XIAOMI IN TALKS WITH DIXON, OTHERS FOR INDIA-MADE PHONES

NEW TECH BUSINESS-DRIVEN; LONG-TERM TECH SPEND INTACT

This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for resale, publication or distribution directly or indirectly, outside India. Initial Public Offering of equity shares on the main board of the Stock Exchange in compliance with Chapter IIIL of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015, as amended ("SEBI ICDR Regulations").

OUR PROMOTER: UTKARSH COREINVEST LIMITED

Our Bank was incorporated on 11th September 2007 as a private limited company under the name of "UTKARSH SMALL FINANCE BANK LIMITED". On April 30, 2019, Axis Bank and Utkarsh Private Limited entered into a Share Purchase Agreement with Axis Bank acquiring 66% of Utkarsh Small Finance Bank Limited (formerly known as "UTKARSH Small Finance Bank Limited") was granted in- principle approval to acquire a minoriy cross holding of 33% from the RBI, pursuant to a letter dated 2nd November 2021. Subsequently, the RBI issued the final approval of the RBI merit in the form of an NCA on 29th November 2021. Our Bank commenced its business operations on June 1, 2021 and was also included in the second schedule to the BFS Act, as a result of a notification issued by the RBI dated October 26, 2021 in pursuance of Section 5 of the BFS Act, 2021. The Bank commenced its business operations on June 1, 2021.

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 ₹ 25 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 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 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 Debentures Regulations) 2006 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.
Directors & Officers: R. Chandrashekhar (Managing Director), A. Sridhar (Chief Financial Officer), M. R. Madhavan (Chief Technical Officer)