maker for the Company.

l. Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When 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.

Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

m. Leases

The Company's lease asset class consists of lease for building taken on lease.



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Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited)
Notes to the standalone financial statements for the year ended 31 March 2025
(All amounts are in INR millions, unless otherwise stated)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

n. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares on account of employee stock options, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

o. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Suman Saurabh
Digitally signed by Suman Saurabh
 Date: 2025.05.30 17:35:59 +05'30'

MANISH KANKANI
Digitally signed by MANISH KANKANI
 Date: 2025.05.30 19:36:35 +05'30'



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