



Utkarsh Small Finance Bank

November 11, 2024

**The BSE Limited
543942, 958095, 959644, 968226, 975790**

**National Stock Exchange of India Limited
UTKARSHBNK**

Dear Sir/Madam,

Sub: Newspaper Publication – Financial Results of the Utkarsh Small Finance Bank Limited for the quarter & half year ended September 30, 2024

Pursuant to Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Newspaper clipping published in Financial Express (English), Jansatta (Hindi) and Aaj (Hindi) for the quarter & half year ended September 30, 2024.

This is for your information and record.

Thanking You

For **Utkarsh Small Finance Bank Limited**

**Muthiah Ganapathy
Company Secretary & Compliance Officer
ICSI Membership No: F5674**

Registered & Corporate Office

Utkarsh Tower, NH-31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh - 221105.
CIN: L65992UP2016PLC082804 | ☎ 0542-6605555 | 🌐 www.utkarsh.bank

● A CLUTCH OF NEW AMCs IS MAKING ITS PRESENCE FELT

Newbies up to the challenge

VIVEK KUMAR M
Mumbai, November 10

THE TREND IS clear. India's Asset Management Companies (AMC) are poised to gain enormously as hordes of savers move money from low-yielding bank deposits to high-return stocks. Monthly inflows of ₹35,000-₹40,000 crore, across asset classes, are now par for the course as average inflows of ₹25,000 crore into Systematic Investment Plans (SIPs). And while there are 500 million Indians who have linked their PAN with Aadhar numbers, only 50 million invest in mutual funds.

If the penetration of mutual fund units is low, the entry barriers are lower. The minimum capital required to float an AMC is only ₹50 crore and is one reason why the queue for AMC licences is getting longer. Never mind that there are already 47 players in the game and that US giant Blackrock is stepping into the market.

The new entrants are convinced they will eke out their shares. Some are leveraging their brands, others their digital franchises. And some like Aashish Somaiyaa, CEO, WhiteOak Capital AMC believe they can play the changing mindsets. "Earlier people may not have been so familiar with the category so they would buy the brand. But now it is about performance. The market today is more meritocratic," he says. White Oak has been able to mop up about ₹15,000 crore of equity assets in a little over two years.

Indeed, technology today is important. While Ganesh Mohan, MD& CEO, Bajaj Finserv AMC may have inherited a good brand, he also plans to use top-class technology for both investors and distributors. "We will also offer differentiated products," Mohan says.

Ankit Bihani and Param Subramanian at Nomura estimate the industry AUM (assets under management) can grow by a compound 18% over FY24-30. They expect the top ten players to hold on to their combined share of close to 78%.

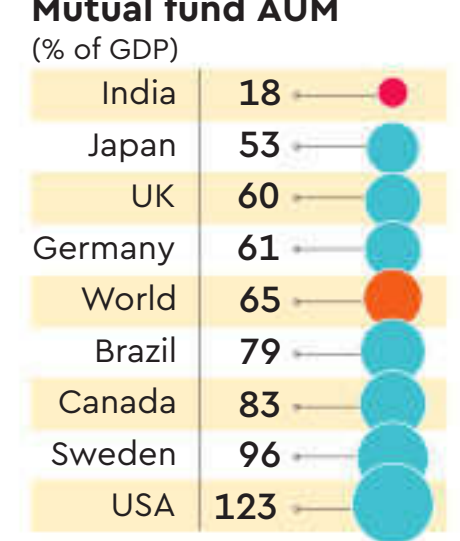
The reality, as Somaiyaa points out, is that the top players have been losing share. For instance, in the active equity and hybrid schemes (excluding arbitrage schemes) the share of the top ten AMCs has come down from 80% to



THE BIG PICTURE

THE SHARE OF TOP 10 AMCs IN THE TOTAL AUM HAS FALLEN TO 76% FROM 87% IN THE TEN YEARS TO SEPTEMBER 2024

GROWING UP



Average AUM for July-September (in ₹ crores)

| | |
|---------------------------|-----------|
| Groww Mutual Fund | 1,047.13 |
| Trust Mutual Fund | 1,746.20 |
| Helios Mutual Fund | 2,288.91 |
| Zerodha Mutual Fund | 2,642.97 |
| Navi Mutual Fund | 6,613.25 |
| NJ Mutual Fund | 6,678.03 |
| WhiteOak Capital Mutual | 13,160.73 |
| Bajaj Finserv Mutual Fund | 15,592.67 |

Source - AMFI

70% in the ten years to September, 2024. For the top five players, the share has fallen to 50% from 56%. Again, the share of the top 10 in the total AUM has fallen to 76% from 87%. For the top five players, this has dropped to 55% from 61% in September 2014.

Also, some part of the AUM of the bigger players comes from wholesale investors like pension players. But the good news for newer players is that retail investments have grown at a

much faster compound rate of 24% over FY14-FY24 than the industry AUM growth rate of 20%.

It is this fast-growing retail catchment—a possible 200 million new investors— that players like Bajaj's Mohan and Vishal Jain, CEO at Zerodha are targeting. The idea, Jain says is to cater for households across income levels, even lower-middle income families. His fund has started off with a few purely passive schemes

that are both easy to explain and cost-effective. "We are launching simple debt products—ETFs or passive products—so that investors can create a portfolio for themselves," he says, adding a basket of solutions with combinations of gold and equity is also on the cards. On the other hand, White Oak has set

up a 33-member research team "to generate alpha". Somaiyaa says passive schemes are not on his radar.

Bajaj's Mohan observes that while intermediation is critical, good quality advice is equally critical. "We have seen that the gap between fund returns and folio returns can be 2.5-5% because investors traded in and out. There's value in a good advisor," he says.

The going has been good. Zerodha is working with a purely digital channel and has acquired 3.5 lakh investors and assets of around ₹3,600 crore with the bulk of it in liquid schemes and about ₹1,000 crore in equities. NJ Fund, part of the group which is a leading national distributor, has managed an AUM of close to ₹7,000 crore across five schemes.

However, as Saurabh Joshi, Partner EY, says, the success of new entrants would depend on how quickly they scale, adding that building a distribution network in an open architecture isn't easy. "While digital channels are gaining importance and are cost-effective, its adoption in tier-2, 3, and 4 cities may take time," he says. Joshi feels a hybrid approach to both acquire and retain customers might work.

In the absence of scale, the costs—investments in technology, manpower and distributions fees—mount. The increasing competition, according to EY's Joshi, may have further stretched the break-even period for traditional AMC models by a year or two. Typically an AMC should break even in 5-6 years but it could take a little longer now.

To be sure, investors today are more tech savvy and smart but building a sustainable business won't be easy. Today, just about 50% of AMCs are profitable and many of them are backed by big brands. The profitability of the top 10 players, FY24, was in the range of 20-40 basis points of their AUMs. The newcomers are unfazed.

Zerodha's Jain says he is hoping to accumulate an AUM of ₹20,000-₹30,000 crore anytime between the third and fifth year while Somaiyaa reckons an AUM of anywhere between ₹10,000-₹30,000 crore can support a sustainable business. As they say, fortune favours the bold.

Entrepreneur Kohli bends it like Beckham

SANDEEP DWIVEDI
New Delhi, November 10



FRESH START

INDIAN FAMOUSLY COMPATIBLE captain and coach have firmed up their business ties. In a recent social media post, former Indian captain Virat Kohli announced a 'fresh start' with Sporting Beyond, a consultancy company that has player-turned-commentator Ravi Shastri as a stakeholder. Kohli further said that a new team "will be working with me on all of my business interests." Confirming the association to *IE*, Shastri said Sporting Beyond acts as "advisors and consultants" to Indian and international companies and also the "talent" associated with it.

Kohli's 'fresh start' is a sign of the 36-year-old batting great and a mega global brand is also looking to be a business entrepreneur, a move popular among ageing sporting superstars. Retired English footballer David Beckham, with his close to \$100 million business empire, is among the prominent athletes who managed the seamless corporate transition.

Easily the most-sought after 'talent' in the world of brand and advertising, the former Indian captain had parted ways with his long-time manager and business partner Bunty Sajdeh late last year. Kohli had been with Cornerstone, Sajdeh's high-profile sports and entertainment consultancy that specialises in talent management, since his rookie days. Top Indian stars like Rohit Sharma, KL Rahul and Rishabh Pant have been Cornerstone's 'talents' in the past.

Reports put Kohli's net worth at well over ₹1,000 crore endorsing global corporate behemoths like Puma, MRF, Tis-

■ Kohli parted ways with his long-time manager & business partner Bunty Sajdeh late last year

■ Kohli's net worth stands at ₹1,000 cr, having endorsements with behemoths like Puma, MRF, Pepsi

sot, Pepsi, Colgate, Samsonite, Valvoline, Audi and PNB during his sparkling career.

Of late, he has also put together a diverse investment portfolio that includes insurance, plant-based meat and social networking startups, athleisure brands and a gym chain. Kohli is also a joint-owner of football and motorsport teams. He also has a stake in one coffee brand. It's in his backing of businesses that brings Sporting Beyond into the picture. The three-year-old company's director Jaiveer Panwar explains how they aren't really Kohli's agents but their role is much more specific and nuanced.

"Sporting Beyond is not an agent for Virat. Rather, we provide him with advisory and consultancy services across all his business interests, and we will be working with him, with a dedicated team of specialists," Panwar tells *IE*.

Utkarsh Small Finance Bank

Aapki Ummeed Ka Khaata
(A Scheduled Commercial Bank)

Registered office address: Utkarsh Tower, NH-31 (Airport Road), Sehmapur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN - 221105.

Financial Results for the Quarter / Half Year ended 30th September, 2024

Long Term Credit Rating | ICRA A+ (Stable) | CARE A+ (Stable) | Rating for Certificate of Deposit Programme | ICRA A1+

OUR BRAND AMBASSADORS
MC MARY KOM & SUNIL CHHETRI

TOGETHER, WE EMBARK ON AN EXCITING JOURNEY

| Particulars | Quarter Ended | | Half Year Ended | |
|--|---------------|---------------|-----------------|---------------|
| | 30 Sept. 2024 | 30 Sept. 2023 | 30 Sept. 2024 | 31 March 2024 |
| 1 Total income from operations (net) | 98,695.25 | 75,631.84 | 1,95,286.94 | 3,17,841.16 |
| 2 Net Profit for the year/period (before tax, exceptional and/or extraordinary items) | 6,807.29 | 15,442.58 | 25,431.30 | 65,938.63 |
| 3 Net Profit/(Loss) for the year/period before tax (after exceptional and/or extraordinary items) | 6,807.29 | 15,442.58 | 25,431.30 | 65,938.63 |
| 4 Net Profit/(Loss) for the year/period after tax (after exceptional and/or extraordinary items) | 5,139.12 | 11,441.92 | 18,878.79 | 49,762.85 |
| 5 Total Comprehensive Income for the year/period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)] (Refer Note 3) | - | - | - | - |
| 6 Paid up Equity Share Capital (of ₹ 10 each) | 1,10,136.96 | 1,09,698.94 | 1,10,136.96 | 1,09,945.75 |
| 7 Reserves (excluding Revaluation Reserve) | - | - | - | 1,87,373.08 |
| 8 Securities Premium Account | 56,024.35 | 54,727.44 | 56,024.35 | 55,427.78 |
| 9 Net worth* | 2,89,161.23 | 2,51,310.30 | 2,89,161.23 | 2,72,224.67 |
| 10 Paid up Debt Capital / Outstanding Debt | 1,99,754.07 | 1,90,226.38 | 1,99,754.07 | 1,99,508.08 |
| 11 Outstanding Redeemable Preference Shares | - | - | - | - |
| 12 Debt Equity Ratio** | 0.64 | 0.71 | 0.64 | 0.67 |
| 13 EPS Basic (₹) (not annualised for quarters / half year) | 0.47 | 1.17 | 1.72 | 4.79 |
| EPS Diluted (₹) (not annualised for quarters / half year) | 0.46 | 1.15 | 1.70 | 4.75 |
| 14 Total Debt ** to Total Assets ratio | 7.59% | 9.68% | 7.59% | 8.35% |
| 15 Capital Adequacy Ratio | 22.43% | 24.82% | 22.43% | 22.57% |
| 16 % of Gross NPA to Gross Advances | 3.88% | 2.81% | 3.88% | 2.51% |
| 17 % of Net NPA # to Net Advances # | 0.89% | 0.16% | 0.89% | 0.03% |
| 18 Return on Assets (not annualised for quarters / half year) | 0.20% | 0.58% | 0.76% | 2.46% |
| 19 Capital Redemption Reserve | - | - | - | - |
| 20 Debenture Redemption Reserve | - | - | - | - |

* as per RBI guidelines.
** Debt represents total borrowings of the Bank & Equity consists of Share Capital plus Reserves
After considering floating provision

Notes to the financial results:

- The above is an extract of the format of quarter and half year ended September 30, 2024 financial results reviewed by the Audit Committee and approved by the Board of Directors of the Bank at its respective meeting held on November 09, 2024. The financial results have been subjected to audit by the Joint Statutory Auditors as required under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Full Format of the half year ended Financial Results are available on the website of the Stock Exchanges, www.nseindia.com & www.bseindia.com & of the Bank- www.utkarsh.bank
- The Board of Directors at its meeting held on April 26, 2024, had proposed a dividend of ₹0.50 per share (Previous Year- ₹NIL per share) for the year ended March 31, 2024 and the same is approved by the shareholders at the Annual General Meeting held on July 22, 2024. The declared dividend has been paid during the current quarter ended September 30, 2024.
- Information related to the total comprehensive income & other comprehensive income are not furnished as Ind AS is not yet made applicable to Bank.
- As per regulation 33 and regulation 52(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the equity and debt listed entities are required to disclose certain ratios and accordingly ratios relevant to Banking sector have been disclosed above.
- The figures for the quarter ended September 30, 2024 / September 30, 2023 are the balancing figure between the audited figures in respect for the half year and figures for the quarter ended June 30, 2024 / June 30, 2023 which were subject to review by the joint statutory auditors.

Place : Mumbai
Date : November 09, 2024

For and on behalf of the Board of Directors of
Utkarsh Small Finance Bank Limited
CIN: L65992UP2016PLC082804

Sd/-
Govind Singh
Managing Director & CEO
DIN : 02470880

Values that bind

Presents

The Indian EXPRESS AQDA

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WHERE NEWSMAKERS DROP IN FOR A CANDID CHAT.

Revanth Reddy

Chief Minister of Telangana

in conversation with

Anant Goenka
Executive Director
The Indian Express Group

Liz Mathew
Deputy Editor
The Indian Express

Associate Partner

Travel Partner

Hospitality Partner

