

No.: []

Date: February 28, 2024

Addressed to: _____

**KEY INFORMATION DOCUMENT
(FOR PRIVATE PLACEMENT)**



ESAF SMALL FINANCE BANK LIMITED

A public limited company incorporated under the Companies Act, 2013

| | | | |
|--|--|--------------------|---------------------------------|
| <p>Corporate Identification Number (CIN): U65990KL2016PLC045669 Permanent Account Number (PAN): AAECE2619Q Date of Incorporation: May 5, 2016 Place of Incorporation: Thrissur, Kerala Registration number issued by the relevant regulator: 045669 Website: www.esafbank.com</p> | <p>Registered and Corporate Office: Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur 680 651, Kerala, India Telephone No.: +91 487 7123 907 Email: investor.relations@esafbank.com</p> | | |
| <p>Key information document for issue of Debentures in conformity with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, the Master Circular issued by Securities Exchange Board of India vide circular number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021, as amended from time to time, and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.</p> <p style="text-align: center;">SERIES 2</p> <p>ISSUE OF UPTO 7500 (SEVEN THOUSAND AND FIVE HUNDRED) LISTED, RATED, TAXABLE, UNSECURED, TRANSFERABLE, REDEEMABLE, FULLY PAID-UP, BASEL II COMPLIANT LOWER TIER II SUBORDINATED BONDS IN THE FORM OF NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, UP TO AN AGGREGATE VALUE OF RS. 750,000,000/- (RUPEES SEVENTY-FIVE CRORES ONLY) WHICH INCLUDES A GREENSHOE OPTION OF UP TO RS. 25,00,00,000/- (RUPEES TWENTY-FIVE CRORES ONLY) ("DEBENTURES") ON A PRIVATE PLACEMENT BASIS ("ISSUE") UNDER THE GENERAL INFORMATION DOCUMENT DATED AUGUST 24, 2023 ("GENERAL INFORMATION DOCUMENT") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME, FOR PRIVATE PLACEMENT OF LISTED, RATED, TAXABLE, UNSECURED, TRANSFERABLE, REDEEMABLE, FULLY PAID-UP, BASEL II COMPLIANT LOWER TIER II SUBORDINATED BONDS IN THE FORM OF NON-CONVERTIBLE DEBENTURES.</p> <p>Certain details of the Debentures are as follows:</p> <p>(a) Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.</p> <p>CARE Ratings Limited has assigned a "CARE A (Outlook: Stable)" (pronounced "CARE Single A with Stable outlook") rating to the captioned Issue.</p> <p>Date of Rating Letters: February 20, 2024 and February 21, 2024 by CARE Ratings Limited Date of Press Release of Ratings: February 22, 2024 by CARE Ratings Limited Press Release and Rating Rationale: Please refer Annexure II of this Key Information Document. Declaration: The rating mentioned above is valid as on the date of issuance and listing of this Issue.</p> <p>(b) Listing: The Debentures issued under this Key Information Document are proposed to be listed on the Wholesale Debt Market (WDM) of BSE Limited within such timelines as prescribed under Applicable Law. The in-principle approval obtained by the Bank from BSE has been disclosed in Annexure VIII of the General Information Document. The Bank has maintained the Recovery Expense Fund with BSE (Please refer Section 4.34(b) of the General Information Document for more details).</p> <p>(c) Eligible Investors: Please refer Section 4.44 of the General Information Document.</p> | | | |
| ISSUE SCHEDULE | | | |
| Issue Opening Date | Issue Closing Date | Pay-In Date | Deemed Date of Allotment |
| February 28, 2024 | February 28, 2024 | February 29, 2024 | February 29, 2024 |

| The Bank reserves the right to change the Issue programme including the Deemed Date of Allotment at its sole discretion in accordance with the timelines specified in the SEBI Debt Listing Regulations without giving any reasons or prior notice. The Issue will be open for bidding as per bidding window that would be communicated through BSE BOND-EBP Platform. | | | | | |
|--|---|--|--|--|---|
| Coupon | Coupon Payment Frequency | Redemption Date | Redemption Amount | | |
| 11.10% p.a. | Coupon payment to be made on March 30 of every year starting from March 30, 2024 until (and including) the Redemption Date. | February 28, 2034 | Rs. 1,00,000/- per Debenture | | |
| KEY OFFICERS OF THE BANK | | | | | |
| Compliance Officer Ranjith Raj P Telephone Number: +91 487 7123 907 Email: ranjith.raj@esafbank.com | Company Secretary Ranjith Raj P Telephone Number: +91 487 7123 907 Email: ranjith.raj@esafbank.com | Chief Financial Officer Mr. Gireesh C.P. Telephone Number: +91 487 7123 907 Email: gireesh.cp@esafbank.com | Promoters Corporate Promoter: ESAF Financial Holdings Private Limited and Individual Promoter: Kadambelil Paul Thomas Telephone Number: +91 487 7123 907 Email: minu.santhosh@esafholdings.com | | |
| DETAILS OF STAKEHOLDERS | | | | | |
| Debenture Trustee  Name: Catalyst Trusteeship Limited Address: Unit No-901, 09 th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013, Maharashtra, India Tel: +91 (022) 49220555 Contact Person: Umesh Salvi Email: ComplianceCTL-Mumbai@ctltrustee.com Website: www.catalysttrustee.com | Registrar and Transfer Agent  Name: Link Intime India Pvt Limited Address: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000 Contact Person: Mr. Ganesh Jadhav Email: ganesh.jadhav@linkintime.co.in Website: www.linkintime.com | Credit Rating Agency  Name: CARE Ratings Limited Address: Unit No. 205-208, 2 nd Floor, Prestige Meridian 1, No. 29, M. G. Road, Bengaluru, Karnataka - 560001 Tel: +91-9986434220 Contact Person: Mr. Sandeep Kumar Email: Sandeep.Kumar@careedge.in Website: www.careedge.in | Arrangers to the Issue  Name: Equirus Capital Private Limited Address: 12 th Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400 013 Tel: 91-(0) 22-43320700 / 8652271474 Contact Person: Mr. Malay Shah Email: primary@equirus.com Website: www.equirus.com | Statutory Auditors Name: Kirtane & Pandit LLP, Chartered Accountants Logo: NA Address: 5 th Floor, Wing – A, Gopal House, S. No. 127/1B/1, Opp. Harshal Hall, Kothrud, Pune – 411029 E-mail: sandeep.welling@kirtanepanandit.com Telephone Number: 98215 33842 Contact Person: Sandeep Welling Website: www.kirtanepanandit.com | Statutory Auditors Name: Abarna & Ananthan, Chartered Accountants Logo: NA Address: 521, 3 rd Main Road, 2 nd Phase, 6 th Block, Banashankari 3 rd Stage, Bengaluru 560 085, Karnataka, India Email: mohanrao@aca1987.co.in Telephone Number: +91 88 8009 7322 Contact Person: Mohan Rao Website: NIL |

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BACKGROUND

This Key Information Document dated February 28, 2024 for issuance of upto 7500 (Seven Thousand and Five Hundred) Rated, Listed, Taxable, Unsecured, Transferable, Redeemable, Fully Paid Up Basel II Compliant Lower Tier II Subordinated Bonds in the form of Non-Convertible Debentures aggregating up to Rs. 750,000,000/- (Rupees Seventy-Five Crores only) which includes a green-shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty-Five crores only) (“**Key Information Document**”) is issued in terms of and pursuant to the General Information Document dated August 24, 2023. All the terms, conditions, information and stipulations contained in the General Information Document, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Key Information Document must be read in conjunction with the General Information Document.

This Key Information Document contains details of this Debentures and details in respect of: (i) the offer of non-convertible securities in respect of which the Key Information Document is being issued (ii) any financial information of the Bank if such information provided in the General Information Document is more than six months old; (iii) any material changes in the information provided in the General Information Document; and (iv) any material developments which are not disclosed in the General Information Document relevant to the offer of non-convertible securities in respect of which this Key Information Document is being issued. Accordingly, set out below are the updated financial information / particulars / changes in the particulars set out under the General Information Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the General Information Document. All other particulars appearing in the General Information Document shall remain unchanged.

In case of any inconsistency between the terms of this Key Information Document and the General Information Document and/or the terms of this Key Information Document and/or any other Transaction Documents executed in respect of the Debentures, the terms as set out in this Key Information Document shall prevail. Capitalised terms used herein but not defined shall have the same meanings as accorded to the terms in the General Information Document and/ or other Transaction Documents.

Pursuant to the resolution passed by the Company's shareholders dated December 29, 2023 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to raise funds upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only). The present issue of Debentures in terms of this Key Information Document is within the overall powers of the Board as per the above shareholder resolution(s).

| Issuer's Absolute Responsibility | |
|---|--|
| The Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document contains all information with regard to the Bank and the Issue which is material in the context of the Debentures, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading. | |

ELECTRONIC BOOK MECHANISM AND DETAILS PERTAINING TO THE UPLOADING THE PLACEMENT MEMORANDUM ON THE ELECTRONIC BOOK PROVIDER PLATFORM.

The Issue shall be open for bidding and subscribed to in accordance with the guidelines issued by SEBI and EBP pertaining to the procedure of Electronic Book Mechanism set out in the Electronic Book Mechanism Guidelines

| | |
|--|---|
| Issue composition – Details of size of the Issue including green shoe option, if any | Up to Rs. 750,000,000/- (Rupees Seventy-Five Crores only) which includes a green-shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty-Five crores only) |
| Interest Rate Parameter | Fixed |
| Bid opening and closing date | February 28, 2024 |
| Minimum Bid lot | Rs.1,00,000/- (Rupees One Lakh only) and in multiples of |

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| | |
|---|---|
| | Rs.1,00,000/- (Rupees One Lakh only) thereafter |
| Manner of bidding in the Issue | Open |
| Manner of allotment in the Issue | Multiple yield |
| Manner of settlement in the Issue | ICCL |
| Trading Lot Size | 1 (One) Debenture and in multiple of 1 (One) Debenture thereafter |
| Anchor Portion and Anchor Investors | NA |
| Settlement cycle [T+1/ T+2] where T refers to the date of bidding/ issue day | T+1 |

The issue of Debentures under this Key Information Document does not form part of non-equity regulatory capital mentioned under Chapter V (*Issuance and Listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments*) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Chapter XIII (*Issuance, Listing and Trading Non-Equity Regulatory Capital*) of the Master Circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*". The face value of each Debenture issued on a private placement basis for respective 'Security Name' shall be as per 'Face Value' as mentioned under Section 4 – Summary Term Sheet for Debentures below.

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TABLE OF CONTENTS

| | | |
|--------------|---|----|
| SECTION 1: | REGULATORY DISCLOSURES | 6 |
| SECTION 2: | DISCLAIMERS | 8 |
| SECTION 3: | DISCLOSURE OF CASH FLOW AND OTHER DETAILS FOR APPLYING FOR DEBENTURES | 9 |
| SECTION 4: | KEY TERMS OF THE ISSUE | 11 |
| SECTION 5: | TRANSACTION DOCUMENTS AND KEY TERMS | 16 |
| SECTION 6: | ANY MATERIAL DEVELOPMENTS WHICH ARE NOT DISCLOSED IN THE GENERAL INFORMATION DOCUMENT, SINCE THE ISSUE OF THE GENERAL INFORMATION DOCUMENT RELEVANT TO THE OFFER OF THE DEBENTURES ISSUED UNDER THIS KEY INFORMATION DOCUMENT IN RESPECT OF WHICH THIS KEY INFORMATION DOCUMENT IS BEING ISSUED | 29 |
| SECTION 7: | DECLARATION | 30 |
| ANNEXURE I: | APPLICATION FORM | 32 |
| ANNEXURE II: | PRESS RELEASE AND RATING RATIONALE | 37 |

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SECTION 1: REGULATORY DISCLOSURES

Other than to the limited extent set out hereunder, please refer to the General Information Document for disclosures under the Schedule I of Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.

A. Material changes if any, in the information provided in the General Information Document:

Please refer Section 6.

B. Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:

| S.NO | PARTICULARS | FEE/EXPENSE AMOUNT | % OF TOTAL ISSUE EXPENSES | % OF TOTAL ISSUE SIZE |
|------|--|--------------------|---------------------------|-----------------------|
| 1. | Lead Manager(s) fees | N. A. | N. A. | N. A. |
| 2. | Underwriting commission | N. A. | N. A. | N. A. |
| 3. | Brokerage, selling commission and upload fees | N. A. | N. A. | N. A. |
| 4. | Fees payable to the registrars to the issue | 15,000 | 4% | 0.0002% |
| 5. | Fees payable to the legal advisors | N. A. | N. A. | N. A. |
| 6. | Advertising and marketing expenses* | N. A. | N. A. | N. A. |
| 7. | Fees payable to the regulators including stock exchanges | 1,71,000 | 51% | 0.002% |
| 8. | Fee Payable to the Trustee | 1,50,000 | 45% | 0.002% |
| 9. | Expenses incurred on printing and distribution of issue stationary** | N. A. | N. A. | N. A. |
| 10. | Any other fees, commission and payments under whatever nomenclature | NA | NA | NA |

*As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures, other than such fees as payable to the EBP platform.

** As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

Note: Bank may remit Issue related expenses including but not limited to the fees/ charges / incentives payable as arrangers fees/ advisory fees/ brokerage / selling commission / marketing/ advertising fees, distribution fees/ any other miscellaneous fees directly or indirectly to any intermediary(ies) appointed by the Bank or any other representative/s agent/s as may be appointed by the intermediary(ies) who may further utilize the same, for marketing purposes, including distributor payouts, either in full or part. Such fees may be finalized depending upon number of factors including but not limited to issue subscription, market conditions, terms of the issue, nature and scope of assignment, profile of counter party etc.

C. Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.

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| PARTICULARS | CONSENT |
|-----------------------|---|
| Directors | The Board of Directors unanimously approved the resolution for issuance of the Debentures in the meeting held on February 23, 2024. |
| Auditors | NA |
| Bankers to issue | NA |
| Trustees | The consent from the Trustee is provided vide letter dated February 16, 2024. |
| Solicitors /Advocates | NA |
| Legal Advisors | NA |
| Lead Manager | NA |
| Registrar | The consent letter from the Registrar is provided vide letter dated February 21, 2024. |
| Lenders | NA |
| Experts | NA |

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SECTION 2: DISCLAIMERS

**Please refer Section 2 of the General Information Document for disclaimers set out in relation to the
Debentures issued under the General Information Document**

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SECTION 3: DISCLOSURE OF CASH FLOW AND OTHER DETAILS FOR APPLYING FOR DEBENTURES

A. Disclosure of Cash flow with date of interest/ dividend / redemption payment as per day count convention:

- (a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed.

Actual/ Actual

- (b) Procedure and time schedule for allotment and issue of securities should be disclosed.

The procedure and time schedule for allotment shall be as per the SEBI Electronic Book Mechanism.

- (c) Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration.

This calculation is based on the assumption that the Deemed Date of Allotment will be on and the scheduled redemption date is a Business Day and is merely illustrative. If there is a change in the Deemed Date of Allotment, calculations will change accordingly.

| | |
|--|--|
| Company | ESAF Small Finance Bank Limited |
| Face Value (per security) | Rs. 1,00,000/- (Rupees One Lakh) |
| Date of Allotment | February 29, 2024 |
| Redemption Date | February 28, 2034 |
| Tenor | 120 (one hundred and twenty) months from the Deemed Date of Allotment |
| Coupon Rate | 11.10% (Eleven decimal one zero percent) per annum |
| Frequency of the interest payment / dividend payment with specified dates | Coupon payment to be made on March 30 of every year starting from March 30, 2024 until (and including) the Redemption Date |
| Day Count Convention | Actual/Actual |

INTEREST PAYMENT SCHEDULE

| CASH FLOWS | *DATE FOR COUPON AMOUNT BECOMING DUE | NUMBER OF DAYS | AMOUNT (PER DEBENTURE) (IN INR) |
|----------------|--------------------------------------|----------------|---------------------------------|
| Coupon Payment | 30.03.2024 | 30 | 909.84 |
| Coupon Payment | 30.03.2025 | 365 | 11100 |
| Coupon Payment | 30.03.2026 | 365 | 11100 |
| Coupon Payment | 30.03.2027 | 365 | 11100 |
| Coupon Payment | 30.03.2028 | 366 | 11130.33 |
| Coupon Payment | 30.03.2029 | 365 | 11100 |
| Coupon Payment | 30.03.2030 | 365 | 11100 |
| Coupon Payment | 30.03.2031 | 365 | 11100 |
| Coupon Payment | 30.03.2032 | 366 | 11130.33 |
| Coupon Payment | 30.03.2033 | 365 | 11100 |
| Coupon Payment | 28.02.2034 | 335 | 10187.67 |

Note:

*Subject to Business Day Convention

Calendar Year is considered while calculating leap year

REDEMPTION SCHEDULE

| CASH FLOWS | *DATE FOR REDEMPTION AMOUNT BECOMING DUE | NUMBER OF DAYS | AMOUNT (PER DEBENTURE) (IN INR) |
|----------------------|---|--|------------------------------------|
| Principal Instalment | February 28, 2034 | 120 months from the Deemed Date of Allotment | 100,000.00 |

Note:

*Subject to Business Day Convention

B. OTHER DETAILS

- (a) **Creation of a Debenture Redemption Reserve:** Please refer Section 4.34(a) of the General Information Document.
- (b) **Issue/instrument specific regulations:** Please refer Section 4.34(c) of the General Information Document.
- (c) **Default in Payment:** Please refer to the Summary Term Sheet
- (d) **Delay in Listing:** Please refer to the Summary Term Sheet
- (e) **Delay in allotment of securities:** Please refer to the Summary Term Sheet
- (f) **Issue details:** Please refer to the Summary Term Sheet
- (g) **Application Process:** Please refer Section 6 of the General Information Document.
- (h) **Project details (gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project):** Not Applicable

SECTION 4: KEY TERMS OF THE ISSUE

SUMMARY TERMS

| | |
|---|---|
| Series No. | 2 |
| Security Name | 11.10% ESAF Small Finance Bank Limited 2034 |
| Issuer / Bank | ESAF Small Finance Bank Limited |
| Type of Instrument | Listed, rated, taxable, unsecured, transferable, redeemable, fully paid up, Basel II compliant lower Tier II subordinated bonds in the form of non-convertible debentures on a private placement basis. |
| Nature of Instrument | The Debentures shall neither be secured nor covered by a guarantee of the Bank or related entity or secured by way of any other arrangements that legally or economically enhances the seniority of the claim vis-à-vis other creditors of the Bank. |
| Seniority (Senior or Subordinated) | Subordinated The Debentures shall be: a) Senior to the claims of investors in instruments eligible for inclusion in Tier I and upper Tier II capital of the Bank; b) Subordinated to the claims of the other creditors and depositors of the Bank but shall rank <i>pari passu</i> with the other Lower Tier II capital instruments of the Bank (whether present or future); and c) eligible for classification as Lower Tier II Capital of the Bank in accordance with the Basel II Framework. |
| Mode of Issue | Private placement |
| Eligible Investors | Please refer Section 4.44 of the General Information Document. |
| Listing (Name of stock exchange(s) where it will be listed and timeline for listing) | The Debentures are proposed to be listed on the wholesale debt market of BSE Limited / Bombay Stock Exchange. In accordance with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, and subject to RBI regulations, in case of a delay by the Bank in listing the Debentures beyond such timelines as prescribed under Applicable Law, the Bank shall, subject to Applicable Law, make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the Deemed Date of Allotment till the listing of such Debentures. |
| Rating of the Instrument | CARE A; Stable |
| Issue Size of Debentures | This Issue of Debentures is for up to Rs. 750,000,000/- (Rupees Seventy-Five Crores Only) which includes a green shoe option of up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) |
| Green Shoe Option (if any)/ option to retain oversubscription | Up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) |
| Minimum Subscription | Rs.1,00,000/- (Rupees One Lakh only) and in multiples of Rs.1,00,000/- (Rupees One Lakh only) thereafter |
| Objects of the Issue / Purpose for which there is requirement of funds | The Issue Proceeds equivalent to 100% (One Hundred percent) of the funds raised by the Issue will be to augment the Tier II Capital of the Bank for strengthening the Bank's capital adequacy and enhancing the Bank's long-term resources and for the regular business activities of the Bank. The Bank further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulators as may be applicable from time to time. |

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| Details of Anchor (if any) | NA |
| Interest Rate Parameter (Zero Coupon, Fixed Coupon or Floating Coupon) | Fixed Coupon |
| Bid Opening Date and Bid Closing Date | February 28, 2024 |
| Minimum Bid Lot | 1 (One) Debenture and in multiples of 1 (One) Debenture thereafter |
| Manner of bidding (Open or Closed Bidding) | Open |
| Manner of Allotment (Uniform Yield Allotment or Multiple Yield Allotment) | Multiple Yield |
| Manner of Settlement (through Clearing Corporation or through Escrow Bank Account of the Issuer) | ICCL |
| Settlement cycle | T+1 |
| Details of the utilization of the Proceeds | Please refer to the head "Objects of the Issue" as provided hereinabove. |
| Coupon Rate | 11.10% p.a. payable annually |
| Step Up/Step Down Coupon Rate | NA |
| Coupon Payment Frequency | Coupon payment to be made on March 30 of every year, starting from March 30, 2024 until (and including) the Redemption Date |
| Coupon Payment dates | Please refer clause (c) of Section 3 for Coupon Payment Dates |
| Coupon Type | Fixed |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.). | NA |
| Day Count Basis | Actual/ Actual |
| Interest on Application Money | At the Coupon Rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed Date of Allotment are the same, no interest on application money shall be paid. |
| Default Interest Rate | <p>In case of default in payment of Coupon and/ or redemption of the principal amount of the Debentures on the respective due dates, additional interest of at least 2% (Two Percent) per annum over and above the Coupon Rate shall be payable by the Bank, subject to Applicable Law, for the defaulting period until the defaulted amount together with the delay penalty is paid.</p> <p>Where the Bank fails to execute the Debenture Trust Deed within the period specified by SEBI, then without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Bank shall also pay interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI to the Debenture Holders, over and above the Coupon Rate, till the execution of the Trust Deed, subject to Applicable Law.</p> |
| Tenor | 120 months from the Deemed Date of Allotment |
| Redemption Date | February 28, 2034 |
| Redemption Amount | Rs. 1,00,000/- (Rupees One Lakh only) per Debenture |
| Redemption Premium / Discount | NA |
| Issue Price | Rs. 1,00,000/- (Rupees One Lakh only) per Debenture |
| Discount at which security is issued and the effective yield as a result of | NA |

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| such discount. | | |
| Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount | NA | |
| Put Option Date | NA | |
| Put Option Price | NA | |
| Call Option Date | NA | |
| Call Option Price | NA | |
| Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put) | NA | |
| Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call) | NA | |
| Rollover Option | NA | |
| Face Value | Rs. 1,00,000/- (Rupees One Lakh only) per Debenture | |
| Minimum Application and in multiples of Debt securities thereafter | 1 (One) Debenture and in multiples of 1 (One) Debenture thereafter. | |
| Details about Underwriting of the Issue including the Amount Undertaken to be Underwritten by the Underwriters. | NA | |
| Series Issue Timing | Issue Opening Date | February 28, 2024 |
| | Issue Closing Date | February 28, 2024 |
| | Pay-in Date | February 29, 2024 |
| | Deemed Date of Allotment | February 29, 2024 |
| | Date of earliest closing of the Issue | NA |
| | The Bank reserves the right to change the Issue programme including the Deemed Date of Allotment at its sole discretion in accordance with the timelines specified in the SEBI Debt Listing Regulations without giving any reasons or prior notice. The Issue will be open for bidding as per bidding window that would be communicated through BSE BOND-EBP Platform. | |
| Issuance mode of the Instrument | Demat Only | |
| Trading mode of the Instrument | Demat Only | |
| Settlement mode of the Instrument | NEFT / RTGS | |
| Depository(ies) | NSDL and CDSL | |
| Disclosure of Interest/ Redemption Dates | Please refer clause (c) of Section 3 for Coupon Payment Dates and Redemption Date. | |
| Record Date | 15 (fifteen) calendar days (excluding date of intimation and record date) prior to any Due Date, or such other days as may be prescribed under Applicable Law. | |
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | Please refer to Section 5 below | |
| Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation | Not Applicable as the Debentures are unsecured. | |
| Replacement of security, interest to | Not Applicable as the Debentures are unsecured. | |

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| <p>the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document</p> | |
| <p>Transaction Documents</p> | <p>In respect of this Issue shall mean the General Information Document, this Key Information Document for this Issue, the Debenture Trust Deed, Trustee Agreement and the Private Placement Offer Cum Application Letter, as amended from time to time, and any other document that may be designated by the Debenture Trustee as a Transaction Document.</p> |
| <p>Conditions Precedent for issuance of Debentures</p> | <ul style="list-style-type: none"> (i) The Bank shall deliver to the Debenture Trustee, certified true copies of the Bank's constitutional documents, registration certificate and certificate of incorporation, as amended up-to-date; (ii) The Bank shall deliver to the Debenture Trustee, consent letter from the Debenture Trustee and other entities as prescribed under Section 1 conveying their consent in respect of the Issue; (iii) The Bank shall deliver to the Debenture Trustee, a certified true copy of the resolution of the Board of Directors (and / or any committee of Directors) authorising the issue of Debentures and also the execution of the necessary documents in that behalf; (iv) The Bank shall deliver to the Debenture Trustee, a copy of the rating letters in relation to the Debentures issued by the Rating Agencies; (v) Due Diligence Certificate with respect to the Debentures; (vi) Such other Conditions Precedent as set out in the Transaction Documents. |
| <p>Condition Subsequent</p> | <ul style="list-style-type: none"> (i) Filing of the relevant documents required to be filed with the Registrar of Companies (if any), <i>inter alia</i>, the return of allotment within the timelines specified under the Act and the rules made thereunder; (ii) Completion of listing of the Debentures on the WDM segment of the Stock Exchange; (iii) Credit of the Debentures in the demat account(s) of the allottees; (iv) Such other Conditions Subsequent as set out in the Transaction Documents (if any). |
| <p>Events of Default</p> | <p>Please refer to Section 5 below</p> |
| <p>Creation of Recovery Expense Fund</p> | <p>The Bank has created and is maintaining a recovery expense fund in the manner as may be specified by SEBI from time to time and same shall be informed to the Debenture Trustee and Designated Stock Exchange.</p> <p>The recovery expense fund shall be utilized for the activities as may be permitted by the applicable regulations.</p> |
| <p>Conditions for breach of covenants (as specified in Debenture Trust Deed)</p> | <p>Please refer to Section 5 below</p> |
| <p>Provisions related to Cross Default Clause</p> | <p>NA</p> |
| <p>Role and Responsibilities of Debenture Trustee</p> | <p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar</p> |

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| | nature and size and as executed under the appropriate Transaction Documents. |
| Risk factors pertaining to the Issue | Please refer to Section 3 of the General Information Document. |
| Governing Law and Jurisdiction | <p>(a) The validity, interpretation, implementation and resolution of disputes arising out of or in connection with the Transaction Documents shall be governed by the laws of India.</p> <p>(b) Arbitration</p> <p>(i) Subject to clause (c) below, Parties agree that all claims, differences or disputes between the Trustee and the Bank arising out of or in relation to the activities of the Trustee in the securities market shall be settled by online arbitration conducted in accordance with the SEBI Circular dated July 31, 2023 (bearing reference no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023//131), as amended from time to time (“ODR Circular”).</p> <p>(ii) All such proceedings shall be in the English language. The seat of arbitration shall be determined in accordance with the ODR Circular.</p> <p>(iii) The online arbitration shall be governed by the provisions of the Arbitration and Conciliation Act, 1996 (as amended from time to time) read with the ODR Circular.</p> <p>(iv) No loss or damage or expenses incurred by the Trustee or the Bank shall be met out of the trust property.</p> <p>(c) Courts and Tribunals To the extent:</p> <p>(i) that the ODR Circular is not applicable to the Debentures;</p> <p>(ii) that the claims, differences or disputes are arising out of or in relation to the Debentures, other than matters referred to in Regulation 14A of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;</p> <p>(iii) that the claims, differences or disputes are not arbitrable under Applicable Law;</p> <p>(iv) that there are all or any matters which are referable/ capable of being referred to/ being instituted in courts and tribunals pursuant to or in relation to the process of arbitration as set out in clause (b) above;</p> <p>each party submits itself to the exclusive jurisdiction of the courts and tribunals in Mumbai, Maharashtra or Thrissur, Kerala</p> <p>(d) The provisions of this clause shall survive the termination of the Transaction Documents.</p> |

NOTES:

- a) If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change will be disclosed by the Bank.

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- b) The principal and Coupon amount of the Debentures is unsecured. The payment of 100% of the amount of the Debentures and Coupon thereon shall depend on the Bank's performance and financial strength.
- c) The Bank has provided details of the "Object of the Issue" in this Key Information Document under Summary Term Sheet.

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SECTION 5: TRANSACTION DOCUMENTS AND KEY TERMS

5.1 TRANSACTION DOCUMENTS

The following documents have been executed in relation to the Issue (“**Transaction Documents**”):

- (a) The General Information Document dated August 24, 2023;
- (b) Debenture Trustee Agreement, which confirms the appointment of Catalyst Trusteeship Private Limited as the Trustee (“**Debenture Trustee Agreement**”);
- (c) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Bank (“**Debenture Trust Deed**”);
- (d) Private Placement Offer cum Application Letter in respect of the Issue in terms hereof;
- (e) Such other documents as agreed between the Bank and the Trustee.

5.2 REPRESENTATIONS AND WARRANTIES OF THE BANK

The Bank represents and warrants, with reference to the facts and circumstances as on the date hereof as follows:

(a) **Authority and Capacity**

- (i) The Bank has been duly incorporated, organized and is validly existing, under Applicable Law.
- (ii) As on date, the Bank is registered with the Reserve Bank of India as a “Small Finance Bank”. It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) **Validity and admissibility in evidence:**

All approvals, resolutions and other corporate actions (collectively “**Authorisations**”) required or desirable:

- (i) to enable the Bank lawfully to enter into, exercise the rights and comply with the obligations in the Transaction Documents to which the Bank is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) to enable the Bank to carry on its business, trade and ordinary activities;

have been obtained or effected and are in full force and effect.

(c) **Compliance with Applicable Law**

The Bank has (to the best of its knowledge and belief) complied with all Applicable Laws to which it may be subject, where the failure to so comply would materially impair its ability to perform its obligations under the Transaction Documents.

(d) **Eligibility**

The Bank is eligible to issue the Debentures under the RBI’s Basel II Framework and in compliance with the SEBI Debt Listing Regulations.

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(e) **Binding obligations**

The obligations expressed to be assumed by the Bank in each of the Transaction Documents to which the Bank is a party, are subject to any general principles of law and are its binding obligations.

(f) **Non-conflict with other obligations**

The entry into and performance by the Bank of and the transactions contemplated by the Transaction Documents to which the Bank is a Party do not and will not conflict with:

- (i) any Applicable Law binding on it and on the assets of the Bank;
- (ii) an order, writ, injunction, decree passed by any court or tribunal or governmental authority;
- (iii) the constitutional documents of the Bank; or
- (iv) any agreement or instrument binding upon the Bank or any of the assets of the Bank.

(g) **Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise the entry of the Bank into, performance and delivery of, the Transaction Documents to which the Bank is a Party and the transactions contemplated by those Transaction Documents.

(h) **No Event of Default**

No Event of Default is continuing or might reasonably be expected to result from the making of this Issue and/or execution of the Transaction Documents.

(i) **No misleading information**

- (i) Any factual information provided by the Bank to the Trustee/ Debenture Holder(s) in relation to this issuance is true and accurate in all material respects as at the date such information was provided or as at the date (if any) on which such information is stated, to the best of the Bank's knowledge.
- (ii) Nothing has occurred or been omitted to be stated and no information has been given or withheld which should otherwise have been disclosed by the Bank in relation to the Issue as prescribed under Applicable Law.

(j) **Financial statements**

- (i) The audited financial statements of the Bank as of March 31, 2023 were prepared in accordance with IND AS or in accordance with accounting principles prescribed under Applicable Law which are applicable to the Bank, and consistently applied by the Bank.
- (ii) The financial statements give a true and fair view of its financial condition and operations as at the end of and for the relevant financial year.

(k) **No proceedings pending**

To the best of the knowledge and belief of the Bank, No litigation, arbitration or administrative proceedings of or before any governmental authority have been initiated against the Bank or any of the directors of the Bank, nor is there subsisting any unsatisfied judgment or award given against the

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Bank or any of the directors of the Bank by any court, arbitrator or other tribunal, in each case which would result in a Material Adverse Effect.

(l) **Insolvency**

(i) The Bank is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts, nor in any such case, will it become so in consequence of entering into the Debenture Deed.

(ii) The Bank has not taken any action nor (to the best of the knowledge and belief of the Bank) have any steps been taken or legal proceedings been started against the Bank for winding-up, dissolution or re-organization or for the appointment of a liquidator, insolvency resolution professional, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

5.3 **COVENANTS OF THE BANK**

The Bank hereby covenants with the Trustee that the Bank shall (except as may otherwise be previously agreed in writing by the Trustee (acting upon the instructions of the Majority Debenture Holders), undertakes to comply with the following covenants:

(a) **Utilisation of proceeds of Debentures**

The Bank shall utilise the monies received upon subscription of the Debentures solely towards the Purpose. The Bank also agrees to submit to the Trustee, as may be required under Applicable Law, an annual 'end-use certificate' from the statutory auditor of the Bank certifying the compliance with the same, at the end of each financial year till the monies received towards subscription of the Debentures have been fully utilized towards the Purpose.

The Bank shall, submit to the Stock Exchange, along with quarterly financial results, a statement indicating utilization of issue proceeds of the Debentures, in the format as may be specified by the SEBI, which shall be continued to be given till such time the issue proceeds have been fully utilized or the purpose for which these proceeds were raised has been achieved.

The Bank shall submit to the Stock Exchange, along with the quarterly financial results, a statement disclosing material deviation(s), if any, in the use of Issue proceeds of non-convertible securities the objects of the Issue, in such the format as may be specified by SEBI till such proceeds have been fully utilized or the purpose for which the proceeds were raised has been achieved.

(b) **Validity of Transaction Documents**

The Bank shall ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Bank.

(c) **Make the Relevant filings under Applicable Law**

Pursuant to the Act and the relevant rules thereunder, the applicable guidelines issued by SEBI and RBI, the Bank undertakes to make the necessary filings of the documents mandated therein with the Registrar of Companies and/or the Stock Exchange and/ or RBI within the timelines thereunder to preserve, renew and keep in full force and effect its existence and/or its rights necessary for the operation of its business and/or the legality and validity of any Transaction Documents and/or the transactions contemplated by the Transaction Documents.

(d) **Compliance with laws**

The Bank shall comply with:

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- (i) all laws, rules, regulations and guidelines as applicable in respect of the Debentures, including but not limited, in relation to the following: (i) the SEBI Debt Listing Regulations, as amended from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Bank with the stock exchange in relation to the Debentures, (iii) the Act; and (iv) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act;
- (ii) all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 read with the DT Master Circular to the extent the same is required to enable the Trustee to comply with the same;
- (iii) SFB Guidelines and the RBI's Basel II Guidelines, and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time, as may be applicable to the Bank.

(e) **Notify the Trustee**

The Bank shall provide / cause to be provided information in respect of the following events:

- (i) notify the Trustee in writing, of any proposed change in the nature or conduct or scope of the business or operations of the Bank, prior to the date on which such action is proposed to be given effect.
- (ii) inform the Trustee of any significant change in the composition of the Board of Directors of the Bank which may amount to a change in 'control' (as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011).
- (iii) Inform the Trustee promptly of any amalgamation, merger or reconstruction scheme proposed by the Bank.
- (iv) The Bank agrees that it shall forward to the Trustee promptly, whether a request for the same has been made or not:
 - A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
 - C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media including those related to proceedings of the meetings.

(f) **Furnish Information to Trustee**

Give to the Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information as set out below:

- (i) Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Trustee (and to the Debenture Holders), containing the following particulars: -
 - A. Periodical status/performance reports from the Bank within 7 (Seven) days of the relevant board meeting or within 45 (Forty-Five) days of the respective quarter, whichever is earlier;
 - B. Updated list of the names and addresses of the Debenture Holder(s);

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- C. Details of the principal and the Coupon to be made, but unpaid and reasons for the non-payment thereof;
 - D. The number and nature of grievances received from the Debenture Holder(s) and (a) resolved by the Bank, (b) unresolved by the Bank to the satisfaction of the Debenture Holder(s) and the reasons for the same;
 - E. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Bank further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of its compliance;
 - F. Statement that the quarterly compliance report on corporate governance (if applicable) has been submitted to the Stock Exchange, in the format prescribed by SEBI, within the timelines prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - G. any other information as may be required by the Trustee pursuant to requirements of Applicable Law.
- (ii) The Bank shall provide a copy of the latest annual report and the latest audited financial statements to the Trustee and the Trustee, as per the timelines provided under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and other Applicable Laws, shall be obliged to share the details submitted under this clause with all Debenture Holders within 7 (Seven) working days of their specific request.
- (g) The Bank shall also promptly furnish to the Debenture Trustee the details of all the grievances received by them and shall comprise the number and nature of grievances received from Debenture Holders and (a) resolved by the Bank (b) unresolved by the Bank and the reasons for the same.
- (h) The Bank shall submit the following disclosures to the Trustee in electronic form (soft copy) at the time of allotment of the Debentures:
- (i) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
 - (ii) Copy of last three years' audited Annual Reports;
 - (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
 - (iv) Latest un-audited or audited quarterly and year to year standalone financial results on a quarterly basis on the same day as disclosed to the Stock Exchange in the manner as stated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (v) An undertaking to the effect that the Bank would, till the redemption of the Debentures, submit the details mentioned in point (iv) above to the Trustee within the timelines as mentioned in Section I-A under Chapter I (*Uniform Listing Agreement*) of the SEBI Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities dated July 11, 2023 (bearing reference No. SEBI/HO/CFD/PoD2/CIR/P/2023/120) as amended from time to time, for furnishing/publishing its half yearly/ annual result. Further, the Bank shall submit a copy of the latest annual report to the Trustee, as and when the same is submitted to the Stock Exchange within the timeframe permitted under Applicable Law.
- (i) Subject to Applicable Law, the Bank shall not declare or pay any dividend to its shareholders during any financial year unless it has paid the Coupon then due and payable on the Debentures or has made

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provision satisfactory to the Trustee for making such payment. Further, subject to Applicable Law, the Bank shall not without prior consent of the Trustee, so long as an Event of Default has occurred or is continuing declare or distribute dividend to the shareholders in any year, until the Bank has paid or made satisfactory provision for the payment of the principal and interest due on the Debentures.

- (j) The Bank shall promptly submit any information, as required by the Trustee, including but not limited to the following:-
- (i) such documents and intimations as set out in Regulation 52, 53 and 56 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (ii) by no later than 30 (thirty) days from the relevant Deemed Date of Allotment, a credit letter obtained from the Depository for confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the time-lines prescribed by the Applicable Laws;
 - (iii) intimations regarding:
 - A. all material events and/or information as disclosed to the Stock Exchange under Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in so far as it relates to the interest, principal, issue and terms of the Debentures, rating, creation of charge on the assets, notices, resolutions and meetings of holders of Debentures, at the same time as disclosed to the Stock Exchange;
 - B. any revision in the rating;
 - C. any default in timely payment of interest or redemption or both in respect of the non-convertible Debentures;
 - D. all covenants of the Issue (including side letters, accelerated payment clause, etc.);
 - E. a breach of covenants/ terms of the Issue by the Bank;
 - F. inform the Trustee of one or more of the other creditors of the Bank accelerating its payment obligations on the grounds of (a) a material adverse effect in the financial, operational or regulatory conditions governing the Bank or (b) on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other indebtedness under which the Bank may be obligated as a borrower or guarantor.
 - (iv) The Bank shall, to the extent required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be applicable to the Bank, submit to the Stock Exchange, along with the quarterly and annual financial results, the following line items:
 - A. debt-equity ratio;
 - B. debt service coverage ratio;
 - C. interest service coverage ratio;
 - D. outstanding redeemable preference shares (quantity and value);
 - E. capital redemption reserve/debenture redemption reserve (if applicable);
 - F. net worth;
 - G. net profit after tax;
 - H. earnings per share;
 - I. current ratio;
 - J. long term debt to working capital;
 - K. bad debts to Account receivable ratio;
 - L. current liability ratio;
 - M. total debts to total assets;
 - N. debtors' turnover;
 - O. inventory turnover;
 - P. operating margin percent;
 - Q. net profit margin percent;

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Provided that if any information mentioned in the line items under paragraph (A) to paragraph (Q) above is not applicable to the Bank, it shall disclose such other ratio/equivalent financial information, as may be required to be maintained under Applicable Laws, if any.

(k) **Transfer of Unclaimed Redemption Amounts.**

Comply with the provisions of the Applicable Law relating to transfer of unclaimed redemption and Coupon amounts of the Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it.

(l) The Bank hereby agrees to comply with the matters specified in Section 71 of the Companies Act, 2013 and the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable to it and subject to Applicable Law, as if they are actually incorporated in the Trust Deed.

(m) Within 15 (Fifteen) Business Days of receipt of a request from the Trustee, the Bank shall authenticate any information relating to the Debentures, to be submitted by the Trustee with the Information Utility.

(n) The Bank shall submit to the Trustee, such information as may be required by the Trustee from time to time for the effective discharge of its duties and obligations.

(o) On a quarterly basis, the Bank shall furnish the compliance status with respect to financial covenants of the listed debt securities certified by statutory auditor of listed entity to the Trustee pursuant to Chapter V of the SEBI Master Circular.

(p) The Bank hereby covenants and undertakes that it shall furnish the documents/ information/ reports/ certificates, as applicable and as may be requested by the Trustee, to enable the Trustee to submit the same to the Stock Exchange(s) within such timelines as prescribed under Chapter II and Chapter IV of the SEBI Master Circular, (including any amendments or restatements thereof).

(q) The Bank shall submit a due diligence certificate issued by the Trustee, in the applicable format prescribed under Schedule IVA of the SEBI (Issue and Listing of Non-Convertible Securities), 2021 and necessary certificates/ reports to the Stock Exchange, on or prior to issuing this Key Information Document.

(r) The Bank shall keep proper books of account as required by the Act and make true and proper entries of all dealings and transactions of the business of the Bank and keep the said books of account and all other books, registers and other documents relating to the affairs of the Bank at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Bank will ensure that all entries in the same relating the business of the Bank shall at all reasonable times be open for inspection of the Trustee and such Person or Persons as the Trustee shall, from time to time, in writing for the purpose, appoint.

(s) The Bank shall pay all such stamp duty taxes, charges, if and when the Bank may be required to pay in relation to the Debentures issued under the Trust Deed according to the laws for the time being in force in the State of Kerala, and in the event of the Bank failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Bank shall reimburse the same to the Trustees on demand.

(t) The Bank shall ensure that the Debentures are rated by the Rating Agencies and continue to be rated by the Rating Agencies until their redemption.

(u) The Bank shall take all steps necessary to obtain the in-principle approval from the Stock Exchange for listing the Debentures on or prior to the date of providing the General Information Document and term sheet to the EBP(s) and to take all steps necessary to get the Debentures listed within the timelines specified under Applicable Law.

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- (v) The Bank will endeavour to maintain the below mentioned covenants till all the amounts outstanding are repaid:
- (i) Maintenance of the credit rating of the Bank and/ or the Debentures by any of the credit rating agencies, in accordance with Applicable Law;
 - (ii) Maintenance of the current credit rating/outlook of the Bank / Debentures as on Deemed Date of Allotment from any credit rating agency;
 - (iii) No assignment of new long-term credit rating below 'A' from any credit rating agency.

(w) **Financial Covenants and Conditions**

(i) **DEBENTURES TO RANK PARI PASSU**

The Debentures shall rank *pari passu*, inter se, without any preference or priority of one over the other or others of them.

(ii) **COUPON**

(a) **INTEREST ON APPLICATION MONEY**

As specified in the Summary Term Sheet.

(b) **COUPON RATE**

As specified in the Summary Term Sheet.

(c) **COMPUTATION OF COUPON**

All Coupon accruing on the face value of the Debentures shall accrue from day to day at the applicable Coupon Rate and rounded off to the nearest Rupee. The Coupon shall be computed on the Outstanding Principal Amount on the relevant Debentures for the period commencing from the Deemed Date of Allotment (or the previous Coupon Payment Date on which the Coupon has been fully paid) and expiring on the immediately succeeding Coupon Payment Date and such Coupon shall be paid on the said succeeding Coupon Payment Date. The Coupon shall be computed in accordance with the day count basis as specified in the Summary Term Sheet.

(d) **COUPON PAYMENT DATE(S)**

The Coupon shall be made to the Debenture Holders on such dates as specified in the Summary Term Sheet.

(iii) **SUBORDINATED DEBT**

The Issue is being made pursuant to the RBI's Basel II Framework and the SFB Guidelines and is eligible for inclusion in the Lower Tier II Capital of the Bank. The claims of the investors in Debentures shall be:

- (a) senior to the claims of investors in instruments eligible for inclusion in Tier I Capital and upper Tier II Capital of the Bank; and
- (b) subordinate to the claims of all other creditors of the Bank but shall rank *pari passu* with the claims of other investors holding Lower Tier II Capital instruments of the Bank.

(iv) **TIER II CAPITAL**

- (a) The Debentures are being issued by the Bank for raising funds towards its Lower Tier II Capital and accordingly the Debentures will constitute "subordinated debt" of the Bank as understood under the

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relevant rules and regulations issued by the RBI in this regard particularly under, Annex 5 of the RBI's Basel II Framework.

- (b) As the bonds being issued shall be the subordinated debt of the Bank, any clause in this Deed which is not in compliance with the regulations of RBI for permitting a subordinated debt to be treated as Lower Tier II Capital will be deemed to have no force or effect unless prior consent of the RBI is obtained in this regard.

(v) **REDEMPTION**

- (a) The Bank shall inform the Trustee of the Redemption Date(s) for the Debentures. The tenure of the Debentures shall be as specified in the Summary Term Sheet. Provided however that the tenure of the Series of the Debentures cannot be less than the minimum maturity period prescribed under the RBI's Basel II Framework. It is further clarified that the Bank cannot issue the Debentures with a put option and/or a step-up mechanism.
- (b) Redemption of the Debentures hereunder will be proportionate to the investment made by each Debenture Holder.
- (c) The Bank shall furnish the details of payments made to the Debenture Holders, containing the following, towards redemption or the payment of the principal amount and Coupon in respect of the Debentures to the Exchange:
- (i) Principal Amount paid;
 - (ii) Coupon paid; and
 - (iii) Date of payment.

(vi) **PAYMENTS**

Payments will be made to the registered Debenture Holder(s) / Beneficial Owner(s) as on the Record Date and in case of joint holders of Debentures to the one whose name stands first in the list of Beneficial Owner(s) provided to the Bank by the RTA / Depository (NSDL/ CDSL) on the Record Date. Such payments shall be made by cheque or warrant drawn by the Bank on its bankers or by electronic mode viz. RTGS / NECS / NEFT, system or any other mode that may be permissible under Applicable Law.

(vii) **BUSINESS DAY CONVENTION**

- (a) If any Coupon Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment however, the dates of the future Coupon payments would be as per the schedule originally stipulated in the Summary Term Sheet.
- (b) If the Redemption Date (including the last Coupon Payment Date) or the due date for performance of any obligations by the Bank under any of the Transaction Documents or the due date in respect of all other monies payable hereunder falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment.
- (c) It is hereby clarified that any payments shall also be subject to the day count convention as per the SEBI Debt Listing Regulations.

(viii) **TAXATION**

- (a) Coupon on the Debentures is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 ("**IT Act**") or any other statutory modification or re-enactment thereof, as applicable. Debenture Holder(s) desirous of claiming non-deduction or lower deduction of tax at source ("**TDS**") under Applicable Laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under Applicable Laws with the Bank through the RTA at the below mentioned

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address on or prior to the relevant Record Date for payment of Coupon:

| Particulars | Contact Details of the RTA |
|----------------------------|--|
| Name | Link Intime India Private Limited |
| Correspondence Address | C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 |
| Contact Person | Ganesh Jadhav |
| Designation | Manager |
| E-mail ID | ganesh.jadhav@linkintime.co.in |
| Tel. No. | +91 22 49186000 |
| Fax No. | +91 22 49186000 |
| Link for online submission | Link Intime India Pvt Ltd - Tax Exemption |

- (b) In case of non-receipt of such prescribed declaration/ certificate from the Debenture Holder(s) claiming non-deduction or lower deduction of tax at source under Applicable Laws, on or prior to the relevant Record Date, the Bank shall make TDS in accordance with the prescribed rates prior to credit of Coupon on the Debentures.
- (c) Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source as per the IT Act.
- (d) In case(s) where the Debenture Holder(s) do not submit the declaration/ certificates as per the format prescribed under Applicable Laws with the Bank through the RTA at the specified address on or prior to the relevant Record Date for payment of Coupon, the Bank shall not be liable to refund the applicable amount of tax deducted at source and the Debenture Holders would be required to directly take up with the tax authorities for refund, if any.

(ix) **ADDITIONAL INTEREST**

- (i) In case of default in payment of Coupon and/ or redemption of the principal amount of the Debentures on the respective Due Dates, additional interest of at least 2% (Two Percent) per annum over and above the Coupon Rate shall be payable by the Bank for the defaulting period until the defaulted amount together with the delay penalty is paid, in compliance with SEBI Debt Listing Regulations, as may be updated/ amended from time to time.
- (ii) Where the Bank fails to execute the Trust Deed within the period specified by SEBI, then without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Bank shall also pay interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI to the Debenture Holders, over and above the Coupon Rate, till the execution of the Trust Deed.

(x) **FURTHER BORROWINGS**

The Bank shall be entitled to make further issue of Debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate or persons on such basis as may be agreed with such lender, and shall not require any permission/consent of the Debenture Trustee/ Debenture Holder for the same so long as no Event of Default has occurred and is continuing. The Bank may also issue non-convertible debentures under the same ISIN(s) for the current and the future issues in accordance with Chapter VIII of the Debentures Master Circular.

(xi) **TRANSFER OF DEBENTURES**

- (a) The Debentures shall be freely transferable and transmittable by the Debenture Holder(s) in whole or in part without the prior consent of the Bank when made in accordance with the Transaction

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Documents. The Debenture Holder(s) shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.

- (b) Transfer and transmission of the Debentures shall be subject to the Depositories Act, 1996, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.
- (c) It is clarified that the Bank shall not assign any of the rights, duties or obligations under this Trust Deed or in relation to the Debentures without the prior written consent of the Trustee (acting on the instructions of all the Debenture Holder(s)).

(xii) DEBENTURES FREE FROM EQUITIES

The Debenture Holder(s) will be entitled to their Debentures free from equities or cross claims by the Bank against the original or any intermediate holders thereof.

(xiii) DEBENTURE HOLDER NOT ENTITLED TO SHAREHOLDERS' RIGHTS

The Debenture Holder(s) shall not be entitled to any of the rights and privileges available to the shareholders of the Bank including right to receive notices of or to attend and vote at general meetings.

If, however, any resolution affecting the rights attached to the Debentures is placed before the shareholders, such resolution will first be placed before the Debenture Holder(s) for their consideration.

(xiv) VARIATION OF DEBENTURE HOLDER(S)' RIGHTS

The rights, privileges and conditions attached to the Debentures hereunder may be varied, modified or abrogated with the consent in writing of the Majority Debenture Holder(s).

(xv) BREACH OF COVENANT BY THE BANK MAY BE WAIVED

The Trustee may, at any time, waive on such terms and conditions as to them shall seem expedient, any breach by the Bank of any of the covenants and provisions in these presents contained without prejudice to the rights of the Trustee in respect of any subsequent breach thereof provided however that the prior consent of the Majority Debenture Holder(s) shall have been obtained by the Trustee for any such waiver.

- (xvi) Until the Final Settlement Date, the Bank shall maintain a Capital Adequacy Ratio, as prescribed by the RBI from time to time.

5.4 ADDITIONAL COVENANTS

The Bank hereby covenants with the Trustee that the Bank shall, in addition to the covenants set out above, (except as may otherwise be previously agreed in writing by the Trustee (acting upon the instructions of the Majority Debenture Holders), undertakes to comply with the following covenants during the continuance of the Debenture Trust Deed:

(a) Notify the Trustee:

- (i) Promptly inform the Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the Act or the Insolvency and Bankruptcy Code, 2016 having been received or any other notice under any other provision of Applicable Law in relation to the winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Bank and causing a Material Adverse Effect on the Bank or if a receiver is appointed in respect of any of its properties or business or undertaking;

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- (ii) Promptly after the Bank obtains knowledge thereof, notice of the occurrence of any event which constitutes an Event of Default specifying the nature of such event and any steps the Bank is taking and proposes to take to remedy the same.

(b) **Preserve Corporate Status**

The Bank shall diligently preserve its corporate existence and status and its license to conduct business as a small finance bank and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

(c) **Further Assurances**

The Bank shall:

- (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Trustee;
- (ii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary enable it lawfully to enter into and perform its obligations under the Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Trust Deed; and
- (iii) comply with all Applicable Laws as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time under any Applicable Laws;

5.5 **EVENTS OF DEFAULT**

If one or more of the events specified herein under happens, the Trustee shall, upon request in writing of the Majority Debenture Holder(s) (provided however, that in case of occurrence of the event as stated in clause (c), such request may be provided by any Debenture Holder), and subject to Applicable Law, be entitled to call an 'Event of Default' by issuing a notice in writing to the Bank (hereinafter each an "**Event of Default**" and collectively, "**Events of Default**") and take actions as set out in Clause 5.6 and Clause 5.7 (*Nominee Director*) below:

- (a) The Bank is (or is declared by a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, or enters into an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts, or stops or suspends payment of all its debts by reason of actual financial difficulties, or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium is agreed or declared in respect of or affecting all the debts of the Bank;
- (b) The Bank commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or the entry of an order for relief in an involuntary proceeding under any such law, or the appointment or taking possession by a receiver, liquidator, insolvency resolution professional, assignee (or similar official) for all or a substantial part of its property;
- (c) Failure of the Bank to make any Payment on the respective Due Date;
- (d) Any breach of any of the covenants, representations or warranties provided by the Bank in terms of this Trust Deed and the relevant Disclosure Documents and such breach continues for more than 30 (Thirty) calendar days from the date of occurrence of such breach;

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- (e) It is or becomes unlawful for the Bank to perform any of its obligations under the Transaction Documents;
- (f) The Bank fails to obtain, comply with or loses its operating license issued by RBI;

It is hereby clarified that apart from the events specified in Clause (a) to Clause (f) hereinabove, the Debenture Holder shall have no rights to accelerate the Payments in relation to the Debentures.

5.6 Consequences of Events of Default

- (a) Upon the occurrence of an Event of Default, the Trustee shall, after obtaining prior written permission of RBI, accelerate repayment of all amounts due and payable in relation to the Debentures and exercise the rights available to the Trustee under Applicable Law.
- (b) It is hereby clarified that the Debenture Holder(s) shall not have the right to convert the Debenture of any Series into equity shares of the Bank upon the occurrence of an Event of Default.

5.7 NOMINEE DIRECTOR

Subject to Applicable Law, the Trustee shall have a right to appoint a nominee director on the Board of Directors of the Bank (hereinafter referred to as the “**Nominee Director**”) in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 in the event of:

- (a) 2 (two) consecutive defaults in payment of Coupon to the Debenture Holder(s) by the Bank; or
- (b) Any default on the part of the Bank in redemption of Debentures.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The aforementioned Nominee Director shall be appointed by the Company as a director on its Board of Directors in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 within such timelines as prescribed under Applicable Law and not later than one month from the date of receipt of nomination from the debenture trustee(s) as to appointment of Nominee Director.

5.8 Process of Due Diligence (DD) to be carried out by the Debenture Trustee:

The DD will be carried out as per DT Master Circular and other circulars issued by SEBI from time to time. This would broadly include the following:

- Chartered Accountant (CA) appointed by Debenture Trustee will conduct independent DD as per scope provided, regarding Security offered by the Issuer, as may be applicable.
- CA will ascertain, verify, and ensure that the asset offered as security by the Issuer is / are free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders, as may be applicable.
- CA will conduct independent DD on the basis of data / information provided by the Issuer.
- CA will, periodically, undertake DD as envisaged in the applicable SEBI circulars depending on the nature of security, as may be applicable.
- On the basis of the CA's report / finding DD certificate will be issued by Debenture Trustee and will be filed with the relevant Stock Exchanges.
- Disclaimers would be incorporated to the effect that:
 - a. The Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.
 - b. DD conducted is premised on data / information made available to the Debenture Trustee appointed - agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Bank.

SECTION 6:

ANY MATERIAL DEVELOPMENTS WHICH ARE NOT DISCLOSED IN THE GENERAL INFORMATION DOCUMENT, SINCE THE ISSUE OF THE GENERAL INFORMATION DOCUMENT RELEVANT TO THE OFFER OF THE DEBENTURES ISSUED UNDER THIS KEY INFORMATION DOCUMENT IN RESPECT OF WHICH THIS KEY INFORMATION DOCUMENT IS BEING ISSUED

| Sl. No. | Changes |
|---------|--|
| 1. | The equity shares of the bank were listed on both BSE Limited and National Stock Exchange of India Limited on November 10, 2023. |
| 2. | The paid-up capital of the bank has increased from Rs. 449.47 Crore as on November 08, 2023 to Rs. 514.77 Crore as on November 09, 2023. |
| 3. | Dr. Joseph Vadakkekara Antony (DIN: 00181554) was appointed as an Additional Director of the Bank by the Board of Directors with effect from November 18, 2023 upto the conclusion of the 07 th Annual General Meeting of the Bank. The shareholders of the Bank in the 07 th Annual General Meeting approved the appointment of Dr. Joseph Vadakkekara Antony as a Non-Executive Director of the bank for a period of two consecutive years, with effect from November 18, 2023 upto November 17, 2025. |
| 4. | In terms of the approval granted by the RBI vide its letter dated June 23, 2023, M/s. Kirtane and Pandit, Chartered Accountants (Firm Registration Number: 105215W/ W100057) was appointed as one of the Joint Statutory Auditors of the Bank by the shareholders in place of the retiring auditors, M/s. Deloitte Haskins and Sells (Firm Registration No. 117365W), to hold office for a period of three financial years, from the conclusion of the 07 th Annual General Meeting until the conclusion of the 10 th Annual General Meeting of the bank, subject to the approval of the RBI to be obtained for the Financial Year 2024-25 and Financial year 2025-26. |

**SECTION 7: DECLARATION
PART A**

The Bank declares as of the date of this Key Information Document that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Key Information Document is as applicable to privately placed debt securities and subject to information available with the Bank.

The extent of disclosures made in this Key Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

For ESAF Small Finance Bank Limited

Name: Ravimohan Periyakavil Ramakrishnan
Designation: Part Time Chairman and Non-Executive Independent Director

Date: February 28, 2024
Place: Thrissur

PART B

DECLARATION BY THE DIRECTORS THAT-

- i. Nothing in this Key Information Document is contrary to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act 2013 and the rules and regulations made thereunder;
- ii. the Bank has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act 2013 and the rules made thereunder;
- iii. the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- iv. the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;
- v. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

Investment in non-convertible securities is risky and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 3 of the General Information Document. These risks are not, and are not intended to be, a

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complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Bank vide resolution dated February 23, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed

For ESAF Small Finance Bank Limited

Name: Ravimohan Periyakavil Ramakrishnan

Designation: Part Time Chairman and Non-Executive Independent Director

Encl:

1. Disclosure prescribed under PAS-4 of Companies (Prospectus and allotment of securities) Rules, 2014
2. Due Diligence Certificate for Debentures issued under this Key Information Document issued by the Debenture Trustee
3. Rating Letters, Rating Rationales and detailed Press Releases from the Rating Agencies for Credit Rating and Rating Rationale
4. List of documents executed in relation to the Issue
5. Trustee Consent Letter
6. In-principle approval from BSE
7. Board Resolution and Shareholder's Resolutions

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and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. The amount payable on application as shown below is remitted herewith. We request you to please place our name(s) on the Register of Debenture Holders.

| Name of the Authorised Signatory(ies) | Designation | Signature |
|---------------------------------------|-------------|-----------|
| | | |
| | | |
| | | |

Applicant's Signature:

Details of Bank Account (from which the subscription money is remitted)

| | |
|--------------------|--------------------------|
| Bank Name & Branch | <input type="checkbox"/> |
| Beneficiary Name | <input type="checkbox"/> |
| Nature of Account | <input type="checkbox"/> |
| Account No. | <input type="checkbox"/> |
| IFSC/NEFT Code | <input type="checkbox"/> |
| UTR No. * | <input type="checkbox"/> |

* Please enclose RTGS alongwith this form.

We hereby confirm that the payment(s) made towards subscription of the Rated, Taxable, Listed, Unsecured, Redeemable Fully Paid Up Basel II Compliant Lower Tier II Subordinated Bonds in the nature of non-convertible debentures is made from our bank account(s).

| FOR OFFICE USE ONLY | |
|-----------------------|-------------------------|
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note: Cheque and Drafts are subject to realisation)

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

| DEPOSITORY | NSDL and CDSL |
|-----------------------------|---------------|
| DEPOSITORY PARTICIPANT NAME | |
| DP-ID | |
| BENEFICIARY ACCOUNT NUMBER | |
| NAME OF THE APPLICANT(S) | |

| | | |
|--------------------------|---------------------------------------|---|
| Taxpayers PAN / GIR No. | T Circle/Ward/District | <input type="checkbox"/> Not Allotted |
| <input type="checkbox"/> | <input type="checkbox"/> | |
| Tax Deduction Status | <input type="checkbox"/> Fully Exempt | <input type="checkbox"/> Tax to be deducted at Source |

(vii) Tick whichever is applicable:

(a) The Applicant is not required to obtain Government approval under the Foreign Exchanges Management (Non-debt Instrument) Rules, 2019 prior to subscription of shares -

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(b) The Applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instrument) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith –



List of KYC docs. To be attached with the Application Form:

- Constitution Documents: Certificate of Incorporation, Certificate of commencement of Business, Memorandum & Articles of Association, Regd. Trust Deed in case of Trust, SEBI Registration Certificate in case of Mutual Fund.
- ID Proofs: Certified Copy of PAN Card, Demat Client Master Report
- Address Proof: Form 18 (under Companies Act, 1956) or INC-22 (under Companies Act, 2013) filled with ROC or Certified copy of latest utility bills
- Authorizing docs: Power of Attorney / Board Resolution with specimen signatures certified by the Company Secretary
- Any other document as specified in the Disclosure Documents or as may be demanded by the Bank or as may be required to be provided under Applicable Law by the Applicant

We understand and confirm that the information provided in the General Information Document is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), we shall convey all the terms and conditions contained herein and in this General Information Document to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

WE FURTHER UNDERSTAND THAT:

INVESTMENTS IN SUBORDINATED DEBT SECURITIES INVOLVE A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE DEBENTURES, UNLESS THEY CAN AFFORD TO TAKE RISKS ATTACHED TO SUCH INVESTMENTS. THE DEBENTURES ARE SUBORDINATED DEBT SECURITIES AND NOT FIXED DEPOSITS OF THE BANK AND THEY CANNOT BE USED AS COLLATERAL FOR ANY LOAN MADE BY THE BANK. THE DEBENTURES ARE DIFFERENT FROM FIXED DEPOSITS AND ARE NOT COVERED BY DEPOSIT INSURANCE ISSUED BY THE DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION. UNLIKE THE FIXED DEPOSITS WHERE DEPOSITS ARE REPAYED AT THE OPTION OF DEPOSIT HOLDER, THE DEBENTURES ARE NOT REDEEMABLE AT THE OPTION OF THE DEBENTURE HOLDERS OR WITHOUT THE CONSENT OF THE RESERVE BANK OF INDIA.

By making this application, I/We acknowledge that I/We have understood the terms and conditions of the Issue of Rated, Taxable, Listed, Unsecured, Redeemable Fully Paid-Up Basel II Compliant Lower Tier II Subordinated Bonds in the nature of non-convertible debentures being issued by ESAF Small Finance Bank Limited as disclosed in the General Information Document and Key Information Document.

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Applicant's
Signature

| | |
|-----------------------|-------------------------|
| FOR OFFICE USE ONLY | |
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

ACKNOWLEDGMENT SLIP

Application No: [●]

Date: [●]

| | |
|--|----------|
| Debenture Series | Series 2 |
| No. of Debentures applied (in figures) | [●] |
| No. of Debentures applied (in words) | [●] |
| Amount (Rs. In figures) | [●] |
| Amount (Rs. In words) | [●] |
| NEFT/RTGS | [●] |

For all further correspondence, please contact the Compliance Officer.

INSTRUCTIONS

- ▲ Application must be completed entirely in English, using BLOCK LETTERS.
- ▲ Procedure for Issue shall be in accordance with EBP Guidelines.
- ▲ A signature can be made either in English or in any other Indian language.
- ▲ Application Forms duly completed in all respects, must be lodged at the Bank's registered office.
- ▲ All transfers/RTGS must be made payable to the Bank account of the Bank.
- ▲ Cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
- ▲ As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, one is requested to mention the full particulars of the bank account, as specified in the Application Form.
- ▲ Interest warrants will then be made out in favour of the bank for credit to one's account. In case the full particulars are not given, cheques will be issued in the name of the Applicant at their own risk.
- ▲ One should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
- ▲ The application would be accepted as per the terms of the Issue outlined in the Disclosure Document.
- ▲ The payment(s) towards subscription of the securities shall be made from the bank account(s) of the Applicants.

Please send the dully filled and signed Application Form to our corporate office address: **BUILDING NO.VII/83/8, ESAF BHAVAN, THRISSUR-PALAKKAD NATIONAL HIGHWAY, MANNUTHY, THRISSUR, KERALA – 680651.**

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ANNEXURE II: PRESS RELEASE AND RATING RATIONALE

[As attached separately]

Confidential

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ANNEXURE III: Debenture Trustee Agreement and Trustee Consent Letter

Confidential