

Ref No: SE/2023-24/19 July 7, 2023

BSE Limited
Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Sub: Intimation under Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Scrip Code: 959644

This is to inform you that the board of directors of Utkarsh Small Finance Bank Limited ("Bank") has in its meeting held on July 6, 2023, approved and adopted the red herring prospectus dated July 6, 2023 ("RHP") in relation to the proposed initial public offering of its equity shares by the Bank. The RHP has been filed with the Registrar of Companies, Uttar Pradesh at Kanpur on July 6, 2023.

Further, in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Committee of the Independent Directors in its meeting held on July 7, 2023 has recommended the price band of ₹23 per Equity Share (Floor Price) - ₹25 per Equity Share (Cap Price), based on the quantitative factors and key performance indicators disclosed in the RHP ("Recommendation"), which has been subsequently approved by the Capital Structuring and Fund Raise Committee of the Bank in its meeting held on July 7, 2023.

In terms of the SEBI ICDR Regulations, the Recommendation has been included in the price band advertisement. The price band advertisement has been approved by the Bank on July 7, 2023 and is scheduled to be published on July 8, 2023 in all editions of Financial Express (English) and Jansatta (Hindi) and the Varanasi edition of Gyanshikha Times (Hindi). The price band advertisement has been enclosed herewith.

This intimation is being made in compliance with Regulation 51 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable regulations, as amended from time to time.

We request you to take this on record and that the same be treated as compliance under the applicable regulations.

Yours Faithfully
For Utkarsh Small Finance Bank Limited

Muthiah Ganapathy
Company Secretary and Compliance Officer



Utkarsh CoreInvest Limited (formerly known as Utkarsh Micro Finance Limited), was granted an in-principle approval to establish a small finance bank ("SFB"), by the RBI, pursuant to its letter dated October 7, 2015. Subsequently, our Bank received the final approval of the RBI to carry on the business as an SFB on November 25, 2016. Our Bank commenced its business operations on January 23, 2017 and was included in the second schedule to the RBI Act pursuant to a notification issued by the RBI dated October 4, 2017 and published in the Gazette of India (Part III - Section 4) dated November 7, 2017. For details in relation to the change in the registered office address of our Bank, see "History and Certain Corporate Matters" beginning on page 205 of the red herring prospectus dated July 6, 2023 ("RHP" or "Red Herring Prospectus"). Registered and Corporate Office: Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi 221 105, Uttar Pradesh, India; Tel: +91 542 660 5555; Contact Person: Muthiah Ganapathy, Company Secretary and Compliance Officer; Tel: +91 22 6872 9552

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OUR PROMOTER: UTKARSH COREINVEST LIMITED

Utkarsh Small Finance Bank Limited is a small finance bank with operations across 26 States and Union Territories in India, as of March 31, 2023. We offer asset products such as microbanking loans, retail loans, wholesale lending, housing loans, commercial vehicle/construction equipment loans, and gold loans. On the liabilities side, we offer savings accounts, current accounts and term and recurring deposit accounts. We also provide non-credit offerings comprising ATM-cum-debit cards, bill payment system and distribute third party point of sales terminals, mutual funds and insurance products.

The Issue is being made through the Book Building Process pursuant to Regulation 6(2) of the SEBI ICDR Regulations.

QIB Portion: Not less than 75% of the Net Issue | Non-Institutional Portion: Not more than 15% of the Net Issue | Retail Portion: Not more than 10% of the Net Issue Employee Reservation Portion: Up to 20,00,000 Equity Shares aggregating up to ₹ [•] Million

PRICE BAND: ₹ 23 TO ₹ 25 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH THE FLOOR PRICE IS 2.30 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 2.50 TIMES THE FACE VALUE OF THE EQUITY SHARES

THE PRICE TO EARNING RATIO FOR FISCAL 2023 BASED ON DILUTED EPS AT THE FLOOR PRICE IS 5.10 AND AT THE CAP PRICE IS 5.54 BIDS CAN BE MADE FOR A MINIMUM OF 600 EQUITY SHARES AND IN MULTIPLES OF 600 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Independent Directors of our Bank, pursuant to their resolution dated July 7, 2023, the above provided price band is justified based on quantitative factors/KPIs disclosed in the 'Basis for the Issue Price' section of the RHP vis-a-vis the WACA of primary and secondary transactions, as applicable, disclosed in the 'Basis of the Issue price' section on page 105-116 of the RHP.

RISKS TO INVESTORS:

Regulatory Risk

- 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.
- 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

Concentration Risk:

 A significant portion of our advances in the microbanking segment are towards customers located in the states of Bihar and Uttar Pradesh. Further, a significant portion of our deposits from such customers are from the states and union territory of Maharashtra, NCT of Delhi, Uttar Pradesh and Haryana. We are currently significantly dependent on our microbanking segment, particularly joint liability group ("JLG") loans. Details of our bulk deposits, including as a percentage of our total

| Partic- | | | As of | March 31, | | | |
|---------------|----------|-------------------|-----------|-------------------|-----------|-------------------|----------|
| ulars | 2021 | | 20 |)22 | 2023 | | |
| | Amount | Percen- | Amount | Percen- | Amount | Percen- | |
| | (₹ 1 | | (₹ | (₹ tage of | | tage of | |
| | million) | Total Term | million) | Total Term | million) | Total Term | |
| | | Deposits | Deposits | | Deposits | | Deposits |
| | | (%) | | (%) | | (%) | |
| Bulk deposits | , | 51.61% | 40,655.42 | 51.98% | 52,712.72 | 48.60% | |

Financial Risk:

- If we are unable to control the level of NPAs in our portfolio, our business, financial conditions, results of operations and cash flows could be adversely affected
- Our profit after tax declined from ₹ 1,118.15 million in Fiscal 2021 to ₹ 614.62 million in Fiscal 2022. While our profit after tax was ₹ 4,045.02 million in Fiscal 2023, there can be no assurance that we will be able to recover our unsecured advances, lower our NPAs or maintain profitability in the future.

| Particulars | As of/ For the year ended March 3 | | | |
|------------------------------|-----------------------------------|-----------|-----------|--|
| | 2021 | 2022 | 2023 | |
| Total income (₹ million) | 17,058.36 | 20,336.46 | 28,042.86 | |
| Profit after tax (₹ million) | 1,118.15 | 614.62 | 4,045.02 | |
| Unsecured loans (₹ million) | 70,811.13 | 79,789.88 | 87,459.11 | |

| Particulars | As of/ For the year ended March 31, | | | | |
|---|-------------------------------------|--------------|-------------|--|--|
| | 2021 | 2022 | 2023 | | |
| Unsecured loans as a percentage of total advances (%) | 86.18% | 78.01% | 66.92% | | |
| Gross NPA as a percentage of Gross Advances (%) | 3.75% | 6.10% | 3.23% | | |
| Net NPA as a percentage of Net Advances (%) | 1.33% | 2.31% | 0.39% | | |
| Net Interest Income (₹ million) | 8,392.46 | 10,608.51 | 15,290.31 | | |
| Net Interest Margin (%) | 8.20% | 8.75% | 9.57% | | |
| The Weighted Average Cost | of acquisition | on of all Fo | uity Shares | | |

transacted in last three years, 18 months and one year preceding the date of the RHP:

| Period | Weighted Average Cost of Acquisition (in ₹)# | | Range of Acquisition Lowest Price - Highest Price (in ₹)* |
|-------------------|---|-------------------------|---|
| Last 1 year | 21.23 | 1.18 | 14.01 - 27.00 |
| Last 18 Months | 20.91 | 1.20 | 14.01 - 27.00 |
| Last 3 years | | 0.87 | 14.01 - 31.80 |
| #As certified by | IHS & Associates I I | P Chartered Accountants | vide their certificate dated |

 Weighted average cost of acquisition compared to Floor Price and Cap Price:

| Past Transactions | Weighted Average Cost of Acquisition (in ₹)** | Floor price i.e. ₹ 23** | Cap price i.e. ₹ 25** |
|---------------------------------|---|-------------------------------|-----------------------------|
| WACA* of primary issuance | 31.80 | 0.72 times | 0.79 times |
| WACA* of secondary transactions | 27.00 | 0.85 times | 0.93 times |

Above weighted average cost of acquisition based on past five primary issuances/ secondary transactions.

* WACA- Weighted average cost of acquisition.

** As certified by JHS & Associates LLP, Chartered Accountants, vide their certificate dated July 7, 2023.

- Average cost of acquisition of Equity Shares for the Promoter is ₹10.50 per Equity Share and Issue Price at upper end of the Price Band is ₹25 per Equity Share.
- Weighted Average Return on Net Worth for fiscals 2023, 2022 and 2021 is 12.78%.
- The two BRLMs associated with the Issue have handled 68 public issues in the past three Fiscal Years, out of which 24 issue closed below the IPO price on the listing date

| bolow thom o price on the hearing a | atoi | |
|--|---------|---------------------------|
| Name of the BRLM | Total | Issues closed below |
| | Issues | IPO price on listing date |
| ICICI Securities Limited* | 32 | 14 |
| Kotak Mahindra Capital | 19 | 4 |
| Company Limited* | | |
| Common Issues of above BRLMs | 17 | 6 |
| Total | 68 | 24 |
| *Issues handled where there were no common | n BRLMs | |

BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE: TUESDAY, JULY 11, 2023*

BID / ISSUE OPENS ON: WEDNESDAY, JULY 12, 2023

BID / ISSUE CLOSES ON: FRIDAY, JULY 14, 2023**

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

The Price Band will be determined by our Bank, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each. The Issue Price is [•] times of the face value of the Equity Shares. The Floor price is 2.30 times the face value of the Equity Shares.

Investors should refer to "Risk Factors", "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 25, 160, 262 and 347 of the RHP, respectively, to have an informed view before making an investment decision Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Sound understanding of microfinance segment and presence in rural and semi-urban areas; 2. Growing deposits with focus on retail deposits; 3. Diversified distribution network with significant cross-selling opportunities; 4. Focus on risk management and effective operations; and 5. Stable growth with cost efficient operational performance; 6. Leadership For further details, see "Our Business - Strengths" beginning on page 162 of the RHP. **Quantitative Factors**

Some of the information presented below relating to our Bank is derived from the Restated Financial Statements. For details, see "Financial Statements" beginning on page 262 of the

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows: A. Basic and Diluted Earnings Per Share ("EPS"):

| As per the Restated Financial Statements: | | | | | | |
|--|------|------|---|--|--|--|
| Fiscal Year ended Basic EPS (in ₹) Diluted EPS (in ₹) Weight | | | | | | |
| March 31, 2023 | 4.52 | 4.51 | 3 | | | |
| March 31, 2022 | 0.70 | 0.70 | 2 | | | |
| March 31, 2021 | 1.46 | 1.46 | 1 | | | |
| Weighted Average 2.74 2.73 | | | | | | |

i. 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 ii. Diluted earnings per share = Net profit after tax, as restated, attributable to equity shareholders / Weighted average number of diluted Equity Shares outstanding during the

iii. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in "Restated Financial Statements" beginning on page 265 of the RHP.

| В. | B. Price/Earning ("P/E") ratio in relation to the Price Band of ₹23 to ₹25 per Equity Share: | | | | | | | |
|--|--|------|------|--|--|--|--|--|
| Particulars P/E at the Floor Price (no. of times)* P/E at the Cap Price (no. of times) | | | | | | | | |
| | Based on basic EPS for Fiscal 2023 | 5.09 | 5.53 | | | | | |
| | Based on diluted EPS for Fiscal 2023 | 5.54 | | | | | | |
| | *As certified by JHS & Associates LLP, Chartered Accountants, vide their certificate dated July 7, 2023. | | | | | | | |

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

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

C. Industry Peer P/E ratio Based on the peer group information (excluding our Bank) given below in this section, the highest P/E ratio is 403.33, the lowest P/E ratio is 6.93 and the average P/E ratio

is 67.78 Industry Peer P/E Name of the company Face value of the equity shares (₹) **Particulars** 403.33 6.93 Highest Spandana Spoorthy Financial Limited Ujjivan Small Finance Bank Limited 67.78 Average

Note: The industry high and low has been considered from the industry peer set provided later in "Basis for the Issue Price" chapter beginning on page 105 of the RHP. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Basis for the Issue Price – G. Comparison of accounting ratios with with Listed Industry Peers" beginning on page 107 of the RHP.

| | based on the peer group information (excluding our bank) given below in this section, the highest P/B ratio is 4.67, the lowest P/B ratio is 1.12 and the average P/B ratio is 2.45. | | | | | | | |
|--------------|--|-------------------|-------------------------------------|-------------------------------------|--|--|--|--|
| | Particulars | Industry Peer P/B | Name of the company | Face value of the equity shares (₹) | | | | |
| | Highest | 4.67 | AU Small Finance Bank Limited | 10 | | | | |
| | Lowest | 1.12 | Suryoday Small Finance Bank Limited | 10 | | | | |
| Average 2.45 | | | - | - | | | | |
| | | | | | | | | |

Note: The industry high and low have been considered from the industry peer set provided later in "Basis for the Issue Price" chapter beginning on page 105 of the RHP. The industry composite has been calculated as the arithmetic average P/B of the industry peer set disclosed in this section. For further details, see "Basis for the Issue Price – G. Comparison of accounting ratios with with Listed Industry Peers" beginning on page 107 of the RHP.

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|----|---|---|--------|--|--|--|--|--|--|
| | Derived from the Restated Financial Statements: | | | | | | | | |
| | Fiscal Year ended | RoNW (%) | Weight | | | | | | |
| | March 31, 2023 | 20.22 | 3 | | | | | | |
| | March 31, 2022 | 3.91 | 2 | | | | | | |
| | March 31, 2021 | 8.17 | 1 | | | | | | |
| | Weighted Average | 12. | 78 | | | | | | |

The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight. Return on Net Worth = Net Profit, as restated, attributable to equity shareholders/Net Worth, as restated at the end of the period/years

iii. Net worth as per restated financials (Capital and Reserves and Surplus)

iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in "Restated Financial Statements

beginning on page 265 of the RHP.

Net Asset Value ("NAV") per Equity Share

| ٠. | Methodet value (MAV) per Equity one | al C |
|----|---------------------------------------|--------------------------|
| | Fiscal year ended/ Period ended | NAV per Equity Share (₹) |
| | As on March 31, 2023 | 22.33 |
| | As on March 31, 2022 | 17.56 |
| | As on March 31, 2021 | 16.13 |
| | After the completion of the Issue: | |
| | - At the Floor Price* | 22.46 |
| | - At the Cap Price* | 22.82 |
| | Issue Price | [•] |

*As certified by JHS & Associates LLP, Chartered Accountants, vide their certificate dated July 7, 2023.

Net asset value per equity shares = Net Worth, as restated at the end of the period or years/Total number of Equity Shares outstanding at the end of the period/years

Net worth as per restated financials (Capital and Reserves and Surplus) *NAV per Equity Share has been calculating by dividing adjusted net worth by number of equity shares proposed to be outstanding at the end of the year. Adjusted net worth has been calculated as sum of net worth as on March 31, 2023 and additional equity share capital and securities premium raised pursuant to proposed Issue

G. Comparison of accounting ratios with Listed Industry Peers

| Following is the comparison with our peer group companies listed in India and in the same line of business as our bank. | | | | | | | | |
|---|-------------------------|------------------|-------------|-------------|--------------------|-----------------|--------|------------------|
| Name of the company | Total Income | Face Value | P/E | P/B | EPS | EPS | RoNW | NAV per |
| | (₹ in million) | (₹) | | | (Basic) (₹) | (Diluted) (₹) | (%) | equity share (₹) |
| Utkarsh Small Finance Bank Limited* | 28,042.86 | 10 | [•] | [•] | 4.52 | 4.51 | 20.22% | 22.33 |
| Listed Peers | | | | | | | | |
| Equitas Small Finance Bank Limited | 48,314.64 | 10 | 19.61 | 1.97 | 4.71 | 4.67 | 11.12% | 46.44 |
| Ujjivan Small Finance Bank Limited | 47,541.90 | 10 | 6.93 | 2.01 | 5.88 | 5.87 | 27.79% | 20.25 |
| Credit Access Grameen Limited | 35,507.90 | 10 | 24.13 | 3.82 | 52.04 | 51.82 | 16.18% | 326.89 |
| Spandana Sphoorty Financial Limited | 14,770.32 | 10 | 403.33 | 1.61 | 1.74 | 1.74 | 0.40% | 436.58 |
| Bandhan Bank Limited | 183,732.50 | 10 | 16.51 | 1.85 | 13.62 | 13.62 | 11.21% | 121.58 |
| AU Small Finance Bank Limited | 92,398.73 | 10 | 35.36 | 4.67 | 21.86 | 21.74 | 13.01% | 164.64 |
| Suryoday Small Finance Bank Limited | 12,811.00 | 10 | 22.90 | 1.12 | 7.32 | 7.32 | 4.90% | 149.28 |
| Fusion Micro Finance Limited | 17,999.70 | 10 | 13.50 | 2.52 | 43.29 | 43.13 | 16.67% | 230.74 |
| * Einangial information for Litharch Small Einang | oo Pank Limitad is dari | wad from the Pag | totad Einan | aial Stator | nonte for the year | randad March 21 | 2022 | |

1. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from publicly $available\ resources, being\ the\ annual\ reports/financial\ results\ as\ available\ of\ the\ respective\ company\ for\ the\ year\ ended\ March\ 31,2023$

2. P/E ratio is calculated as closing share price (July 5, 2023, - BSE) / Diluted EPS for year ended March 31, 2023 3. P/B ratio is calculated as closing share price (July 5, 2023, -BSE)/NAV per share for year ended March 31, 2023

5. Return on net worth (%) = Net profit/(loss) after tax / Net worth at the end of the year 6. Net asset value per share (in) = Net worth at the end of the year/Total number of equity shares outstanding at the end of the year

7. Net worth includes share capital, reserve and surplus.

8. The audited financial statement for the year ended March 2023 of Credit Access Grameen Limited, Spandana Sphoorty Financial Limited and Fusion Micro Finance Limited were prepared as per Ind AS and Utkarsh Small Finance Bank Limited, AU Small Finance Bank Limited, Equitas Small Finance Bank, Ujjivan Small Finance Bank Limited and Bandhan Bank Limited were prepared as per Indian GAAP.

H.Key operational and financial performance indicators of our Bank
The following are the key performance indicators ("KPIs") that have been considered for arriving at the basis for the Issue Price:

| Key Performance | e 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% |
| | Total Deposits Growth (%) CASA Ratio (%) CASA + Retail Term Deposits Ratio (as percentage of Total Deposits) (%) Net Worth (₹ in million) Total Capital Ratio (CRAR) (%) Tier 1 Capital Ratio (%) Cost of Deposits (%) Cost of Funds (%) Gross NPA (%) SMA 2 % Provision Coverage Ratio (excluding technical write-offs)(%) Standard Restructured Advances (%) Net NPA (%) Net NPA (%) Net Profit (₹ in million) Yield on Advances (%) Net Interest Margin (%) Credit Cost Ratio (%) Operating Expenses to Total Average Assets (%) Cost to Income Ratio (%) Return on Total Average Assets (%) Return on Average Equity (%) Basic EPS | 1.33% | 2.31% | 0.39% |
| Profitability | Net Profit (₹ in million) | 1,118.15 | 614.62 | 4,045.02 |
| | Yield on Advances (%) | 20.64% | 19.57% | 19.88% |
| | | 8.20% | 8.75% | 9.57% |
| | | 3.97% | 5.03% | 2.61% |
| | | 5.10% | 5.78% | 5.92% |
| | | 56.54% | 58.90% | 54.15% |
| | | 1.05% | 0.48% | 2.42% |
| | | 9.99% | 4.14% | 22.84% |
| Others | | 1.46 | 0.70 | 4.52 |
| | Net Asset Value per Equity Share | 16.13 | 17.56 | 22.33 |

I. Description on the historic use of the KPIs of our Bank to analyse, track or monitor the operational and/or financial performance of the Company The KPIs disclosed below have been used historically by us to understand and analyze the business performance, which in result, helps us in tracking and monitoring our performance in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial indicators and operational key performance over the last three Fiscals and make an informed decision. The KPIs mentioned below are the only relevant and material KPIs of

| indicators, to as | sacaa uur perioritianide uver ine ia | st tillee i 190al9 and make amilionned decision. The Nr 19 mentioned below | ware the only relevant and material trib is pertaining to us |
|-------------------|---|--|---|
| which may have | e a bearing on the Issue Price. | | |
| Key Perform | ance Indicator | | Description and rationale |
| Operations | Banking Outlets | As defined in RBI's revised guidelines on rationalisation of branch authorisation policy issued on May 18, 2017, a banking outlet is a fixed-point service delivery unit, manned by either bank's staff or its business correspondent where services of acceptance of deposits, encashment of cheques/ cash withdrawal or lending of money are provided for a minimum of four hours per day for at least five days a week. | This metric is used by the management to assess the physical presence, footprints and geographical expansion of the business of our Bank. |
| | Gross Loan Portfolio | Gross Loan Portfolio includes on-book and off-book advances. | |
| | Gross Loan Portfolio Growth | Gross Loan Portfolio Growth represents growth in Gross Loan Portfolio for the relevant period/year as a percentage of Gross Loan Portfolio for the previous period/year. | These metrics are used by the management to |
| | Secured Advances as % of Total Advances | Secured Advances as % of Total Advances is total of secured loan which includes advances secured by tangible assets (includes advances against fixed deposits and book debts) and advances covered by bank or government guarantees/ total advances, in percentage form. Total Advances is the aggregate of bills, purchased and discounted, | assess the growth in terms of scale and composition of business of our Bank. |

cash credits, overdrafts and loans repayable on demand and term loans

| SUE PRICE | Total Danasita | Total dar" | induda a | donasit | rront dor'' | and tarm | | | | | |
|-------------------------|---|---|---|--|--------------------------------|---|--|-----------------------------------|--------------------------|------------------|--|
| | Total Deposits | Total deposits deposits. Savi accrue interes that do not acc | ng deposits ar t, current depo | e demand de | posits for cus | tomers that | | | | | |
| | Total Deposits Growth CASA Ratio (%) CASA + Retail Term Deposits | | Growth repres l/year as a per d/year | | | | | | | | |
| | | | CASA Ratio represents demand deposits and savings bank deposits as a percentage of Total Deposits | | | | | | | | |
| _ | CASA + Retail Term Deposits Ratio (as percentage of Total Deposits) | CASA + Retail represents der deposits as a | Term Deposit mand deposits percentage of | s Ratio (as pe and savings Total Deposit | bank deposit s. Retail term | s and retail term | | | | | |
| Capital _ | Net Worth | A sum of Capit | | | | | | | | | |
| | Total Capital Ratio (CRAR) (%) | Total Capital R Asset Ratio (C Assets) | | | | These metrics are used by the management to ensure the adequacy of capital for the business growth of our Bank. | | | | | |
| _ | Tier 1 Capital Ratio (%) | Tier 1 Capital I reserves, and available to co | it is a bank's h | | | | | | | | |
| _ | Cost of Deposits (%) | Cost of Depos Average Depo | ts is defined a | as total interes | st paid on dep | posits / | These metrics are used by the management to | | | | |
| _ | Cost of Funds (%) | Cost of Funds interest bearin average | | | | | assess the cost for financial resources which are deployed for the business growth of our Bank. | | | | |
| Asset Quality | Gross NPA (%) | Gross NPA (% end / Gross Ac | | -performing a | e year/period | These metrics are used by the management to assess the asset quality of the loan portfolio and | | | | | |
| | SMA 1 % | SMA 1 % – Sp advances acco as a percentag | ounts that show | w overdue be | | | | | | | |
| | SMA 2 % | SMA 2 %- Spe advances acco as a percentage | ounts that show | w overdue be | | | | | | | |
| | Provision Coverage Ratio (excluding technical write-offs) (%) | Provision Cove calculated as (| erage Ratio (e | xcluding tech | | | | of provisions a | | | |
| _ | Standard Restructured Advances (%) | Standard Rest Outstanding P Standard Rest outstanding fo standard as or | ortfolio as % o ructured Outs r loans which v | of Gross Adva tanding Portfo were restructu | nces. blio is balance | е | | | | | |
| _ | Net NPA (%) | Net NPA is net end / Net Adva | Non-Performi | | at the year/p | eriod | | | | | |
| Profitability | Net Profit | Net Profit is ne | t profit after ta | ax available fo | r equity shar | eholders | This metrics is used by the management for assessing the financial performance of our Ba during a particular period. | | | | |
| _ | Yield on Advances (%) | Yield on Advar average of tota quarterly avera | | | · | | | | | | |
| _ | Net Interest Margin (%) | Net Interest Ma expended divide on the basis of | | | | | | | | | |
| | Credit Cost Ratio (%) | Credit Cost Ra / average of to quarterly avera | itio is credit co | st (including I | | These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Bank. | | | | | |
| | Operating Expenses to Total Average Assets (%) | Operating Exp Operating exp on the basis of | enses to Total enses as perc | entage of tota | ıl average as | | | , | | | |
| | Cost to Income Ratio (%) | Cost to Income other income) | | | rest income + | | | | | | |
| | Return on Total Average | Return on Tota | | | | | | rics are used b returns on the | | | |
| _ | Assets (%) Return on Average Equity (%) | Return on Ave calculated on t | rage Equity is | profit after tax | k / average n | | | ne business of | | рнаг апо | |
| Others | Basic EPS Basic EPS is calculated by dividing the net profit or loss after tax the year attributable to equity shareholders by the weighted avera number of equity shares outstanding during the year. | | | These metrics are used by the management to assess the Earnings on the Capital deployed in | | | | | | | |
| | Net Asset Value per Equity Share | Net Asset Valu at the end of the outstanding at | ne period or ye | ears / Total nu | mber of Equi | rth, as restated ty Shares | business ar assets of o | nd value per e ur Bank | quity share of | the net | |
| Comparison o able 1: | f KPIs with Listed Peers | 0 | | | | | | | | | |
| | | Utkarsh Sm FY 2023 | all Finance B FY 2022 | ank Limited FY 2021 | Equitas Sn FY 2023 | nall Finance Ba FY 2022 | nk Limited FY 2021 | Ujjivan Sma FY 2023 | III Finance B FY 2022 | ank Lim FY 20 | |
| Operations | | | | | | | | | | | |
| Banking Outlets | | 830 | 686 | 558 | 938 | 869 | 861 | 644 | 575 | 1 64 6 | |
| | rtfolio (₹ in million) rtfolio Growth (%) | 1,39,571 31.29% | 1,06,307 26.32% | 84,157 26.34% | 278,610 35.27% | 2,05,970 | 1,79,250 16.65% | 2,40,850 32.61% | 1,74,877 6.22% | 1,64,6 16.32 | |
| | rttollo Growth (%) ices as % of Total Advances | 31.29% | 21.99% | 13.82% | 35.27% NA | 14.91% 80.78% | 80.41% | 27.00% | 26.16% | 27.38 | |
| Total Deposits | | 1,37,101 | 1,00,742 | 75,076 | 2,53,806 | 1,89,510 | 1,63,920 | 2,55,380 | 1,82,922 | 1,31,3 | |
| otal Deposits (| | 36,09% | 34 19% | 75,076 43.41% | 33 93% | 1,89,510 | 51 95% | 39.61% | 39.26% | 21.8 | |

| | Utkarsh Sn | nall Finance B | Bank Limited | Equitas Sn | nall Finance E | Bank Limited | Ujjivan Sma | all Finance B | ank Limited |
|--|------------|----------------|--------------|-------------------|----------------|--------------|-------------|---------------|-------------|
| | FY 2023 | FY 2022 | FY 2021 | FY 2023 | FY 2022 | FY 2021 | FY 2023 | FY 2022 | FY 2021 |
| Operations | | | | | | | | | |
| Banking Outlets | 830 | 686 | 558 | 938 | 869 | 861 | 644 | 575 | 575 |
| Gross Loan Portfolio (₹ in million) | 1,39,571 | 1,06,307 | 84,157 | 278,610 | 2,05,970 | 1,79,250 | 2,40,850 | 1,74,877 | 1,64,631 |
| Gross Loan Portfolio Growth (%) | 31.29% | 26.32% | 26.34% | 35.27% | 14.91% | 16.65% | 32.61% | 6.22% | 16.32% |
| Secured Advances as % of Total Advances | 33.08% | 21.99% | 13.82% | NA | 80.78% | 80.41% | 27.00% | 26.16% | 27.38% |
| Total Deposits (₹ in million) | 1,37,101 | 1,00,742 | 75,076 | 2,53,806 | 1,89,510 | 1,63,920 | 2,55,380 | 1,82,922 | 1,31,358 |
| Total Deposits Growth (%) | 36.09% | 34.19% | 43.41% | 33.93% | 15.61% | 51.95% | 39.61% | 39.26% | 21.85% |
| CASA Ratio (%) | 20.89% | 22.37% | 17.68% | 42.30% | 52.00% | 34.25% | 26.40% | 27.30% | 20.55% |
| CASA + Retail Term Deposits Ratio (as | 61.55% | 59.64% | 57.51% | 77.50% | 89.43% | 70.05% | 66.00% | 54.24% | 47.52% |
| percentage of Total Deposits) (%) Capital | | | | | | | | | |
| Net Worth | 20,003 | 15,723 | 13,684 | 51,579 | 42,460 | 33,963 | 42,090 | 27.604 | 31,750 |
| Total Capital Ratio (CRAR) (%) | 20.64% | 21.59% | 21.88% | 23.80% | 25.16% | 24.18% | 25.81% | 18.99% | 26.44% |
| Tier 1 Capital Ratio (%) | 18.25% | 18.08% | 19.98% | 23.08% | 24.53% | 23.23% | 22.69% | 17.70% | 25.06% |
| Cost of Deposits (%) | 6.71% | 6.92% | 7.89% | NA | 6.42% | 7.14% | NA | 5.69% | 6.53% |
| Cost of Funds (%) | 6.96% | 7.47% | 8.27% | 6.48% | 6.75% | 7.66% | 6.08% | 5.70% | 6.93% |
| Asset Quality | | | | | | | | | |
| Gross NPA (%) | 3.23% | 6.10% | 3.75% | 2.60% | 4.24% | 3.73% | 2.60% | 7.34% | 7.07% |
| SMA 1 % | 0.77% | 1.59% | 2.62% | NA | NA | NA | NA | NA | NA |
| SMA 2 % | 0.70% | 0.88% | 1.14% | NA | NA | NA | NA | NA | NA |
| Provision Coverage Ratio (excluding echnical write-offs) (%) | 88.29% | 63.62% | 65.49% | 56.90% | 42.73% | 58.59% | 98.00% | 92.20% | 60.34% |
| Standard Restructured Advance Ratio (%) | 0.22% | 1.26% | 3.13% | NA | 3.12% | NA | NA | NA | NA |
| Net NPA (%) | 0.39% | 2.31% | 1.33% | 1.14% | 2.47% | 1.58% | 0.04% | 0.61% | 2.93% |
| Profitability | | | | | | | | | |
| Net Profit (₹ in million) | 4,045 | 615 | 1,118 | 5,736 | 2,810 | 3,842 | 11,000 | -4,146 | 83 |
| field on Advances (%) | 19.88% | 19.57% | 20.64% | 16.67% | 17.33% | 18.96% | 19.73% | 16.73% | 18.22% |
| Net Interest Margin (%) | 9.57% | 8.75% | 8.20% | 8.22% | 7.89% | 8.17% | 9.48% | 8.07% | 8.91% |
| Credit Cost Ratio (%) | 2.61% | 5.03% | 3.97% | 1.32% | 2.73% | 2.45% | 0.06% | 7.41% | 5.60% |
| Operating Expenses to Total Average Assets (%) | 5.92% | 5.78% | 5.10% | 6.59% | 6.60% | 6.04% | 6.33% | 6.80% | 6.34% |
| Cost to Income Ratio (%) | 54.15% | 58.90% | 56.54% | 63.41% | 66.12% | 59.99% | 54.82% | 71.68% | 60.34% |
| Return on Total Average Assets (%) | 2.42% | 0.48% | 1.05% | 1.85% | 1.09% | 1.75% | 3.86% | -1.89% | 0.04% |
| Return on Average Equity (%) | 22.84% | 4.14% | 9.99% | 12.20% | 7.35% | 12.52% | 31.37% | -13.97% | 0.26% |
| Others | | | | | | | | | |
| Basic EPS | 4.52 | 0.70 | 1.46 | 4.71 | 2.43 | 3.53 | 5.88 | -2.40 | 0.05 |
| Net Asset Value per Equity Share | 22.33 | 17.56 | 16.13 | NA | 33.91 | 29.81 | 20.50 | 15.10 | 17.50 |

| | Credit Ac | cess Grame | en Limited | Spandana S | Sphoorty Fina | ıncial Limited | Band | lhan Bank Li | mited |
|--|-----------|------------|------------|------------|---------------|----------------|-----------|--------------|----------|
| | FY 2023 | FY 2022 | FY 2021 | FY 2023 | FY 2022 | FY 2021 | FY 2023 | FY 2022 | FY 202 |
| Operations | | | | | | | | | |
| Banking Outlets | 1,786 | 1,164 | 964 | 1,227 | 1,120 | 1,052 | 6,012 | 5,629 | 5,310 |
| Gross Loan Portfolio (₹ in millions) | 1,75,610 | 1,37,320 | 1,13,410 | 85,110 | 61,599 | 73,285 | 10,91,200 | 9,93,380 | 8,70,430 |
| Gross Loan Portfolio Growth (%) | 27.88% | 21.08% | 14.60% | 29.33% | -15.95% | 46.04% | 9.85% | 14.13% | 29.46% |
| Secured Advances as % of Total Advances | NA | 0.08% | 0.06% | NA | 1.87% | 1.64% | NA | 33.15% | 30.219 |
| Total Deposits (₹ in million) | NM | NM | NM | NM | NM | NM | 10,80,693 | 9.63,306 | 7.79,72 |
| Total Deposits Growth (%) | NM | NM | NM | NM | NM | NM | 12.19% | 23.54% | 36.60% |
| CASA Ratio (%) | NM | NM | NM | NM | NM | NM | 39.30% | 41.61% | 43.389 |
| CASA + Retail Term Deposits Ratio (as percentage of Total Deposits) (%) | NM | NM | NM | NM | NM | NM | 71.20% | 77.30% | 78.80% |
| Capital | | | | | | | | | |
| Net Worth | 51,070 | 39,398 | 36,340 | 30,992 | 30,899 | 27,511 | 1,95,842 | 1,73,811 | 1,74,08 |
| Total Capital Ratio (CRAR) (%) | 23.58% | 26.54% | 31.75% | 36.87% | 50.74% | 39.20% | 19.76% | 20.10% | 23.479 |
| Tier 1 Capital Ratio (%) | NA | 25.87% | 30.50% | NA | 50.55% | 39.74% | 18.70% | 18.89% | 14.639 |
| Cost of Deposits (%) | NM | NM | NM | NM | NM | NM | NA | 4.95% | 5.879 |
| Cost of Funds (%) | 8.30% | 8.18% | 8.82% | 12.86% | 11.86% | 10.10% | 5.34% | 4.88% | 5.89% |
| Asset Quality | | | | | | | | | |
| Gross NPA (%) | 1.21% | 3.12% | 4.38% | 1.95% | 15.0% | 5.60% | 4.90% | 6.46% | 6.819 |
| SMA 1 % | NA | NA | NA | NA | NA | NA | NA | NA | N. |
| SMA 2 % | NA | NA | NA | NA | NA | NA | NA | NA | N. |
| Provision Coverage Ratio (excluding technical write-offs) (%) | 71.58% | 70.55% | NA | 70.00% | NA | NA | 76.82% | 87.23% | 67.389 |
| Standard Restructured Advance Ratio (%) | NA | NA | NA | NA | NA | NA | NA | NA | N. |
| Net NPA (%) | 0.35% | 0.94% | 1.37% | 0.58% | 6.20% | 3.10% | 1.20% | 1.66% | 3.519 |
| Profitability | | | | | | | | | |
| Net Profit (₹ in million) | 8,260 | 3,821 | 1,420 | 124 | 695 | 1,455 | 21,946 | 1,258 | 22,05 |
| Yield on Advances (%) | 19.39% | 19.16% | 19.67% | 19.24% | 21.47% | 22.88% | 13.86% | 13.88% | 14.699 |
| Net Interest Margin (%) | 10.75% | 9.72% | 9.80% | 9.96% | 12.12% | 14.73% | 6.29% | 6.87% | 7.329 |
| Credit Cost Ratio (%) | 2.04% | 4.16% | 6.85% | 6.07% | 7.72% | 10.83% | 2.85% | 8.98% | 6.67% |
| Operating Expenses to Total Average Assets (%) | 4.22% | 3.93% | 3.84% | 5.55% | 4.76% | 3.26% | 3.15% | 2.78% | 2.73% |
| Cost to Income Ratio (%) | 37.40% | 35.38% | 34.57% | 51.01% | 38.56% | 21.63% | 39.54% | 30.54% | 29.139 |
| Return on Total Average Assets (%) | 4.20% | 2.78% | 1.22% | 0.15% | 0.91% | 2.02% | 1.49% | 0.10% | 2.139 |
| Return on Average Equity (%) | 17.81% | 10.09% | 4.51% | 0.40% | 2.38% | 5.41% | 11.87% | 0.72% | 13.539 |
| Others | | | | | | | | | |
| Basic EPS | 52.04 | 24.54 | 9.52 | 1.74 | 10.75 | 22.55 | 13.62 | 0.78 | 13.7 |
| Net Asset Value per Equity Share | NA | NA | NA | NA | NA | NA | NA | 100.14 | 106.4 |

Source: Page 158 of the CRISIL Report and page 112 of the RHP.

Continued on next page

Table 3: AU Small Finance Bank Limited Suryoday Small Finance Bank **Fusion Micro Finance Limited** FY 2023 FY 2022 FY 2021 FY 2023 FY 2022 FY 2021 FY 2023 FY 2022 FY 2021 Operations 744 565 Banking Outlets 795 919 519 556 1.086 934 Gross Loan Portfolio (₹ in millions) 5,91,580 4,67,890 3,53,560 61,140 50,640 42,060 92,960 67,860 29.83% 46.31% Gross Loan Portfolio Growth (%) 23.68% 32.34% 20.75% 20.40% 13.34% 36.99% Secured Advances as % of Total Advances 92.00% 90.74% 93.91% 39.00% 30.34% 26.38% NA 0.43% Total Deposits (₹ in million) 6,93,650 5,25,846 3,59,793 57,667 38.490 32,550 NM NM 34.24% 31.91% 46.15% 37.51% 18.25% 14.25% NM NM Total Deposits Growth (%) CASA Ratio (%) 38.00% 37.29% 23.00% 17.10% 18.81% 15.45% NM NM CASA + Retail Term Deposits Ratio (as 69.00% 66.00% 56.88% 73.10% 78.10% 80.00% NM $\mathsf{N}\mathsf{M}$ percentage of Total Deposits) (%) Capital Net Worth 1.09.773 74.727 61.721 15.847 15.051 23,219 13.379 15.969 Total Capital Ratio (CRAR) (%) 33.70% 51.50% 27.26% 23.59% 20.99% 23.37% 37.90% 27.94% 21.94% Tier 1 Capital Ratio (%) 21.80% 19.69% 21.53% 30.80% 34 40% 47 20% NA 19.93% 25.52% Cost of Deposits (%) NA 5.11% 5.98% NA 6.43% 7.81% NM NM 6.50% 6.10% 6.31% 8.09% 10.24% 9.83% Cost of Funds (%) 5.63% 5.29% Asset Quality Gross NPA (%) 1.66% 1.98% 4.25% 3.13% 11.80% 9.41% 3.46% 5.71% NA SMA 1 % NA NA NA NΑ NA NA NA SMA 2 % NA NA NA NA NA NA NA NA Provision Coverage Ratio (excluding 75.00% 75.00% 50.00% 51.43% 69.83% 63.73% 75.50% 71.26% technical write-offs) (%) Standard Restructured Advance Ratio (%) 2.50% 10.40% 2.70% NA NA 1.80% NA NA 1.55% 5.97% Net NPA (%) 0.42% 0.50% 2.18% 4.73% 0.87% 1.71% Profitability 14.279 11.300 11.707 120 3.871 Net Profit (₹ in million) 777 -930 217 Yield on Advances (% 13.10% 12.10% 12.82% 19.04% 18.72% 17.73% 22.92% 20.71% Net Interest Margin (%) 5.56% 5.36% 5.05% 8.28% 7.85% 6.80% 11.50% 8.66% 0.19% 2.27% 4.50% Credit Cost Ratio (%) 0.89% 2.62% 8.98% 2.41% 5.62% Operating Expenses to Total Average Assets (%) 4.32% 4.00% 3.54% 5.62% 5.55% 5.44% 5.34% 4.75% Cost to Income Ratio (%) 57.07% 43.46% 60.02% 60.93% 64.44% 38.44% 45.81% 63.01% Return on Total Average Assets (%) 1.79% 1.87% 2.50% 0.86% -1.25% 0.20% 4.65% 0.33% 15.44% 16.56% 22.31% 5.03% -6.00% 0.89% 21.16% 1.68% Return on Average Equity (%)

VA means Not Applicable VM means Not Meaningful

Net Asset Value per Equity Share

Others

Basic EPS

Source: Page 159 of the CRISIL Report and page 113 of the RHP.

Disclosure of all the Key Performance Indicators pertaining to our Bank that have been disclosed to its investors at any point of time during the three years preceding to the date of the Red Herring Prospectus

21.86

165.00

18.03

239.00

The Audit Committee vide their resolution dated July 6, 2023, has taken on record that other than the key performance indicators set forth under "- Key Performance Indicators" above, our Bank has not disclosed any other such key performance indicators during the last three years preceding the date of the RHP previously to our earlier investors. Further, the KPIs herein have been certified by JHS & Associates LLP, Chartered Accountants pursuant to certificate dated July 6, 2023.

38.19

201.00

7.32

149.28

-8.76

140.00

1.32

150.40

43.29

NA

L. WACA, floor price and cap price

725

46,380

28.60%

0.08%

NM

NM

NM

NM

12,464

NM

10.29%

5.50%

NA

NA

NA

NA

439

21.48%

9.54%

4.38%

4.37%

44.26%

0.87%

3.60%

5.56

NA

2.67

NA

2.20%

- 1. The price per share of our Bank based on the primary/ new issue of Equity Shares or convertible securities
- Our Bank has not issued any Equity Shares or convertible securities, excluding Equity Shares issued under an employee stock option scheme and issuance of bonus shares during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up Equity Share capital of our Bank (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- 2. The price per share of our Bank based on secondary sale/acquisitions of Equity Shares or convertible securities
- There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, by our Promoter* during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up equity share capital of our Bank (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling
- As on the date of the Red Herring Prospectus, other than our Promoter, there are no persons or entities that form a part of our Promoter Group.
- 3. Since there are no such transaction to report to under L(1) and (2) above, the following are the details basis the last five primary transactions (excluding Equity Shares issued under an employee stock option scheme and issuance of bonus Equity Shares, as applicable) or secondary transactions (secondary transactions where Promoter* is a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transaction:
 - *As on the date of the Red Herring Prospectus, other than our Promoter, there are no persons or entities that form a part of our Promoter Group

| Date of allotment | Nature of | No. of | Cost per Equity | Total Cost | Cumulative amount paid | Cumulative No. of | | |
|--------------------------------------|-------------------|---------------|-----------------|-------------|------------------------------|----------------------|--|--|
| | transaction | Equity Shares | Share (in ₹) | (in ₹) | for the Equity Shares (in ₹) | Equity Shares | | |
| September 29, 2021 | Private placement | 4,402,515 | 31.80 | 139,999,977 | 139,999,977 | 4,402,515 | | |
| September 1, 2021 | Private placement | 3,459,119 | 31.80 | 109,999,984 | 249,999,961 | 7,861,634 | | |
| August 18, 2021 | Private placement | 3,144,654 | 31.80 | 99,999,997 | 349,999,958 | 11,006,288 | | |
| August 13, 2021 | Private placement | 12,578,616 | 31.80 | 399,999,989 | 749,999,947 | 23,584,904 | | |
| August 2, 2021 | Private placement | 23,584,905 | 31.80 | 749,999,979 | 1,499,999,926 | 47,169,809 | | |
| | | | | Total | 1,499,999,926 | 47,169,809 | | |
| Weighted average cost of acquisition | | | | | | | | |

Weighted average cost of acquisition

| Date of acquisition/ transfer | Nature of transaction | No. of Equity Shares | Cost per Equity Share (in ₹) | Total Cost (in ₹) | Cumulative amount paid for the Equity Shares (in ₹) | Cumulative No. of Equity Shares |
|--------------------------------------|--|-------------------------|---------------------------------|----------------------|---|------------------------------------|
| November 23, 2020 ^s | Transfer of ownership by Mr. Abhisheka Kumar to Utkarsh Corelnvest Limited | 1,000 | 27.00 | 27,000 | 27,000 | 1,000 |
| | | | | Total | 27,000 | 1,000 |
| Weighted average cost of acquisition | | | | | | 27.00 |

^{\$}Pursuant to the resolution passed by UCL on August 29, 2019 and October 11, 2019, the beneficial ownership of 1,000 Equity Shares was transferred by Mr. Abhisheka Kumar to UCL for a purchase consideration of ₹ 27 per Equity Share on October 11, 2019. Subsequently, Mr. Abhisheka Kumar was designated as a nominee shareholder of Utkarsh CoreInvest Limited, holding 1,000 Equity Shares. On November 23, 2020, Mr. Abhisheka Kumar transferred the legal ownership of 999 Equity Shares to the Promoter, and one Equity Share to Mr. Rahul Dey who was designated as a nominee shareholder of Utkarsh Corelnvest Limited on November 27, 2020

| т. | 4. Weighted average cost of acquisition, noof price and cap price | | | | | | | | | |
|----|---|---|-----------------------|---------------------|--|--|--|--|--|--|
| | Past Transactions | Weighted Average Cost of Acquisition (in ₹)** | Floor price in ₹ 23** | Cap price in ₹ 25** | | | | | | |
| | WACA* of primary issuance | 31.80 | 0.72 times | 0.79 times | | | | | | |
| | WACA* of secondary transactions | 27.00 | 0.85 times | 0.93 times | | | | | | |

* WACA- Weighted average cost of acquisition

** As certified by JHS & Associates LLP, Chartered Accountants, vide their certificate dated July 7, 2023.

M. The Issue Price is [•] times of the face value of the Equity Shares

The Issue Price is [•] times of the face value of the Equity Shares. The Issue Price of ₹ [•] has been determined by our Bank in consultation with the Book Running Lead Managers on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative

Investors should read the abovementioned information along with "Risk Factors". "Our Business". "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 25, 160, 347 and 262 of the RHP, respectively, to have a more informed view. The trading price of our Equity Shares could decline due to the factors mentioned in "Risk Factors" beginning on page 25 of the RHP and you may lose all or part of your investments.

For further details, please see the chapter titled "BASIS FOR THE ISSUE PRICE" begining on page 105 of the RHP.

THE EQUITY SHARES OF OUR BANK WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, provided that the Bid/Issue Period shall not exceed 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Bank, in consultation with the BRLMs may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Member and by intimation to the Self Certified Syndicate Banks (the "SCSBs"), other Designated ntermediaries and the Sponsor Banks, as applicable

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, where not less than 75% of the Net Issue will be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Bank may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) ("Net QIB Portion") shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith Further, not more than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 provided that under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them being at or above the Issue Price. All Bidders (other than Anchor Investors) shall mandatorily participate in this Issue through the Application Supported by Block Amount ("ASBA") process and shall provide details of their respective bank account (including UPI ID for UPI Bidders) in which the Bid Amount will be blocked by the Self-Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Issue Procedure" beginning on page 417 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR BANK AS REGARDS ITS OBJECTS: For information on the main objects of our Bank, investors are requested to see "History and Certain Corporate Matters" beginning on page 205 of the RHP. The Memorandum of Association of our Bank is a material document for inspection in relation to the Issue. For further details, see "Material Contracts and Documents for Inspection" beginning on page 444 of the RHP

LIABILITY OF THE MEMBERS OF OUR BANK: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR BANK AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Bank is ₹15,000,000,000 comprising of ₹13,000,000,000 divided into 1,300,000,000 equity shares of ₹10 each and ₹2,000,000,000 divided into 200,000,000 preference shares of ₹10 each. The issued, subscribed and paid-up Equity share capital of our Bank is ₹8,959,046,630 divided into 895,904,663 Equity Shares of ₹10 each. For details of the capital structure of our Bank, see "Capital Structure" beginning on page 85 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR BANK AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association of our Bank are Mr. Govind Singh who subscribed to 44,000 Equity Shares and Ms. Revati Govind Singh, Mr. Trilok Nath Shukla, Mr. Ashwani Kumar, Mr. Abhisheka Kumar, Mr. Raghvendra Singh and Utkarsh CoreInvest Limited who subscribed to 1,000 Equity Shares each. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 85 of the RHP.

LISTING: The Equity Shares offered through the RHP are proposed to be listed on BSE and NSE. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters each dated September 27, 2022. For the purpose of the Issue, NSE is the Designated Stock Exchange. A signed copy of the RHP and the Prospec shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the action 2015. The shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the action 2015. The shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the action 2015. The shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the action 2015. The shall be filed with the shalRHP up to the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 444 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Issue or the specified securities stated in the offer document. The investors are advised to refer to pages 396 of the RHP for the full text of the disclaimer clause of DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or

approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the pages 398 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the offer document. The investors are advised to refer to page 399 of the RHP for the full text of the disclaimer clause of NSE

GENERAL RISKS: 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 in the Issue 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 RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 25 of the RHP.

ASBA*

Simple, Safe, Smart

way of Application!!! *Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by

simply blocking the fund in the bank account. For further details, check section on ASBA. Mandatory in public issues. No cheque will be accepted.



the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account, Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021 read with press release date March 30, 2022, read with press release dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion and the (iii) Eligible Employees, under the Employee Reservation Portion. For details on the ASBA and UPI process, please refer to the details given in the ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" on page 417 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=43, respectively as updated from time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and Axis Bank Limited have been appointed as the Sponsor Banks for the Issue, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Issue related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail ld: ipo.upi@npci.org.in.

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying for amount up to ₹ 500,000, applying through Registered Brokers, DPs & RTAs. UPI Bidders also have the option to submit the application directly to

BOOK RUNNING LEAD MANAGERS



SEBI registration no.: INM000011179

ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100; E-mail: utkarsh.ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com ntact person: Mr. Ashik Joisar / Mr. Shekher Asnani

kotak°

Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000; E-mail: utkarshsfb.ipo@kotak.com Website: https://investmentbank.kotak.com Investor grievance e-mail: kmccredressal@kotak.com Contact person: Mr. Ganesh Rane SEBI registration no.: INM000008704

REGISTRAR TO THE ISSUE KFINTECH

KFin Technologies Limited
Selenium, Tower-B, Plot 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India
Tel: +91 40 6716 2222 / 1800 345 4001; E-mail: utkarsh.ipo@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com ontact person: Mr. M. Murali Krishna SEBI registration no.: INR000000221

COMPANY SECRETARY AND COMPLIANCE OFFICER

Muthiah Ganapathy UTKARSH SMALL FINANCE BANK LIMITED

Utkarsh Tower, NH - 31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua,

Varanasi 221 105, Uttar Pradesh, India

Telephone: +91 542 660 5555; Email: shareholders@utkarsh.bank; Website: www.utkarsh.bank

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances, including non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints. Investors may also write to the BRLMs.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 25 of the RHP before applying in the Issue. A copy of the RHP will be Limited; KJMC Capital Market Services Limited; Inventure Growth & Securities Limited; Motilal Oswal Securities Limited; Nuvama Wealth and Investment made available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com and Kotak Mahindra Capital Company Limited at https://investmentbank.kotak.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Bank, UTKARSH SMALL FINANCE BANK LIMITED: Tel: +91 542 660 5555; BRLMs: ICICI Securities Limited, Tel: +91 22 6807 7100 and Kotak Mahindra Capital Company Limited, Tel: +91 22 4336 0000 and Syndicate Members: Kotak Securities Limited, Telephone: +91 22 6218 5410 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Issue. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI

SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Limited: Axis Capital Limited: Centrum Broking Limited: Centrum Wealth Management Limited: Choice Equity Broking Private Limited: Dalal & Broacha Stock Broking Private Limited: DB(International) Stock Brokers Limited: Eureka Stock & Share Broking Services Limited: Finwizard Technology Private Limited; HDFC Securities Limited; IIFL Securities Limited; JM Financial Services Limited; Jobanputra Fiscal Services Private Limited; Keynote Capitals

Limited (Edelweiss Broking Limited); Prabhudas Liladhar Private Limited; Pravin Ratilal Share and Stock Brokers Limited; RR Equity Brokers Private Limited; SBIcap Securities Limited: Sharekhan Limited: SMC Global Securities Limited: Systematix Shares and Stocks (India) Limited: Trade Bulls Securities (P) Limited: Wav2wealth brokers Private Limited and YES Securities (India) Limited

ESCROW COLLECTION BANK(S), PUBLIC ISSUE ACCOUNT BANK AND REFUND BANK: ICICI Bank Limited SPONSOR BANKS: ICICI Bank Limited and Axis Bank Limited

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For UTKARSH SMALL FINANCE BANK LIMITED On behalf of the Board of Directors

Muthiah Ganapathy

Company Secretary & Compliance Officer

Place: Varanasi, Uttar Pradesh Date: July 7, 2023

website of the BRLMs i.e., ICICI Securities Limited at www.icicisecurities.com and Kotak Mahindra Capital Company Limited at https://investmentbank.kotak.com, the websites of the Stock Exchanges i.e. NSE at www.nseindia.com and the BSE at www.bseindia.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled "Risk Factors" beginning on page 25 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

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 Act and applicable state securities. ws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions, in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. This announcement does not constitute an offer for sale of securities in any jurisdiction, including the United States

Size: 32.9x40cm

UTKARSH SMALL FINANCE BANK LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed a red herring prospectus dated July 6, 2023 ("RHP") with the RoC. The RHP is made available on the website of the SEBI at www.sebi.gov.in as well as on the