


IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

 (Please scan this QR Code to view the RHP)	<p>This is an abridged prospectus containing salient features of the Red Herring Prospectus of Utkarsh Small Finance Bank Limited dated July 6, 2023, filed with the Registrar of Companies, Uttar Pradesh at Kanpur ("RoC") (the "RHP" or "Red Herring Prospectus"). You are encouraged to read greater details available in the RHP, which is available at https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.</p> <p>THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.</p> <p>Please ensure that you have read the RHP, this abridged prospectus ("Abridged Prospectus") and the general information document for investing in public issues ("GID") undertaken through the Book Building Process before applying in the Issue (as defined below). The investors are advised to retain a copy of the RHP/ Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Member, Registrar to the Issue, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Banker to the Issue, Investors' Associations or Self Certified Syndicate Banks ("SCSBs"). You may also download the RHP from the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in, at the websites of National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), and together with NSE, the "Stock Exchanges" at www.nseindia.com and www.bseindia.com, respectively, and the website of the Book Running Lead Managers at www.icicisecurities.com and https://investmentbank.kotak.com.</p>
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UTKARSH SMALL FINANCE BANK LIMITED

Corporate Identity Number: U65992UP2016PLC082804; Date of incorporation: April 30, 2016

Registered and Corporate Office	Contact Person	Email and Telephone	Website
Utkarsh Tower, NH – 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi 221 105, Uttar Pradesh, India.	Muthiah Ganapathy <i>Company Secretary and Compliance Officer</i>	Telephone: +91 542 660 5555 Email: shareholders@utkarsh.bank	www.utkarsh.bank

PROMOTER OF OUR BANK: UTKARSH COREINVEST LIMITED

Details of Issue to Public

Type of Issue	Fresh Issue Size	Issue for Sale size	Total Issue Size	Eligibility – 6(2)	Share Reservation among QIBs, NIBs, RIBs And Eligible Employees			
					QIB	NIB	RIB	Eligible Employees
Fresh Issue	Up to [•] Equity Shares aggregating up to ₹5,000 million	Not Applicable	Up to [•] Equity Shares aggregating up to ₹5,000 million	The Issue is being undertaken in terms of Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") as our Bank did not fulfil requirements under Regulation 6(1) of the SEBI ICDR Regulations.	Not less than 75% of the Net Issue	Not more than 15% of the Net Issue	Not more than 10% of the Net Issue	Up to 1% of the size of the Issue

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited (Designated Stock Exchange) and BSE Limited.

The Issue comprises of only fresh issue.

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band	₹ [•] per Equity Share to ₹ [•] per Equity Share of face value of ₹ 10 each.
For details of the Price Band and the basis for the Issue Price, please refer to the price band advertisement and the section entitled "Basis for Issue Price" on page 105 of the RHP.	
Minimum Bid Lot Size	[•] Equity Shares
Bid/Issue Opens On ⁽¹⁾	Wednesday, July 12, 2023
Bid/ Issue Closes On ⁽²⁾	Friday, July 14, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, July 19, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account [#]	On or about Thursday, July 20, 2023
Credit of Equity Shares to demat accounts of Allottees	On or about Friday, July 21, 2023
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Monday, July 24, 2023

⁽¹⁾ Our Bank may, in consultation with the BRLMs, consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

⁽²⁾ Our Bank may, in consultation with the BRLMs, decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. UPI mandate end time and date shall be 5.00 p.m. on the Bid/ Issue Closing Date.

[#] In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Bank with the SCSBs, to the extent applicable.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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WACA of all shares transacted in last three years, 18 months and one year preceding the date of the Red Herring Prospectus

Period	WACA (in ₹)#	Cap price is 'X' times the WACA*	Range of acquisition price: lowest price – highest price (in ₹)#
One year	21.23	1.18	14.01 – 27.00
18 months	20.91	1.20	14.01 – 27.00
Three years	28.64	0.87	14.01 – 31.80

As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated July 7, 2023

* Information on Cap Price will be included after finalization of the Price Band

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Bank, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹10. The Floor Price, the Cap Price and the Issue Price to be determined by our Bank in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for the Issue Price” beginning on page 105 of the RHP should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Bank and the Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 25 of the RHP and on page 9 of this Abridged Prospectus.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Members, Registrar to the Issue, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Bankers to the Issue, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to the Issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLMs or download it from the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively, and the website of the BRLMs at www.icicisecurities.com and <https://investmentbank.kotak.com>.

PRICE INFORMATION OF BRLMs

Sr. No.	Issue Name	Merchant Banker(s)	+/- % change in closing price, [+/- % change in closing benchmark]		
			- 30 th calendar days from listing	90 th calendar days from listing	180 th calendar days from listing
1	Vedant Fashions Limited ^{^^}	I-Sec, Kotak	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]
2	Life Insurance Corporation of India [^]	I-Sec, Kotak	-27.24%, [-3.27%]	-28.12%, [+9.47%]	-33.82%, [+13.76%]
3	Prudent Corporate Advisory Services Limited [^]	I-Sec	-20.71%, [-5.46%]	-2.10%, [+10.92%]	+26.23%, [+13.89%]
4	Paradeep Phosphates Limited [^]	I-Sec	-10.24%, [-3.93%]	+27.50%, [+7.65%]	+31.19%, [+11.91%]
5	Syrma SGS Technology Limited [^]	I-Sec	+31.11%, [-1.25%]	+29.20%, [+4.55%]	+20.66%, [+3.13%]
6	Fusion Micro Finance Limited ^{^^}	I-Sec	+9.86%, [+1.40%]	+12.84%, [-2.97%]	+25.52%, [-0.48%]
7	Five Star Business Finance Limited ^{^^}	I-Sec, Kotak	+29.96%, [+1.24%]	+19.20%, [-4.71%]	+11.72%, [+0.24%]
8	Mankind Pharma Limited ^{^^}	Kotak	37.61%, [2.53%]	Not Applicable	Not Applicable
9	KFin Technologies Limited ^{^^}	I-Sec, Kotak	-13.55%, [-3.22%]	-24.56%, [-6.81%]	-4.48%, [+2.75%]
10	Sula Vineyards Limited ^{^^}	Kotak	+18.59%, [-0.55%]	-4.87%, [-5.63%]	27.87%, [+3.46%]
11	Bikaji Foods International Limited [^]	Kotak	+28.65%, [-0.29%]	+44.58%, [-2.00%]	24.17%, [+0.08%]
12	Global Health Limited ^{^^}	Kotak	+33.23%, [0.03%]	+35.94%, [-3.47%]	61.67%, [-0.52%]
13	Aether Industries Limited [^]	Kotak	+21.00%, [-5.13%]	+34.54%, [+6.76%]	+40.15%, [+12.40%]

[^]BSE as designated stock exchange

^{^^}NSE as designated stock exchange

Notes:

1. Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by the BRLMs with common issues disclosed once.
2. Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable.
3. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective issuer at the time of the issue, as applicable.
4. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered. The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.

For further details, please refer to "Other Regulatory and Statutory Disclosures - Price information of past issues handled by the Book Running Lead Managers (during the current Fiscal and two Fiscals preceding the current Fiscal)" on page 401 of the RHP.

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited Tel: +91 22 6807 7100 E-mail: utkarsh.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com	Kotak Mahindra Capital Company Limited Tel: +91 22 4336 0000 E-mail: utkarshsfb.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com
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Name of Syndicate Member	Kotak Securities Limited, Tel: +91 22 6218 5410, Email: umesh.gupta@kotak.com
Name of Registrar to the Issue	KFin Technologies Limited Tel: +91 40 6716 2222 / 1800 345 4001 E-mail: utkarsh.ipo@kfintech.com Investor grievance E-mail: einward.ris@kfintech.com
Name of Joint Statutory Auditors	Deloitte Haskins & Sells, Chartered Accountants and Kirtane & Pandit LLP, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable
Name of Debenture Trustee	Not applicable
Self Certified Syndicate Banks or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34 , or at such other websites as may be prescribed by SEBI from time to time.
Registered Brokers	Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com and https://www.nseindia.com , as updated from time to time. For further details, please see page 81 of the RHP.
Eligible SCSBs and mobile applications enabled for UPI Mechanism	In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=43) respectively, as updated from time to time.
Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and www.nseindia.com , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and www.nseindia.com , respectively, as updated from time to time.

For further details, see “*Issue Procedure*” on page 417 of the RHP.

PROMOTER OF OUR BANK

Sr. No.	Name	Individual/ Corporate/HUF	Details of the Promoter
1	Utkarsh CoreInvest Limited	Corporate	Our Promoter is Utkarsh CoreInvest Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 on May 15, 1990. Our Promoter was incorporated as Shre Pathrakali Finance Company Limited and subsequently, the name of our Promoter underwent several changes and was last changed to Utkarsh CoreInvest Limited, for which a fresh certificate of incorporation consequent to the change of name was issued by the RoC on October 11, 2018. Pursuant to the Business Transfer Agreement, our Promoter sold its business of providing microfinance, as a going concern, including the assets, liabilities, contracts, receivables, licenses, employees, books and records, tax benefits, etc. and excluding certain statutory assets, vehicles and statutory liabilities to our Bank. As per the terms of the RBI In-Principle Approval, our Promoter was converted into an NBFC-CIC-NDSI with effect from May 3, 2018 under certificate number C.07.00781. As on the date of the RHP, our Promoter, along with its nominees, holds an aggregate of 759,272,222 Equity Shares, comprising 84.75% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Bank. For details on shareholding of our Promoter in our Bank, see “ <i>Capital Structure</i> ” beginning on page 85 of the RHP.

For details in respect of the Promoters, please see the section entitled “*Our Promoters and Promoter Group*” beginning on page 231 of the RHP.

OUR BUSINESS OVERVIEW AND STRATEGY

Bank Overview: We are an SFB in India and recorded the third fastest Gross Loan Portfolio growth between Fiscal 2019 and Fiscal 2023 among SFBs with Gross Loan Portfolio of more than ₹ 60 billion. (Source: CRISIL Report, page 133) Our Promoter, Utkarsh CoreInvest Limited, commenced its operations as a NBFC in Fiscal 2010 and was focused on providing microfinance to unserved and underserved segments and in particular in the states of Uttar Pradesh and Bihar. We have our headquarters located in Varanasi, Uttar Pradesh and have over the years expanded our SFB operations strategically in States where we have been able to leverage the prior microfinance experience of Utkarsh CoreInvest Limited.

Product/Service Offerings: We offer a range of financial products and services that address the specific requirements of our customer segments. Our product portfolio includes asset products that we advance to customers located primarily in unbanked and underbanked areas; and liability products in the form of deposits that we source from customers across regions.

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The table below sets forth our Bank's Gross Loan Portfolio by product as of the dates indicated:

Product / Channel	As of March 31,					
	2021		2022		2023	
	(₹ million)	% of total	(₹ million)	% of total	(₹ million)	% of total
Microbanking Loans	68,993.84	81.98%	80,024.07	75.28%	92,155.82	66.03%
Housing Loans	2,195.85	2.61%	3,592.51	3.38%	5,192.45	3.72%
Retail Loans	5,311.36	6.31%	8,400.39	7.90%	15,340.92	10.99%
Wholesale Lending	5,031.09	5.98%	9,261.15	8.71%	15,468.11	11.08%
BC	1,947.11	2.32%	2,244.16	2.11%	3,728.42	2.67%
CE and CV	127.82	0.15%	2,121.59	2.00%	5,603.60	4.01%
Others*	549.53	0.65%	663.38	0.62%	2,081.76	1.50%
Gross Loan Portfolio	84,156.60	100.00%	106,307.25	100.00%	139,571.08	100.00%

Notes:

* Others includes staff loans, gold loans and overdrafts against deposits.

Geographies Served: Our business operations are concentrated in India, hence the Bank is considered to operate in domestic segment only.

Key financial and operational metrics:

Key Performance Indicators (KPIs)		Fiscal 2021	Fiscal 2022	Fiscal 2023
Operations	Banking Outlets	558	686	830
	Gross Loan Portfolio (₹ in million)	84,156.60	106,307.25	139,571.08
	Gross Loan Portfolio Growth (%)	26.34%	26.32%	31.29%
	Secured Advances as % of Total Advances	13.82%	21.99%	33.08%
	Total Deposits (₹ in million)	75,075.68	100,741.83	137,101.40
	Total Deposits Growth (%)	43.41%	34.19%	36.09%
	CASA Ratio (%)	17.68%	22.37%	20.89%
	CASA + Retail Term Deposits Ratio (as percentage of Total Deposits) (%)	57.51%	59.64%	61.55%
Capital	Net Worth (₹ in million)	13,683.53	15,722.97	20,003.21
	Total Capital Ratio (CRAR) (%)	21.88%	21.59%	20.64%
	Tier 1 Capital Ratio (%)	19.98%	18.08%	18.25%
	Cost of Deposits (%)	7.89%	6.92%	6.71%
	Cost of Funds (%)	8.27%	7.47%	6.96%
Asset Quality	Gross NPA (%)	3.75%	6.10%	3.23%
	SMA 1 %	2.62%	1.59%	0.77%
	SMA 2 %	1.14%	0.88%	0.70%
	Provision Coverage Ratio (excluding technical write-offs)(%)	65.49%	63.62%	88.29%
	Standard Restructured Advances (%)	3.13%	1.26%	0.22%
	Net NPA (%)	1.33%	2.31%	0.39%
	Profitability	Net Profit (₹ in million)	1,118.15	614.62
Yield on Advances (%)	20.64%	19.57%	19.88%	
Net Interest Margin (%)	8.20%	8.75%	9.57%	
Credit Cost Ratio (%)	3.97%	5.03%	2.61%	
Operating Expenses to Total Average Assets (%)	5.10%	5.78%	5.92%	
Cost to Income Ratio (%)	56.54%	58.90%	54.15%	
Return on Total Average Assets (%)	1.05%	0.48%	2.42%	
Return on Average Equity (%)	9.99%	4.14%	22.84%	
Others	Basic EPS	1.46	0.70	4.52
	Net Asset Value per Equity Share	16.13	17.56	22.33

Notes: For details of our KPIs disclosed elsewhere in the Red Herring Prospectus, please see the section entitled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 160 and 347 of the RHP, respectively.

Client Profile: Not applicable.

Industries Served: Small Finance Bank. For further details, see "Industry Overview" beginning on page 122 of the RHP.

Intellectual Property: Our Bank has 44 trademark registrations under various classes including 16 and 36 of the Trade Marks Act, 1999, as amended. Further, our Bank has made 91 applications including for registration of the wordmarks 'AAPKI UMMEED KA KHAATA', 'UTKARSH MITRA', 'EK NAYA NAZARIYA NAYE NAZAREIN', 'NAYA NAZARIYA BADALTE NAZAREIN', 'EK NAYA NAZARIYA BADALTE NAZAREIN' and for device marks comprising these wordmarks which are pending. Of the 91 applications for registration of trademarks, 3 applications have been objected to or opposed while 2 applications have been accepted and advertised. For details, see "Our Business – Intellectual Property" and "Risk Factors – Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights. If we fail to successfully enforce our intellectual property rights, our business, results of operations and cash flows would be adversely affected" beginning on pages 191 and 59 of the RHP, respectively.

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Market Share: We are an SFB in India and recorded the third fastest Gross Loan Portfolio growth between Fiscal 2019 and Fiscal 2023 among SFBs with Gross Loan Portfolio of more than ₹ 60 billion. (Source: CRISIL Report, page 133).

Manufacturing Plant, if any: Not Applicable.

Employee Strength: As of March 31, 2023, we had 15,424 employees. For details see 'Our Business – Human Resources' on page 193 of the RHP.

BOARD OF DIRECTORS				
Sr. No.	Name	Designation	Experience & Educational Qualification	Directorships in other companies
1	Mr. Parveen Kumar Gupta	Part time non – executive chairman and Independent Director	He holds a bachelor's degree of commerce from Guru Nanak Dev University. He has been an associate member of The Institute of Company Secretaries of India since 1986. He is also a certified associate of the Indian Institute of Bankers.	Indian Companies 1. Bank of India Investment Managers Private Limited; 2. Midland Microfin Limited; 3. Protium Finance Limited; 4. Future Generali Insurance Company Limited; and 5. National Securities Depository Limited; and 6. India Shelter Finance Corporation Limited
2	Mr. Govind Singh	Managing Director and chief executive officer	He holds a bachelor's degree in commerce from Delhi University. He was previously the assistant general manager at ICICI Bank Limited. He has received an award of excellence for Apy Big Believers (ABB) 4.0 by Pension Fund Regulatory and Development Authority in Fiscal 2022. He was the managing director and chief executive officer of our Promoter. He has also been associated with Surya Fincap Limited, UTI Bank Limited, Allahabad Bank, State Bank of Patiala and Bank Internasional Indonesia.	Utkarsh Welfare Foundation
3	Mr. Kajal Ghose	Independent Director	He holds a bachelor's degree in commerce from Ranchi University and a diploma in human resources development from All India Institute of Management Studies, Chennai. He is a certified associate of the Indian Institute of Bankers. He previously worked as the chief general manager at State Bank of India, as a consultant with PayU Payments Private Limited and at Stratosphere IT Services Private Limited and Kovid Group Analytics India Private Limited.	Foreign Company Afghan United Bank
4	Mr. Chandra Shekhar Thanvi	Nominee Director ⁽¹⁾	He holds a bachelor's degree of technology in mining engineering from Banaras Hindu University. He is a certified associate of the Indian Institute of Bankers. Prior to joining our Bank, he was associated with Hindustan Zinc Limited as their senior engineer (mining). He has been associated with SIDBI since 1994 and is currently their chief general manager (CGM).	Indian Companies 1. SIDBI Swavalamban Foundation; and 2. India SME Asset Reconstruction Company Limited
5	Ms. Kalpana Prakash Pandey	Independent Director	She holds a bachelor's degree in science (chemistry, physics and mathematics) and master's degree in science (physics) from Garhwal University, a master's degree in technology (computer science and technology) and a post-graduate diploma in electronics and communication engineering from the University of Roorkee (now known as Indian Institute of Technology, Roorkee).	Nil
6	Mr. Nagesh Dinkar Pinge	Independent Director	He holds a bachelor's degree in law from the University of Mumbai and is a qualified chartered accountant registered with the ICAI. He was previously associated with Tata Motors Limited, JSW Energy Limited, Reliance Retail Limited, ICICI Bank Limited and NKGSB Co-op Bank Limited.	Indian Companies 1. Goa Carbon Limited; 2. Arvind Fashions Limited; 3. Inventia Healthcare Limited; 4. Hero Housing Finance Limited; 5. Multi Commodity Exchange Clearing Corporation Limited; 6. Automobile Corporation of Goa Limited; 7. Whiteoak Capital Trustee Limited; 8. Aditya Birla Sun Life Insurance Company Limited; and 9. Aditya Birla Finance Limited.
7	Mr. Muralidharan Rajamani	Non – executive Director	He holds a bachelor's degree in science (mathematics) from the University of Madras and a master's degree in arts (branch III - economics) from the University of Madras. He has completed the management of managers program from Stephen M. Ross School of Business, University of Michigan and is a certified associate of the Indian Institute of Bankers. He was previously associated with Edelweiss Tokio Life Insurance Company Limited, Leadership Centre Private Limited, ICICI Bank Limited, Dhanlaxmi Bank Limited and L&T Finance Limited.	Indian Companies: PGIM India Asset Management Private Limited

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience & Educational Qualification	Directorships in other companies
8	Mr. Ajay Kumar Kapur	Independent Director	He holds a bachelor's degree in engineering (industrial engineering) from University of Roorkee (now known as Indian Institute of Technology, Roorkee). He was previously associated with Punjab Tractors Limited, Industrial Development Bank of India, India SME Technology Services Limited and SIDBI. He is currently engaged as an advisor to the United Nations Industrial Development Organization.	<i>Indian Companies</i> 1. IFCI Venture Capital Funds Limited; and 2. NABFINS Limited

⁽¹⁾ *Nominee of our lender, SIDBI*

For further details in relation to our Board of Directors, see “Our Management” beginning on page 212 of the RHP.

OBJECTS OF THE ISSUE

In terms of the RBI Licence and the SFB Licensing Guidelines, our Bank was required to list its Equity Shares on the Stock Exchanges within a period of three years from reaching a net worth of ₹5,000 million. For further details, see “Key Regulations and Policies” and “Risk Factors - Our Bank is subject to stringent regulatory requirements and prudential norms of RBI and our inability to comply with such laws, regulations and norms may have an adverse effect on our business, results of operations, financial condition and cash flows” on pages 195 and 41 of the RHP, respectively.

Our Bank proposes to utilize the Net Proceeds from the Issue towards augmenting its Tier – 1 capital base to meet its future capital requirements. Further, the proceeds from the Issue will also be used towards meeting the expenses in relation to the Issue.

Additionally, our Bank expects to receive the benefits of listing the Equity Shares on the Stock Exchanges.

Net Proceeds

The details of the proceeds from the Issue are summarized in the following table:

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Issue	5,000
(Less) Issue expenses ⁽¹⁾	•
Net Proceeds	•

⁽¹⁾ *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

Means of Finance: The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Bank confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable accruals as required under the SEBI ICDR Regulations.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Bank in the preceding 10 years: Not Applicable.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Name of Monitoring Agency: In terms of the proviso to Regulation 41(1) of SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Issue.

Shareholding Pattern as on the date of the RHP:

Category of shareholder	Pre-Issue number of Equity Shares (Number of fully paid up Equity Shares held)	% Holding of Pre-Issue (Shareholding as a % of total number of Equity Shares)
Promoters and Promoter Group	759,272,222	84.75
Public	136,632,441	15.25
Non Promoter- Non Public	-	-
Total	895,904,663	100.00

SUMMARY OF RESTATED FINANCIAL INFORMATION

The details of our Equity Share capital, net worth, the net asset value per Equity Share and total borrowings as at March 31, 2023, 2022 and 2021, as per the Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	As at March 31,		
	2023	2022	2021
Capital	8,959.05	8,955.22	8,483.34
Net worth*	20,003.21	15,722.97	13,683.53
Net asset value per Equity Share**	22.33	17.56	16.13
Total borrowings	23,494.75	25,719.35	26,078.25
Total Income	28,042.86	20,336.46	17,058.36
Net Profit / (Loss)	4,045.02	614.62	1,118.15

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

Particulars	As at March 31,		
	2023	2022	2021
Earnings per Equity Share***			
- Basic	4.52	0.70	1.46
- Diluted	4.51	0.70	1.46

*Capital + Reserves

** Net worth at the end of the period / Total number of equity shares outstanding at the end of period

***Note:

- Basic earnings per shares = Net profit after tax, as restated, attributable to equity shareholders / Weighted average number of basic Equity Shares outstanding during the period/years.
- Diluted earnings per share = Net profit after tax, as restated, attributable to equity shareholders / Weighted average number of diluted Equity Shares outstanding during the period/years.

For further details, see “Financial Statements” on beginning on page 262 of the RHP.

INTERNAL RISK FACTORS

Below mentioned risks are the top 5 risk factors as per the RHP:

- We are subject to inspections by regulatory authorities, including by the RBI. Non-compliance with RBI inspection/ observations or other regulatory requirements or any adverse observations from such regulators may have a material adverse effect on our business, financial condition, results of operation or cash flows.
- Our Previous Statutory Auditors have been debarred by the Reserve Bank of India from undertaking audit assignments for entities regulated by RBI for a period of two years with effect from April 1, 2022.
- A significant portion of our advances in the microbanking segment are towards customers located in the states of Bihar and Uttar Pradesh, and any adverse changes in the conditions affecting the region can adversely impact our business, financial condition, results of operations and cash flows.
- Our non-convertible debentures are listed on BSE and in the past, there were certain inadvertent delays by us in making certain disclosures and regulatory filings to BSE under the Listing Regulations. We have filed settlement applications before SEBI under show cause notice issued by SEBI on account of such inadvertent delays.
- We have received a show cause notice from SEBI regarding alleged non-compliance of provisions of Companies Act 2013 and erstwhile SEBI (Issue and Listing of Debt Securities) Regulations, 2008 relating to public offering of securities which may result in penal actions.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Bank and amount involved

Name of entity	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of disciplinary actions by the SEBI or the Stock Exchanges against our Promoter in the last five years	Other matters	Number of material civil proceedings*	Aggregate amount involved in ₹ million [^]
Bank							
Against our Bank	-	1 [%]	5	NA	-	-	4.97
By our Bank	2,204	4 ^{&}	-	NA	2	-	706.91
Directors							
Against our Directors	-	-	-	NA	-	-	-
By our Directors	-	-	-	NA	-	-	-
Promoter							
Against our Promoter	1	-	2	Nil	-	-	250.04
By our Promoter	-	2	-	NA	-	-	127.19
Group Company							
Outstanding litigation that has a material impact on our Bank	-	-	-	NA	-	-	-

[^]To the extent quantifiable.

*Determined in accordance with the Materiality Policy.

[%]An appeal has been filed against the relevant order determining an income tax demand of ₹ 3.36 million against refund claimed of ₹ 9.24 million for assessment year 2017-2018 and a demand of ₹ 3.19 million for assessment year 2017-18.

[&] Two separate appeals have been filed against the same amount in respect of reduction of demand from ₹ 56.54 million to ₹ 0.46 million for assessment year 2020–2021 and an appeal dated June 21, 2023 has been filed by our Bank against the reassessment order dated May 24, 2023 for assessment year 2017-2018.

For further details, please see the section entitled “Outstanding Litigation and Material Developments” on page 383 of the RHP.

B. Brief details of top 5 material outstanding litigation / legal proceedings initiated against the Bank and amount involved:

Sr. No.	Particulars	Litigation filed by	Current Status	Amount Involved
1	A suit has been filed before the Assistant Labour Commissioner, Gorakhpur, by Mr. Mahesh Kumar Upadhyay against our Bank, alleging that the branch manager, area manager, regional manager and an IT personnel of our Bank physically assaulted him, kept him as hostage for a period of 24 hours, confiscated his personal things which included, among other things, his mobile phone, motorbike and ₹ 20,300 from his purse, and forcefully sought his resignation. Thereafter, his salary was withheld for the month of June 2019, and his travelling allowance for April and May, 2019. Our Bank has submitted a written statement dated October 4, 2019 refuting Mr. Mahesh Kumar Upadhyay's allegations and stated that he had embezzled ₹153,470 which he had collected from the debtors and thereafter tendered his resignation upon being questioned on the aforesaid by the officers of our Bank.	Mahesh Kumar Upadhyay	Pending	Not quantifiable
2	Our Bank received a show cause notice dated May 4, 2022 ("SCN") from the RBI expressing their displeasure (a) on the non-compliance of the RBI circular on "Automation of Income Recognition, Asset Classification and Provisioning processes in banks" dated September 14, 2020 by our Bank pertaining to, among other things, non-availability of system based computation of provisioning, non-availability of automation/ STP between separate applications and Core Banking Solution (CBS) and absence of audit logs for STP; and (b) on the non-compliance of the RBI letter dated September 16, 2021 ("RBI Letter") by our Bank. The RBI advised our Bank to carry out an audit of its systems and processes relating to automation of income recognition, asset classification and provisioning process through the statutory central auditor and submit a certificate on the status of compliance by our Bank.	Reserve Bank of India	Pending	Not quantifiable
3	Our Bank received a show cause notice dated November 3, 2022 under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rule, 1995 read with Section 15I of the SEBI Act ("SEBI SCN I") from SEBI in relation to the <i>suo moto</i> settlement application dated February 25, 2021 filed with SEBI alleging that in the matter of downselling of the NCDs allotted to Karvy Capital Limited by it to 355.	Securities and Exchange Board of India	Pending	Not quantifiable
4	Our Bank received a show cause notice dated March 16, 2023 ("SEBI SCN II") from SEBI in relation to the alleged violations of certain provisions of the Listing Regulations and SEBI circular dated June 30, 2017 ("SEBI June Circular") wherein our Bank has been called upon to show cause the reason for non-commencement of inquiry against it under the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 read with the SEBI Act and non-imposition of penalty under the SEBI Act for the alleged contravention of the provisions of the Listing Regulations and SEBI June Circular. On account of the SEBI SCN II, our Bank has filed a settlement application dated April 27, 2023 in terms of Regulation 3(1) SEBI Settlement Regulations.	Securities and Exchange Board of India	Pending	Not quantifiable
5	Our Bank received a notice dated March 28, 2023 ("Notice") under the provisions of Municipal Corporation act, 1959 for illegal and unauthorized advertisement of our Bank (100 boards/wall wraps) by our Bank without obtaining the permission of the Municipal Corporation. The Notice levied a penalty of ₹ 0.50 million on our Bank to be paid by it within one week of receipt of the Notice and failure to do so by our Bank would result in an FIR being filed against it.	Municipal Corporation, Varanasi	Pending	₹ 0.50 million

For further details, please see the section entitled "Outstanding Litigation and Material Developments" on page 383 of the RHP.

C. Disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any:
None.

D. Brief details of outstanding criminal proceedings against the Promoters:

A notice dated April 19, 2023 was issued under Section 91 of Code of Criminal Procedure, 1973 against our Promoter pertaining to an FIR registered with Cantonment, Police Station, Commissionerate, Varanasi for offences under sections 419, 420, 409 of IPC. The investigating authority has alleged that our Promoter availed ₹250 million loan from Micro Units Development & Refinance Agency Limited ("MUDRA") and distributed the amount amongst themselves and their associates. Our promoter vide its reply dated May 23, 2023 has submitted inter alia that (a) it had availed ₹250 million refinance facility from MUDRA in the Fiscal 2017 which is extended only to eligible financial institutions, and has disbursed the loans to eligible borrowers; (b) the refinance facilities have been closed and a 'No Dues Certificate' dated March 30, 2019 to that effect has also been issued by MUDRA and (c) the three financial years' i.e. financial years 2016-17, 2017-18 and 2018-19 audited balance sheets along with the independent auditor's (as approved by the RBI) report was provided for clarity on the funds utilization by our Bank. With respect to furnishing details on loans and customers, to whom loans were disbursed, our Promoter has requested the investigating authority to instruct under the signature of appropriate authority for sharing details of the customers as Our promoter would be unable to disclose this information as mandated by various acts.

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" on page 383 of the RHP.

ANY OTHER IMPORTANT INFORMATION AS PER BRLMs/BANK – Nil

DECLARATION BY OUR BANK

We hereby declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in the Red Herring Prospectus are true and correct.