

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

This is an abridged prospectus containing salient features of the red herring prospectus dated November 22, 2019 (the “RHP” or the “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP.

THE ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND SIX PAGES OF THE ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Please ensure that you have read the RHP, this 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). You may obtain a physical copy of the Bid cum Application Form and the RHP from Stock Exchanges (as defined below), Members of the Syndicate, Registered Brokers, Collecting Depository Participants (“CDPs”), Registrar to the Issue, Registrar and Share Transfer Agents (“RTAs”), Bankers to the Issue, Investors’ associations or Self Certified Syndicate Banks (“SCSBs”). You may also download the RHP from the websites of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in and websites of the Book Running Lead Managers (“BRLMs”) i.e., www.investmentbank.kotak.com, www.iifcap.com, www.jmfl.com and on websites of BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) at www.bseindia.com and www.nseindia.com, respectively. Unless otherwise specified, all capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP. **Restrictions:** This Abridged Prospectus may only be accessed by investors outside of India that have read the Preliminary Offering Memorandum of the Bank dated August 22, 2019, a copy of which is available to eligible investors from the BRLMs.



UJJIVAN SMALL FINANCE BANK LIMITED

Our Bank was incorporated as Ujjivan Small Finance Bank Limited on July 4, 2016 at New Delhi as a public limited company under the Companies Act, 2013, and was granted the certificate of incorporation by the Registrar of Companies, National Capital Territory of Delhi and Haryana (“RoC”). Our Promoter, Ujjivan Financial Services Limited (“UFSL”) was granted the in-principle approval to establish a small finance bank (“SFB”), by the RBI, pursuant to its letter dated October 7, 2015. Subsequently, UFSL received the final approval for our Bank to carry on the SFB business in India, pursuant to a letter dated November 11, 2016 issued by the RBI. Our Bank commenced its business with effect from February 1, 2017 and was included in the second schedule to the RBI Act pursuant to a notification dated July 3, 2017 issued by the RBI. For further details, see “History and Certain Corporate Matters” on page 136 of the RHP.

Registered Office: Plot No. 2364/ 8, Khampur Raya Village, Shadi Kampur, Main Patel Road, New Delhi 110 008, India; **Tel:** +91 11 3043 2121

Corporate Office: Grape Garden, No. 27, 3rd ‘A’ Cross, 18th Main, 6th Block, Koramangala, Bengaluru 560 095, Karnataka, India; **Tel:** +91 80 4071 2121

Website: www.ujjivansfb.in; **Contact Person:** Chanchal Kumar, Company Secretary and Compliance Officer;

E-mail: ipo@ujjivan.com; **Corporate Identity Number:** U65110DL2016PLC302481

OUR PROMOTER: UJJIVAN FINANCIAL SERVICES LIMITED

ISSUE DETAILS, LISTING AND PROCEDURE

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF UJJIVAN SMALL FINANCE BANK LIMITED (“BANK” OR “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹7,500 MILLION* (“ISSUE”). THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹750 MILLION, FOR SUBSCRIPTION BY ELIGIBLE UFSL SHAREHOLDERS (“UFSL SHAREHOLDER RESERVATION PORTION”). THE UFSL SHAREHOLDER RESERVATION PORTION SHALL NOT EXCEED 10% OF THE ISSUE. THE ISSUE LESS THE UFSL SHAREHOLDER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR BANK. THE FACE VALUE OF OUR EQUITY SHARES IS ₹10 EACH. THE PRICE BAND, THE RUPEE AMOUNT OF THE UFSL SHAREHOLDER DISCOUNT AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR BANK IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER (HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SEBI ICDR REGULATIONS.

***OUR BANK HAS, IN CONSULTATION WITH THE BRLMS, UNDERTAKEN A PRE-IPO PLACEMENT OF 71,428,570 EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING TO ₹2,500 MILLION. THE SIZE OF THE ISSUE OF ₹10,000 MILLION HAS BEEN REDUCED BY ₹2,500 MILLION PURSUANT TO THE PRE-IPO PLACEMENT, AND ACCORDINGLY, THE ISSUE SIZE IS ₹7,500 MILLION.**

[#]A discount of ₹[●] per Equity Share is being offered to Eligible UFSL Shareholders Bidding in the UFSL Shareholder Reservation Portion (“UFSL Shareholder Discount”).

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Bank has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated September 12, 2019 and August 30, 2019, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be NSE.

PROCEDURE

If you wish to know about processes and procedures applicable to public issues, you may request for a copy of the GID from the BRLMs or download it from the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com or from the websites of the BRLMs at www.investmentbank.kotak.com, www.iifcap.com and www.jmfl.com.

ELIGIBILITY FOR THE ISSUE – REGULATION 6(2) OF SECURITIES AND EXCHANGE BOARD OF INDIA, (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, (“SEBI ICDR REGULATIONS”)

Whether our Bank is compulsorily required to allot at least 75% of the net offer to public to qualified institutional buyers – Yes

INDICATIVE TIMELINE

| | | | |
|--|---------------------------------------|---|--------------------------------------|
| Bid/Issue Opening Date | December 2, 2019⁽¹⁾ | Initiation of Refunds (if any, for Anchor Investors)/ Unblocking of Funds from ASBA Accounts | On or about December 10, 2019 |
| Bid/Issue Closing Date | December 4, 2019 | Credit of Equity Shares to Demat Account of Allottees | On or about December 11, 2019 |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about December 9, 2019 | Commencement of Trading of Equity Shares on the Stock Exchanges | On or about December 12, 2019 |

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

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 entire 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 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” on page 22 of the RHP and on page 7 of this Abridged Prospectus respectively.

PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMs

| Sr. No. | Issue Name | Name of Merchant Banker | +/- % change in closing price, +/- % change in closing benchmark | | |
|---------|---|-------------------------|--|---------------------------------|----------------------------------|
| | | | 30th calendar days from listing | 90th calendar days from listing | 180th calendar days from listing |
| 1. | Polycab India Limited ⁽¹⁾ | Kotak | +15.36% [-5.35%] | +14.70% [-1.99%] | +23.76% [-4.09%] |
| | | IIFL | +10.7%, [-3.2%] | +16.5%, [-0.9%] | +31.0%, [-3.0%] |
| 2. | Metropolis Healthcare Limited | Kotak / JM Financial | +3.75% [-4.01%] | +21.39% [-1.18%] | +45.93% [-3.30%] |
| 3. | CreditAccess Grameen Limited | Kotak | -21.6% [-3.80%] | -14.91% [-8.00%] | -5.71% [-8.13%] |
| | | IIFL | -21.2%, [-3.7%] | -12.4%, [-8.4%] | -7.2%, [-8.4%] |
| 4. | HDFC Asset Management Company Limited | Kotak | +58.35% [+1.17%] | +30.61% [-7.32%] | +23.78% [-4.33%] |
| | | IIFL | +52.9%, [+1.0%] | +30.6%, [-7.1%] | +23.8%, [-4.1%] |
| | | JM Financial | +58.04% [+1.17%] | +30.61% [-7.32%] | +23.78% [-4.33%] |
| 5. | TCNS Clothing Co. Limited | Kotak | -9.29% [+3.70%] | -19.74% [-11.39%] | -1.00% [-4.76%] |
| 6. | Varroc Engineering Limited ⁽²⁾ | Kotak | +1.62% [+5.46%] | -7.29% [+0.79%] | -24.01% [+1.28%] |
| | | IIFL | +1.6%, [+5.7%] | -13.9%, [-1.4%] | -25.2%, [+0.4%] |
| 7. | IndoStar Capital Finance Limited | Kotak / JM Financial | -0.96% [+1.84%] | -16.28% [+9.07%] | -39.97 [+1.57%] |
| 9. | Bandhan Bank Limited | Kotak / JM Financial | +31.81% [+3.79%] | +42.96 [+6.26%] | +51.89% [9.42%] |
| 10. | ICICI Securities Limited | IIFL | -28.9%, [+3.6%] | -38.6%, [+4.4%] | -46.2%, [+7.5%] |
| 11. | Spandana Sphoorty Financial Limited | IIFL | -0.6%, [-1.9%] | +52.8, [+7.7%] | NA |
| | | JM Financial | -0.56% [-2.14%] | +52.76% [+7.61%] | NA |
| 12. | Sterling and Wilson Solar Limited | IIFL | -23.8%, [-3.2%] | -58.9% [+7.5%] | NA |
| 13. | Chalet Hotels Limited | JM Financial | +1.14% [-0.31%] | +24.41% [+3.87%] | +10.77% [-1.87%] |
| 14. | Fine Organic Industries Limited | JM Financial | +5.72% [+6.56%] | +35.38% [+2.56%] | +50.21% [+1.90%] |

Source: www.nseindia.com

Not applicable – Period not completed

⁽¹⁾ In Polycab India Limited, the issue price to employees was ₹ 485 after a discount of ₹ 53 per equity share, ⁽²⁾ In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as applicable, b. The CNX NIFTY is considered as the Benchmark Index, c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered. d. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

BRLMs

| | | |
|--|--|--|
| Kotak Mahindra Capital Company Limited Tel: +91 22 4336 0000 E-mail: ujjivansfb ipo@kotak.com Investor grievance e-mail: kmccredressal@kotak.com | IIFL Securities Limited Tel: +91 22 4646 4600 E-mail: usfbl ipo@iiflcap.com Investor grievance e-mail: ig.ib@iiflcap.com | JM Financial Limited Tel: +91 22 6630 3030 E-mail: ujjivansfb ipo@jmfl.com Investor grievance e-mail: grievance.ibd@jmfl.com |
|--|--|--|

| | |
|---------------------------------------|---|
| Name of Syndicate Member | Kotak Securities Limited and JM Financial Services Limited |
| Registrar to the Issue | Karvy Fintech Private Limited (Formerly known as KCPL Advisory Services Private Limited) Tel: +91 40 6716 2222; E-mail: einward.ris@karvy.com; Investor grievance e-mail: USFB.ipo@karvy.com |
| Statutory Auditor of the Bank | MSKA & Associates, Chartered Accountants |
| Self Certified Syndicate Banks | The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs and Eligible UFSL Shareholders Bidding in the UFSL Shareholder Reservation Portion, using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website. |

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| | |
|--|--|
| Registered Brokers | Any Bidder (other than Anchor Investors) can submit Bid cum Application Forms in the Issue to the Registered Brokers at the Broker Centres. For further details, see section “ <i>Issue Procedure</i> ” on page 337 of the RHP. |
| 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 Registered Brokers eligible to accept ASBA Forms is provided on the websites of BSE and NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm , respectively, or such other website as updated from time to time. 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 Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipo/asba_procedures.htm , 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 BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm , as updated from time to time. For further details, see section “ <i>Issue Procedure</i> ” on page 337 of the RHP. |

PROMOTER OF OUR BANK

Ujjivan Financial Services Limited: UFSL was incorporated on December 28, 2004 and on October 31, 2005, was permitted to commence operations as an NBFC under section 45 IA of the Reserve Bank of India Act, 1934. In Fiscal 2009, UFSL was classified as a systemically important non-deposit accepting NBFC and was granted NBFC-MFI status by the RBI on September 5, 2013. Subsequently, UFSL was converted into a public limited company on November 3, 2015 and the name of our Promoter was changed to ‘Ujjivan Financial Services Limited’. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the registrar of companies, Bengaluru, Karnataka on November 26, 2015. Subsequently, a fresh certificate of NBFC-MFI registration consequent upon the change of name of UFSL was issued by the RBI on March 4, 2016.

Pursuant to the Business Transfer Agreement, UFSL has sold its business undertaking comprising of the lending and financing business undertaken as an NBFC-MFI and other business activities incidental thereto, to our Bank. UFSL converted from an NBFC-MFI to NBFC-Non Deposit taking Systemically Important Core Investment Company on October 10, 2017. UFSL is a listed company whose equity shares are listed on the Stock Exchanges. UFSL is engaged in the business of making investments in group companies in the form of shares, bonds, debentures, debt, loans or securities and providing guarantees, other forms of collateral, or taking on other contingent liabilities, on behalf of or for the benefit of, any group companies. As on the date of the RHP, UFSL holds 94.40% of Equity Share capital and 100% of Preference Share capital of our Bank.

BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

Business Overview: We are a mass market focused SFB in India, catering to unserved and underserved segments and committed to building financial inclusion in the country. As of September 30, 2019, we served 4.94 million customers and operated from 552 Banking Outlets that included 141 Banking Outlets in Unbanked Rural Centres (“URCs”) (of which seven were business correspondent centres) and additionally operated four Asset Centres. In Fiscal 2019 alone, we operationalized 287 Banking Outlets. As of September 30, 2019, we had a network of 441 ATMs (including 18 ACRs), two 24/7 phone banking units based in Bengaluru and Pune that service customers in 11 languages, and a mobile banking application that is accessible in five languages as well as internet banking facility for individual and corporate customers. Our portfolio of products and services includes various asset and liability products and services. Our asset products comprise: (i) loans to our micro banking customers that include group loans and individual loans, (ii) agriculture and allied loans, (iii) MSE loans, (iv) affordable housing loans, (v) financial institutions group loans, (vi) personal loans, and (vii) vehicle loans. On the liability side, we offer savings accounts, current accounts and a variety of deposit accounts.

Our competitive strengths: 1) Deep understanding of mass market serving unserved and underserved segments; 2) Customer centric organization with multiple delivery channels; 3) Pan-India presence; 4) Technology driven operating model with advanced digital platform; 5) Robust risk management framework; 6) Strong track record of financial performance; and 7) Professional management, experienced leadership with focus on employee welfare.

Our strategies: 1) Diversify product offerings to enable multiple customer relationships; 2) Continue to focus on technology and data analytics to grow operations; 3) Strengthen liability franchise and focus on increasing our retail base; 4) Expand our distribution network to increase customer penetration; 5) Focus on developing responsible banking behavior for unserved and underserved segments; and 6) Diversify our revenue streams.

BOARD OF DIRECTORS

| Sr. No. | Name | Designation | Experience including current / past position held in other firms |
|---------|---------------------|---|--|
| 1 | Sunil Vinayak Patel | Part-Time Chairman and Independent Director | He holds a master of business administration degree from Wharton School, University of Pennsylvania. He was associated with A.F. Ferguson & Co. and A.F. Ferguson Associates and a director of L&T Investment Management Limited and UFSL. |
| 2 | Samit Kumar Ghosh | Managing Director and Chief Executive Officer | He holds a master of business administration degree from the University of Pennsylvania. He was associated with First National City Bank, Standard Chartered Bank, HDFC Bank, Citibank N.A., and the Bank Muscat Al Ahli Al Omani. |
| 3 | Jayanta Kumar Basu | Non-Executive Director | He holds a bachelor’s degree in arts (economics) from Delhi University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is currently a partner at CX Advisors LLP and previously worked with Citibank. |
| 4 | Mona Kachhwaha | Non-Executive Director | She holds a post graduate diploma in business management from XLRI Jamshedpur and has completed a private equity programme from Oxford University. She was employed with Citibank N.A. and Caspian Impact Investment Adviser Private Limited. |
| 5 | Chitra Kartik Alai | Non-Executive Nominee Director ⁽¹⁾ | She holds a master’s diploma in business administration from Symbiosis Institute of Management Studies. She is currently a general manager at the Chennai regional office of SIDBI. |

BOARD OF DIRECTORS

| Sr. No. | Name | Designation | Experience including current / past position held in other firms |
|---------|----------------------------|----------------------|--|
| 6 | Sachin Bansal | Independent Director | He holds a bachelor of technology degree in computer science and engineering from the Indian Institute of Technology, Delhi. He co-founded Flipkart, an Indian e-commerce market place, which was acquired by Walmart in 2018. |
| 7 | Luis Miranda | Independent Director | He holds a master of business administration degree from University of Chicago. He is a chartered accountant from Institute of Chartered Accountants of India. He has served as president and chief executive officer of IDFC Private Equity Company Limited. |
| 8 | Biswamohan Mahapatra | Independent Director | He holds a master of arts degree from Jawaharlal Nehru University, master of science degree in management from Arthur D. Little Management Education Institute and master of business administration from Delhi University. He was an executive director of the RBI. |
| 9 | Prabal Kumar Sen | Independent Director | He holds a master's degree in arts (economics) from Calcutta University. He was previously employed with the United Bank of India, and was also a professor at XLRI Xavier School of Management, Jharkhand and Institute of Rural Management. |
| 10 | Nandlal Laxminarayan Sarda | Independent Director | He holds master of technology degree in electrical engineering and doctor of philosophy degree from Indian Institute of Technology, Bombay. He was previously a director on the boards of Union Bank of India, Clearing Corporation of India and Andhra Bank. |
| 11 | Vandana Viswanathan | Independent Director | She holds a bachelor's degree in science from Bangalore University and master's degree in arts in personnel management and industrial relations from the Tata Institute of Social Sciences. She co-founded and is a partner at Cocoon Consulting. |
| 12 | Mahadev Lakshminarayanan | Independent Director | He holds a bachelor's degree in science from Kerala University and is a chartered accountant from the Institute of Chartered Accountants of India. He was a partner at Deloitte Haskins & Sells LLP and Fraser & Ross. |

⁽¹⁾ Chitra Kartik Alai is a nominee of SIDBI on our Board.

Incoming Director: Nitin Chugh has been appointed as the Managing Director and Chief Executive Officer of our Bank with effect from December 1, 2019. He is the President of our Bank, and has worked with HDFC Bank Limited and Standard Chartered Bank.

For further details, please see "Our Management" on page 141 of the RHP.

OBJECTS OF THE ISSUE

Our Bank proposes to utilize the Net Proceeds from the Issue towards augmenting our Bank's Tier – 1 capital base to meet our Bank's future capital requirements. Further, the proceeds from the Issue will also be used towards meeting the expenses in relation to the Issue. The amount to be funded from Net Proceeds and proposed to be deployed in Fiscal 2020 towards augmentation of the Bank's Tier-1 capital base is ₹[●] million. For further details, please see "Object of the Issue" on page 77 of the RHP.

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

| Particulars | Estimated amount (in ₹ million) |
|--|---------------------------------|
| Gross proceeds of the Issue ⁽¹⁾ | 7,500 |
| (Less) Issue expenses ⁽²⁾ | [●] |
| Net Proceeds | [●] |

⁽¹⁾ Our Bank has, in consultation with the BRLMs, undertaken a Pre-IPO Placement of 71,428,570 Equity Shares for cash consideration aggregating to ₹2,500 million. The size of the Issue of ₹10,000 million has been reduced by ₹2,500 million pursuant to the Pre-IPO Placement, and accordingly the Issue Size is ₹7,500 million.

⁽²⁾ To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Details of means of finance: Not Applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public issues / rights issues, if any, of the 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 the SEBI ICDR Regulations, the Bank has not appointed a monitoring agency for the Issue.

Shareholding Pattern as on the date of RHP:

| Category | Category of Shareholders | Number of shareholders | Pre-Issue number of Equity Shares held of face value of ₹ 10 each | Percentage holding of pre-Issue Equity Share capital (%) |
|----------|---------------------------|------------------------|---|--|
| (A) | Promoter & Promoter Group | 7* | 1,440,036,800 | 94.40 |
| (B) | Public | 4,399 | 85,483,667 | 5.60 |
| (C) | Non Promoter - Non Public | - | - | - |
| | Total | 4,401** | 1,525,520,467 | 100.00 |

* 1,440,036,794 Equity Shares are held by UFSL and one Equity Share each is held by Samit Kumar Ghosh, Carol Furtado, Sudha Suresh, Rajat Singh, Itira Davis and Premkumar G, as nominees on behalf of UFSL, who is the beneficial owner of such Equity Shares. Samit Kumar Ghosh, Carol Furtado, Rajat Singh, Premkumar G, and Itira Davis also hold Equity Shares in their respective individual capacities, and accordingly, for the purpose of calculating the total number of shareholders, they have also been counted towards the number of 'public shareholders'.

** The number of Shareholders set out above is as per the statement of beneficiary position as on November 21, 2019.

Number of Equity Shares proposed to be sold by Selling Shareholders: Not Applicable.

RESTATED AUDITED FINANCIAL STATEMENTS

(₹ in million except for share data)

| Particulars | Six months period ended September 30, 2019 | Six months period ended September 30, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|--|--|---------------------------------|---------------------------------|---------------------------------|
| Interest Earned | 12596.99 | 8333.29 | 18316.11 | 14678.75 | 2170.10 |
| Other Income | 1751.58 | 911.45 | 2059.64 | 1114.80 | 68.64 |
| Total Income | 14348.57 | 9244.74 | 20375.75 | 15793.55 | 2238.74 |
| Net Profit / (Loss) before tax and extraordinary items | 2590.43 | 1303.55 | 2684.24 | 88.47 | 8.91 |
| Net Profit/ (Loss) for the period/year | 1871.10 | 901.34 | 1992.18 | 68.63 | 0.35 |

| Particulars | As at September 30, 2019 | As at September 30, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2017 |
|--|-----------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
| Equity Share Capital | 14400.37 | 14400.37 | 14400.37 | 14400.37 | 14400.37 |
| Reserves and Surplus* | 3534.43 | 970.31 | 1795.94 | 68.98 | 0.35 |
| Net worth | 19934.80 | 17370.68 | 18196.31 | 16469.35 | 16400.71 |
| Basic and diluted earnings per share (₹) | 1.21 | 0.63 | 1.20 | 0.05 | 0.00 |
| Return on net worth (%) | 9.39** | 5.19** | 9.49 | 0.42 | 0.00 |
| Net asset value per share (₹) | 13.84 | 12.06 | 12.64 | 11.44 | 11.39 |

* ESOP & ESPS reserve not included, ** Not annualised

INTERNAL RISK FACTORS**Below mentioned risks are the top 10 risk factors as per the RHP:**

1. We are subject to stringent regulatory requirements and prudential norms 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.
2. We significantly depend on our micro banking business, particularly group loans, and any adverse developments in this segment could adversely affect our business, results of operations, financial condition and cash flows.
3. We have a limited operating history as an SFB and our future financial and operational performance cannot be evaluated on account of our evolving and growing operations. Accordingly, our future results may not be reflective of our past performance. Further, we cannot effectively compare our financial statements for Fiscal 2017 with our financial statements for Fiscal 2018 and 2019 due to non-comparable reporting periods.
4. Banking companies in India, including us, will be required to report financial statements as per Ind AS in the future. However, our Promoter, UFSL, currently reports its financial statements under Ind AS and as a result, we are required to prepare select Ind AS financial information for the limited purposes of consolidation by UFSL. Differences exist between Ind AS and Indian GAAP, which may be material to investors' assessment of our financial condition.
5. We have a continuous requirement of funds and our inability to access sources of funds in an acceptable and timely manner or any disruption in the access to funds would adversely impact our results of operations and financial condition.
6. The Indian banking industry is very competitive and our growth strategy depends on our ability to compete effectively.
7. If we are not able to control the level of non-performing assets in our portfolio or any increase in RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations.
8. Our micro banking loan portfolio, personal loans, and certain categories of our MSE loans are not supported by any collateral that could help ensure repayment of the loan, and in the event of non-payment by a borrower of one of these loans, we may be unable to collect the unpaid balance.
9. Our micro banking loan portfolio, personal loans, and certain categories of our MSE loans are not supported by any collateral that could help ensure repayment of the loan, and in the event of non-payment by a borrower of one of these loans, we may be unable to collect the unpaid balance.
10. We and our Promoter are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.
11. We have recently introduced several new products and services and we cannot assure you that such products and services will be profitable in the future. Further, we may not be able to successfully diversify our product portfolio or enter into new lines of business, which may materially and adversely affect our business prospects and impact our future financial performance.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**A. Total number of outstanding litigations against the bank and amount involved****Litigation against our Bank**

| Type of proceeding | Number of cases | Amount, to the extent quantifiable (in ₹ million) |
|---|--------------------|---|
| Criminal cases | Nil ⁽¹⁾ | Nil |
| Material civil cases | Nil | Nil |
| Taxation matters | Nil | Nil |
| Outstanding actions by regulatory and statutory authorities | Nil | Nil |

⁽¹⁾ There are five FIRs and four private complaints filed by third parties against employees/ ex-employees in connection with actions taken by such individuals during the course of their employment with the Bank.

Pursuant to the Business Transfer Agreement, our Promoter, is responsible for all claims by employees until the completion date under the agreement, i.e. February 1, 2017 ("Completion Date"), including any payment of costs, expenses, damages and liabilities in this regard. Further, while all pending claims, proceedings, suits, etc. in relation to our Promoter as on the Completion Date, are required to be dealt with and managed by our Promoter, our Bank is required to be liable for any payments which may become due and payable by our Promoter, on account of such claims, proceedings, suits etc., in relation to our Promoter which were pending as on the Completion Date under the Business Transfer Agreement.

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

Total number of outstanding material civil cases and outstanding taxation matters against our Promoter, and amount involved, are as set out below:

| Type of proceeding | Number of cases | Amount, to the extent quantifiable (in ₹ million) |
|----------------------|------------------|---|
| Material civil cases | 1 | Nil |
| Taxation matters | 1 ⁽¹⁾ | 4.23 |

⁽¹⁾ In addition to the notice dated May 21, 2013 issued to the Promoter by the Office of the Inspecting Assistant Commissioner, Commercial Taxes, under Section 18C of the Kerala Money-lenders Act, 1958.

B. Brief details of top five material outstanding litigations against the Bank and amount involved:

As of the date of the Red Herring Prospectus, there are no material outstanding litigations against our Bank. However, set out below are details of material outstanding litigations against our Promoter:

| Sr. No | Particulars | Litigation Filed By | Current Status | Amount Involved (₹ in million) |
|--------|--|---|----------------|--------------------------------|
| 1. | A public interest litigation (“PIL”) has been filed before the High Court of Judicature at Bombay (the “Court”) by Shivaji Anappa Kate and others (the “Petitioners”) against the State of Maharashtra, RBI and six other micro finance institutions, including our Promoter and others (each, the “Respondent” and together, the “Respondents”), on the grounds that the Respondents are allegedly engaging in illegal finance business in contravention of the RBI guidelines. It has been alleged that the Respondents are adopting illegal methods for recovery of dues from their customers. The Petitioners have sought for <i>inter alia</i> , (i) appropriate directions to the State of Maharashtra and to the police authorities to register an FIR against the Respondents under Sections IPC and provisions of the Prevention of Money Laundering Act, 2002, and (ii) appropriate orders directing the RBI to restrain the Respondents from conducting the alleged illegal financial activities in the State of Maharashtra, and from taking any steps/actions for recovery of loans pending the final disposal of the writ petition. The Court, observed that no orders were required to be passed in respect of the instant case and adjourned the case indefinitely by allowing the Petitioners to circulate the PIL on filing of an affidavit and bringing any specific instance in larger public interest, to the notice of the Court. | Shivaji Anappa Kate and others | Pending | Nil |
| 2. | Our Promoter has received a notice by the Office of the Inspecting Assistant Commissioner, Commercial Taxes, Mattancherry (“Tax Authority No.1”), under Section 18C of the KML Act on the grounds that our Promoter is allegedly operating a money lending firm in Cochin, Kerala without obtaining the requisite licence under the KML Act. Our Promoter filed objections against such notice, however the Tax Authority No.1 passed an order imposing a penalty of ₹0.02 million under Section 18C of the KML Act. Pursuant to this, the Promoter filed an appeal before the Deputy Commissioner, Commercial Taxes, Mattancherry (“Tax Authority No.2”) which was dismissed. Challenging this order, the Promoter filed a revision petition before the Commissioner of Commercial Taxes, Thiruvananthapuram (“Tax Authority No.3”) against the Tax Authority No.1 and also an application seeking a stay on the demand recovery notice issued by the Tax Authority No.1. The Tax Authority No. 1 has initiated recovery proceedings and directed the Promoter to pay the amounts owed on or before October 3, 2013. The Promoter has filed a writ petition before the High Court of Kerala under Article 226 of the Constitution of India, 1950 for setting aside the demand recovery notice, and seeking a writ of mandamus directing the Tax Authority No.3 to dispose of the revision petition. The High Court of Kerala has directed the Tax Authority No. 3, to consider the revision petition and the petition for stay filed by the Promoter within one month from the date of the order. Pursuant to the directions of the High Court of Kerala, the Tax Authority No. 3 issued a stay on the demand notice issued by the Tax Authority No. 1, until the disposal of the special leave petition filed by the Kerala NBFC Welfare Association (of which the Promoter is also a member), before the Supreme Court of India which is currently pending challenging the applicability of KML Act to NBFCs. | Inspecting Assistant Commissioner, Commercial Taxes, Mattancherry | Pending | 0.02 |

C. Regulatory Action, if any – disciplinary action taken by SEBI or Stock Exchanges against the Promoter in the last five financial years including outstanding action, if any: Nil, except as disclosed in “Summary of Outstanding Litigations, Claims and Regulatory Action – Brief details of top five material outstanding litigations against the Bank and amount involved” on page 8 of the Abridged Prospectus.

D. Brief details of outstanding criminal proceedings against the Promoters: As of the date of the RHP, there are no outstanding criminal litigation against our Promoter. However, five FIRs and one private complaint have been filed against the employees/ex-employees of our Promoter by various third parties.

For further details, please see “Outstanding Litigation and Material Developments” on page 302 of the RHP.

Disclaimer clause of RBI

A license authorizing the Bank to carry on small finance bank business has been obtained from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the license, the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank or for the correctness of any of the statements made or opinion expressed in this connection.

DECLARATION BY THE BANK

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the 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 there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.

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