

Ref: NSE/LIST/ 44422

July 07, 2025

The Company Secretary
Utkarsh Small Finance Bank Limited

Kind Attn: Muthiah Ganapathy

Dear Sir/Madam,

Sub: Observation Letter for draft scheme of arrangement amongst Utkarsh CoreInvest Limited (hereinafter referred to as “UCL/Transferor Company”) and Utkarsh Small Finance Bank Limited (hereinafter referred to as “USFBL/Transferee Company”) and their respective shareholders under Section 230-232 and other applicable provisions of the Companies Act, 2013.

We are in receipt for captioned draft Scheme of arrangement filed by Utkarsh Small Finance Bank Limited.

Based on our letter reference no. NSE/LIST/44422 dated December 30, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with Regulation 59A, 94(2) and 94A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Operational Circular NO SEBI/HO/DDHS/DDHS_PoD-1/P/CIR/2024/48 dated May 21, 2024, SEBI vide its letter dated July 03, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) *The Company shall ensure that the proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company and the Stock Exchanges.*
- d) *The Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Circular and also ensure that all the liabilities of the Transferor Company are transferred to the Transferee Company.*

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- e) *The Company shall ensure that all the information pertaining to all the Unlisted Companies involved, if any in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- f) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- g) *The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*
- h) *The Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- i) *The Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- j) *The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*
- k) *The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT, and the Company is obliged to bring the observations to the notice of NCLT.*
- l) *The Companies shall ensure that the “Scheme” shall be acted upon subject to the companies involved in the scheme of arrangement complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document.*
- m) *The Companies shall ensure that the following disclosure as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.*
- i. *Need and rationale of the scheme, synergies of business of the companies involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme*
 - ii. *Details of Registered Valuer issuing Valuation Report and Merchant Banker issuing Fairness opinion, Summary of methods considered for arriving at the Share-Swap Ratio and Rationale for using above methods.*

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- iii. *Latest financials of UCL and USFBL not older than 6 months from the date of NOC of Stock Exchange should be updated on the website and the same also to be disclosed in the explanatory statement.*
- iv. *Pre and Post scheme shareholding of UCL and USFBL as on the date of notice of shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.*
- v. *Value of Assets and liabilities of UCL that are being transferred to Transferee Company and post-merger balance sheet of USFBL.*
- vi. *Details of potential benefits and risks associated with the merger, including integration challenges, market conditions and financial uncertainties.*
- vii. *Disclose the impact on reserves of USFBL pursuant to the scheme of arrangement along with quantitative details showing the impact of both pre & post the scheme of arrangement and statement that the same is in accordance with applicable accounting standards and other applicable provisions of the Companies Act, 2013. Disclose the approval requirement of shareholders under the Companies Act, 2013 and other relevant details.*
- n) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*
- o) *The Company should ensure that the entities involved in the proposed scheme shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular ref. no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022, for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper.*
- p) *The Company should ensure the listed entity(ies) involved in the proposed scheme shall include information pertaining to the unlisted entity, if any, in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process.*
- q) *The listed entity(ies) involved in the proposed scheme shall ensure to disclose the No-Objection letter of the Stock Exchange on its website within 24 hours of receiving the same.*

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r) The company shall ensure that the entities involved in the proposed scheme have complied with the applicable/relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including obtaining the consent from the creditors for the proposed scheme and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 and 59A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from July 07, 2025, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

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The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>