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

(Please scan this QR Code to view the RHP)

This is an abridged prospectus containing salient features of the Red Herring Prospectus of ESAF Small Finance Bank Limited dated October 28, 2023, filed with the Registrar of Companies, Kerala at Ernakulam ("**RoC**") (the "**RHP**" or "**Red Herring Prospectus**"). You are encouraged to read greater details available in the RHP, which is available at https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.

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

Please ensure that you have read the RHP, this abridged prospectus ("**Abridged Prospectus**") and the general information document for investing in public issues ("**GID**") undertaken through the Book Building Process before applying in the Offer (as defined below). The investors are advised to retain a copy of the RHP/ Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Member, Registrar to the Offer, Registrar and Share Transfer Agents ("**RTAs**"), Collecting Depository Participants ("**CDPs**"), Registered Brokers, Banker to the Offer, Investors' Associations or Self Certified Syndicate Banks ("**SCSBs**"). You may also download the RHP from the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in, at the websites of National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", and together with NSE, the "**Stock Exchanges**") at www.nseindia.com and www.bseindia.com, respectively, and the websites of the Book Running Lead Managers at www.icicisecurities.com, www.damcapital.in and www.nuvama.com.

ESAF SMALL FINANCE BANK
Joy of Banking

ESAF SMALL FINANCE BANK LIMITED

Corporate Identity Number: U65990KL2016PLC045669; **Date of incorporation:** May 5, 2016

Registered and Corporate Office	Contact Person	Email and Telephone	Website
Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur 680 651, Kerala, India	Ranjith Raj P, *Company Secretary and Compliance Officer*	**Email:** investor.relations@esafbank.com **Tel.:** +91 487 7123 907	www.esafbank.com

THE PROMOTERS OF OUR BANK: KADAMBELIL PAUL THOMAS AND ESAF FINANCIAL HOLDINGS PRIVATE LIMITED

DETAILS OF THE OFFER TO PUBLIC

Type of Offer	Fresh Offer Size	Offer for Sale size	Total Offer Size	Eligibility – 6(1)	Share Reservation among QIBs, NIBs, RIBs And Eligible Employees			
					QIB	NIB	RIB	Eligible Employees
Fresh Issue and Offer for Sale	Fresh Issue of up to [●] equity shares of face value of ₹10 each aggregating up to ₹3,907.00 million	Offer for Sale up to [●] equity shares of face value of ₹10 each aggregating up to ₹723.00 million	Up to [●] equity shares of face value of ₹10 each aggregating up to ₹4,630.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") as our Bank fulfils the requirements under Regulation 6(1) of the SEBI ICDR Regulations. For further details, see *"Other Regulatory and Statutory Disclosures – Eligibility for the Offer"* on page 441. For details in relation to the share reservation among QIBs, RIBs, NIBs and Eligible Employees see "*Offer Structure*" on page 467.	Not more than 50% of the Net Offer	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer	Up to [●] Equity Shares aggregating up to ₹ 125.00 million

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)#^
ESAF Financial Holdings Private Limited	Promoter Selling Shareholder	[●] equity shares of face value of ₹10 each aggregating up to ₹492.60 million	10.11
PNB MetLife India Insurance Company Limited	Other Selling Shareholder	[●] equity shares of face value of ₹10 each aggregating up to ₹126.70 million	40.07
Bajaj Allianz Life Insurance Company Limited	Other Selling Shareholder	[●] equity shares of face value of ₹10 each aggregating up to ₹103.70 million	40.07

** As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate dated October 28, 2023.*

^ Calculated on a fully diluted basis

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

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

Price Band *For details of the Price Band and the basis for Offer Price, please refer to the price band advertisement and the section titled "**Basis for Offer Price**" on page 130 of the RHP.*	₹ [●]^ per Equity Share to ₹ [●]^ per Equity Share of face value of ₹ 10 each.
Minimum Bid Lot Size	[●] Equity Shares
Anchor Investor Bidding date	Thursday, November 2, 2023
Bid/Offer Opens On	Friday, November 3, 2023
Bid/Offer Closes On	Tuesday, November 7, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Friday, November 10, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about Monday, November 13, 2023
Credit of Equity Shares to demat accounts of allottees	On or about Wednesday, November 15, 2023
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Thursday, November 16, 2023

^A discount of ₹ [●] Per Equity Share is being offered to Eligible Employees Bidding in the Employee Reservation Portion.

(1) The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date.

Weighted average cost of acquisition of all Equity Shares transacted in one year, eighteen months and three years preceding the date of the Red Herring Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Upper end of the price band (₹[●]) is 'X' times the weighted average cost of acquisition	Range of acquisition price: Lowest price – Highest price (in ₹)*
One year	Nil	NA	NA
18 months	Nil	NA	NA
Three years	75	[●]	75.00-75.00

** As certified by A. John Moris & Co., Chartered Accountants pursuant to their certificate dated October 28, 2023.*

The Equity Shares offered in the Offer have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) under Section 4(a) of the Securities Act, or (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering of Equity Shares in the United States.

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹10 each. The Floor Price and the Cap Price as determined and justified by our Bank and Promoter Selling Shareholder, in consultation with the Book Running Lead Managers ("**BRLMs**") and the Offer Price as determined and justified by our Bank and the Selling Shareholders, in consultation with the BRLMs, on the basis of the assessment of market demand of the Equity Shares by way of the book building process, as stated under "*Basis for Offer Price*" on page 130 of the RHP. should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Bank and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 35 of the RHP and page 9 of this Abridged Prospectus.

PROCEDURE

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

If you wish to know about processes and procedures applicable to the Offer, you may request for a copy of the RHP and/or the General Information Document (**GID**) from the BRLMs or download it from the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively, and the websites of the BRLMs at www.icicisecurities.com, www.damcapital.in and www.nuvama.com.

PRICE INFORMATION OF BRLMs

S. No.	Issue name	Name of BRLMs	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	KFIN Technologies Limited	I-Sec	-13.55%, [-3.22%]	-24.56%, [-6.81%]	-4.48%, [+2.75%]
2,	Utkarsh Small Finance Bank Limited	I-Sec	+92.80%,[-2.20%]	+119.00%, [-0.37%]	NA
3.	SBFC Finance Limited	I-Sec	+51.75%, [+3.28%]	NA	NA
4.	Jupiter Lifeline Hospitals Limited	I-Sec, Nuvama	+42.27%, [-1.60%]	NA	NA
5.	Zaggle Prepaid Ocean Services Limited	I-Sec	+30.95%, [-0.67%]	NA	NA
6.	Signatureglobal (India) Limited	I-Sec	+35.79%, [-4.36%]	NA	NA
7.	JSW Infrastructure Limited	I-Sec, DAM Capital	NA	NA	NA
8.	Yatra Online Limited	DAM Capital	-11.06%, [-2.63%]	Not applicable	Not applicable
9.	Rishabh Instruments Limited	DAM Capital	+20.12%, [-1.53%]	Not applicable	Not applicable
10.	Avalon Technologies Limited	DAM Capital	-10.09%, [+2.95%]	+59.45%, [+10.78%]	+21.32%, [+11.84%]
11.	Uniparts India Limited	DAM Capital	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
12.	Inox Green Energy Services Limited	DAM Capital, Nuvama	-30.77%, [-1.11%]	-32.77%, [-1.33%]	-26.85%, [+0.36%]
13.	Kaynes Technology India Limited	DAM Capital	+19.79%, [-0.25%]	+48.24%, [-1.64%]	+102.18%, [-0.22%]
14.	Sai Silks (Kalamandir) Limited	Nuvama	8.09% [-4.49%]	NA	NA
15.	TVS Supply Chain Solutions Limited	Nuvama	8.71% [1.53%]	NA	NA
16.	Five Star Business Finance Limited	Nuvama	29.72% [1.24%]	19.20% [-1.19%]	11.72% [0.24%]
17.	DCX Systems Limited	Nuvama	17.10% [0.63%]	-12.56% [-1.83%]	-12.32% [-0.05%]
18.	Vedant Fashions Limited	Nuvama	3.99% [-0.20%]	14.53% [-8.54%]	37.67% [2.17%]

Source: www.nseindia.com and www.bseindia.com

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(a) Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLM with common issues disclosed once.
(b) Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
(c) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.
(d) Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable.
(e) NA - Not applicable, where the relevant period has not been completed.

For further details, please refer to "Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs on page 447 of the RHP.

BOOK RUNNING LEAD MANAGERS		
ICICI Securities Limited **Tel:** +91 22 6807 7100 **E-mail:** esafsfb.ipo@icicisecurities.com **Investor Grievance E-mail:** customercare@icicisecurities.com	**DAM Capital Advisors Limited** **Tel:** +91 22 4202 2500 **E-mail:** esaf.ipo@damcapital.in **Investor Grievance E-mail:** complaint@damcapital.in	**Nuvama Wealth Management Limited** *(formerly known as Edelweiss Securities Limited)* **Tel:** +91 22 4009 4400 **E-mail:** ESAF@nuvama.com **Investor Grievance E-mail:** customerservice.mb@nuvama.com

Name of Syndicate Member	**Nuvama Wealth Management Limited** *(formerly known as Edelweiss Securities Limited)* and **Sharekhan Limited**
Name of Registrar to the Offer	**Link Intime India Private Limited** **Tel:** +91 022 4918 6060 **E-mail:** esaf.ipo@linkintime.co.in **Investor grievance E-mail:** esaf.ipo@linkintime.co.in
Name of Joint Statutory Auditors	Deloitte Haskins & Sells, Chartered Accountants and Abarna & Ananthan, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	Not applicable.
Name of Debenture Trustee, if any	Not applicable
Self Certified Syndicate Banks or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is available on to the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on the SEBI website and at such other website as may be prescribed by SEBI from time to time.
Eligible SCSBs and mobile applications enabled for UPI Mechanism	In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, and SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) UPI Bidders may apply through the SCSBs and mobile applications using the UPI handles which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.
Non Syndicate Registered Brokers	The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.
Syndicate SCSB Branches	In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.
Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

For further details, see "*Offer Procedure*" on page 471 of the RHP.

PROMOTERS OF OUR BANK

Sr. No.	Name	Individual/ Corporate/HUF	Details of the Promoter
1	Kadambelil Paul Thomas	Individual	Experience: Managing Director and Chief Executive Officer of our Bank. He was previously the chairman and managing director of ESAF Financial Holdings Private Limited. He has also served as the founder secretary cum honorary executive director of Evangelical Social Action Forum for over 25 years. Educational Qualification : He holds a master's degree in business administration from the Annamalai University.
2	ESAF Financial Holdings Private Limited	Corporate	ESAF Financial Holdings Private Limited was originally incorporated as 'Pinnai Finance and Investments Private Limited' on September 27, 1996 at Chennai, Tamil Nadu, India, as a private limited company under the Companies Act, 1956. The name was subsequently changed to 'ESAF Microfinance and Investments Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued on March 21, 2007. The name of the company was thereafter changed to 'ESAF Financial Holdings Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued on March 1, 2019.

For details in respect of the Promoters, please see the section entitled "*Our Promoters and Promoter Group*" beginning on page 274 of the RHP.

OUR BUSINESS OVERVIEW AND STRATEGY

Bank Overview: We are a small finance bank with a focus on unbanked and under-banked customer segments, especially in rural and semi-urban centres. As at June 30, 2023, our gross advances to our customers in rural and semi-urban centres (combined) accounted for 62.97% of our total gross advances and 71.71% of our banking outlets were located in rural and semi-urban centres (combined). Our primary products are our advances (asset products) and deposits (liability products). Our advances comprise: (a) Micro Loans, which comprises Microfinance Loans and Other Micro Loans; (b) retail loans, which includes gold loans, mortgages, personal loans, and vehicle loans; (c) MSME loans; (d) loans to financial institutions; and (e) agricultural loans. Our liability products comprise current accounts, savings accounts, term deposits and recurring deposits. Our AUM grew from ₹84,259.30 million to ₹163,312.65 million as at March 31, 2021 and 2023, respectively, registering a CAGR of 39.22%, and increased to ₹172,039.68 million as at June 30, 2023, an increase of 5.34%. Our deposits grew from ₹89,994.26 million to ₹146,656.25 million as at March 31, 2021 and 2023, respectively, registering a CAGR of 27.66%, and increased to ₹156,558.54 million as at June 30. 2023, an increase of 6.75%. Our services includes safety deposit lockers, foreign currency exchange, giving our customers access to the Bharat Bill Payment System, money transfer services and Aadhaar Seva Kendra services. We also distribute third-party life and general insurance policies and Government pension products.

Product/Service Offerings: Our asset products comprise: (a) Micro Loans (Microfinance Loans and Other Micro Loans); (b) retail loans, which includes, gold loans, mortgages, personal loans, and vehicle loans; (c) MSME loans; (d) loans to financial institutions; and (e) agricultural loans.

Revenue segmentation by product/ service offering Geographies Served: India

Revenue segmentation by geographies: Not applicable

Key Performance Indicators:

KPIs	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Fiscal 2021	Fiscal 2022	Fiscal 2023
Operations					
Banking Outlets	700	576	550	575	700
AUM (in INR million)	172,039.68	127,352.96	84,259.30	123,406.91	163,312.65
AUM Growth (%)	5.34%	3.20%	N.A.	46.46%	32.34%
Deposits (in INR million)	156,558.54	134,577.46	89,994.26	128,150.72	146,656.25
Deposits Growth (%)	6.75%	5.01%	N.A.	42.40%	14.44%
CASA Ratio (%)	18.22%	23.29%	19.42%	22.84%	21.39%
CASA + Retail Term Deposits Ratio (as percentage of total deposits)	89.28%	92.93%	97.74%	93.71%	90.85%
Capital					
Net worth (in INR million)	18,390.93	15,127.62	13,520.64	14,067.96	17,091.29
Total Capital Ratio (CRAR) (%)	20.56%	20.31%	24.23%	18.64%	19.83%
Tier 1 Capital Ratio (%)	18.95%	17.93%	21.54%	16.16%	18.12%
Cost of Deposits (%)	1.67%*	1.52%*	7.54%	6.22%	6.10%
Cost of Funds (%)	1.72%*	1.52%*	7.60%	5.99%	6.02%
Asset Quality					
Gross NPA (%)	1.65%	6.16%	6.70%	7.83%	2.49%
Provision Coverage Ratio (%)	74.35%	62.00%	52.77%	59.38%	56.67%
Restructured Book as % of Advances (%)	0.41%	3.46%	NA	4.84%	0.69%
Net NPA (%)	0.81%	3.78%	3.88%	3.92%	1.13%
Profitability					
Pre-Provision Operating Profit (PPOP)	3,006.69	2,252.91	4,169.84	4918.51	8,937.12
Net Profit (in INR million)	1,299.64	1,059.66	1,053.96	547.32	3,023.33
Yield on Advances (%)	5.81%*	5.31%*	20.03%	17.44%	19.81%
Net Interest Margin (%)	2.85%*	2.51%*	8.45%	7.64%	9.68%
Credit Cost Ratio (%)	0.90%*	0.72%*	3.75%	4.22%	3.82%
Operating Expenses to Average Total Assets (%)	1.84%*	1.52%*	5.79%	5.74%	6.49%
Cost to Income Ratio (%)	55.69%	54.65%	60.31%	63.69%	57.93%
Return on Average Assets (%)	0.63%*	0.59%*	0.97%	0.36%	1.59%
Return on Average Equity (%)	7.33%*	7.26%*	8.65%	3.97%	19.41%
Basic EPS (in INR)	2.89*	2.36*	2.46	1.22	6.73

* *Not annualized*

Notes: For details of our KPIs disclosed elsewhere in the Red Herring Prospectus, please see the section entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 190 and 372 of the RHP, respectively.

Client Profile: Not applicable.

Revenue segmentation in terms of top 5/10 clients or Industries Served: Not applicable

Industries Served: Banking sector

Intellectual Property: Two trademark registrations for our corporate logos under class 36 of the Trade Marks Act, 1999 and one trademark registration for the device 'ESAF Small Finance Bank' under Class 36 of the Trade Marks Act, 1999. For details, see the section titled "*Government and Other Approvals*" on page 436 of the RHP.

Market Share: Our Bank had a market share of 9% in terms of the advances under management of small finance banks as at June 30, 2023. *(Source: CRISIIL MI&A Report)*. As at June 30, 2023, our deposits were ₹156,558.54 million, which represented 7.94% of the total deposits of small finance banks of ₹1,971 billion. *(Source: CRISIIL MI&A Report).*

Manufacturing Plant, if any: Not applicable.

Employee Strength: As on June 30, 2023, we had 5,160 employees. For details, see "*Our Business*" on page 190 of the RHP.

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience & Educational Qualification	Directorships in other companies
1	Ravimohan Periyakavil Ramakrishnan	Part-Time Chairman and Non-Executive Independent Director	He holds a bachelor's degree in science and master's degree in science from Kerala University, and a master's degree in business administration from Birmingham University. He is a certified associate of the Indian Institute of Bankers. He was previously employed as a chief general manager in the department of banking supervision of the RBI. He was previously a resident advisor, financial sector supervision, International Monetary Fund, AFRITAC South, Mauritius.	• TP Renewable Microgrid Limited; • Maithon Power Limited; and • CARE Ratings (Africa) Private Limited
2	Kadambelil Paul Thomas	Managing Director and Chief Executive Officer	He holds a master's degree in business administration from the Annamalai University. He was previously the chairman and managing director of ESAF Financial Holdings Private Limited. He has also served as the founder secretary cum honorary executive director of Evangelical Social Action Forum for over 25 years.	• Thrissur Startup Incubation Council.
3	Thomas Jacob Kalappila	Non-Executive Independent Director	He holds a bachelor's degree in science from Kerala University. He is an associate member of the Institute of Chartered Accountants of India and holds a diploma in information and systems audit from the Institute of Chartered Accountants of India. He is a partner of Thomas Jacob & Co., a partnership firm and has 35 years of experience in statutory audit, internal and forensic audit of banks. He has previously served as an independent director on the board of directors of South Indian Bank Limited and Malabar Cements Limited.	• Spotmarket Securities Private Limited; • Syncon Management Consultants Private Limited; and • Agappe Diagnostics Limited
4	Vinod Vijayalekshmi Vasudevan	Non-Executive Independent Director	He holds a bachelor's degree in technology (computer science and engineering), a master's degree in technology (computer science and engineering), and a doctorate of philosophy (computer science and engineering) from the Indian Institute of Technology, Kharagpur. He is the group CEO of FLYTXT, Dubai and Amsterdam. He is currently on the board of directors of Flytxt Mobile Solutions International, Z3P Tech Fund and Z3P Global, Mauritius.	• Flytxt Mobile Solutions International, UAE; • Z3P Tech Fund; and • Z3P Global, Mauritius
5	Ravi Venkatraman	Non-Executive Independent Director	He has passed the final examination held by the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He was the former Executive Director and Chief Financial Officer of Mahindra and Mahindra Financial Services Limited. He is currently on the board of directors of Bajaj Finserv Mutual Fund Trustee Limited, Kotak Mahindra General Insurance Company Limited, Avanse Financial Services Limited, Kotak Mahindra Prime Limited, Sarvagram Solutions Private Limited, Aditya Birla AMC Limited.	• Adithya Birla ARC Limited; • Avanse Financial Services Limited; • Bajaj Finserv Mutual Fund Trustee Limited; • Kotak Mahindra General Insurance Limited; • Kotak Mahindra Prime Limited; and • Sarvagam Solutions Private Limited
6	Kolasseril Chandramohanan Ranjani	Non-Executive Independent Director	She holds a bachelor's degree in science from University of Kerala and a master's degree in bank management from Cochin University of Science and Technology. She has held senior management positions with SIDBI, and has more than 21 years of experience in Micro, Small and Medium Enterprises in India. She is currently on the board of directors of SM Swasthman Foundation.	• SM Swasthman Foundation
7	Biju Varkkey^	Additional Non-Executive Independent Director	He holds a bachelor's degree in science from Gandhiji University and a fellowship programme from National Institute of Bank Management, Pune. He is also a faculty member at IIM Ahmedabad. He was on the board of directors of Bank of Baroda.	• Konnect CSR Impactors Private Limited; and • V Guard Industries Limited

BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience & Educational Qualification	Directorships in other companies
8	John Samuel*	Non-Executive Nominee Director	He holds a master's degree in business administration from the Cochin University of Science and Technology and a master's degree in commerce from Madurai University. He is an associate of the Institute of Chartered Accountants of India. He was previously a Member of the Postal Services Board and held the position of Chief Post Master General.	Nil
9	Ajayan Mangalath Gopalakrishnan Nair#	Non-Executive Nominee Director	He holds a bachelor's degree in science (Horticulture) from the Kerala Agricultural University and is a certified associate of the Indian Institute of Bankers. He was previously employed as the Executive Vice President of our Bank. He was previously the General Manager of IT and CIO, General Manager of retail assets, General Manager of transaction banking, General Manager of Pune Circle, Chief Compliance Officer and Deputy General Manager of Calicut Circle in Canara Bank. He is currently an additional director on the board of directors of ESAF Financial Holdings Private Limited.	ESAF Financial Holdings Private Limited

* *Nominee of Kadambelil Paul Thomas*

\# *Nominee of ESAF Financial Holdings Private Limited*

^ *The appointment of Biju Varkkey to the Board will be regularised in the ensuing annual general meeting.*

For further details in relation to our Board of Directors, see *"Our Management"* beginning on page 251 of the RHP.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue of up to [●] equity shares of face value of ₹10 each aggregating up to ₹3,907.00 million by our Bank and the Offer for Sale of up to [●] equity shares of face value of ₹10 each aggregating up to ₹723.00 million by the Selling Shareholders.

Offer for Sale: Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale. Our Bank will not receive any proceeds from the Offer for Sale.

Number/amount of equity shares proposed to be sold by Selling Shareholders, if any: Up to [●] equity shares aggregating up to ₹723.00 million by certain Shareholders of our Bank. For details, please see page 1 of this Abridged Prospectus.

Net Proceeds

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

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Fresh Issue	3,907.00
(Less) Fresh Issue expenses[(1)]	[•]
Net Proceeds[(1)]	**[•]**

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

Our Bank proposes to utilize the Net Proceeds from the Fresh Issue towards augmenting our Bank's Tier – I capital base to meet our Bank's future capital requirements and for increasing our Bank's business, which is primarily onward lending. Further, the proceeds from the Fresh Issue will also be used towards meeting the expenses in relation to the Offer.

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

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

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

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

Shareholding pattern as on the date of the RHP:

Category of shareholder	Pre-Issue number of Equity Shares (Number of fully paid up Equity Shares held)	% Holding of Pre-Issue (Shareholding as a % of total number of Equity Shares)
Promoters and Promoter Group	334,528,839	74.43
Public	114,944,959	25.57
Non Promoter- Non Public	-	-
Total	**449,473,798**	**100.00**

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

SUMMARY OF RESTATED FINANCIAL INFORMATION

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

(₹ in million, except per share data)

Particulars	As at and for the three months period ended June 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Total income from operations (net)	9,917.75	7,383.24	31,415.72	21,475.08	17,684.21
Total borrowings	27,391.25	25,555.00	33,541.95	29,528.33	16,940.00
Net Profit/(Loss) before tax and extraordinary items	1,737.46	1,416.68	4,060.45	738.50	1,413.73
Net Profit / (Loss) after tax and extraordinary items	1,299.64	1,059.66	3,023.33	547.32	1,053.96
Equity Share Capital	4,494.74	4,494.74	4,494.74	4,494.74	4,494.74
Net worth	18,390.93	15,127.62	17,091.29	14,067.96	13,520.64
Earnings per Equity Share					
- Basic earnings per share	2.89*	2.36*	6.73	1.22	2.46
- Diluted earnings per share	2.89*	2.35*	6.71	1.22	2.46
Return on net worth (%)	7.07%*	7.00%*	17.69%	3.89%	7.80%
Net asset value per Equity Share	40.92	33.66	38.03	31.30	30.08

**Not annualised*

INTERNAL RISK FACTORS

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

1. As at June 30, 2023 and March 31, 2023, 2022 and 2021, 74.70%, 75.04%, 81.16% and 84.80%, respectively, of our advances under management, which is gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which we continue to hold collection responsibilities ("Advances Under Management" or "AUM") were Micro Loans. As at June 30, 2023 and March 31, 2023, 56.52% and 63.66%, respectively, of our AUM were Microfinance Loans and 18.18% and 11.38%, respectively, of our AUM were Other Micro Loans. Any decrease in demand for our Micro Loans could adversely affect our business, financial condition, results of operations and cash flows.
2. As at June 30, 2023, and March 31, 2023, 2022 and 2021, 75.15%, 75.35%, 83.59% and 85.50% of our advances (net of provisions) were unsecured advances, respectively. If we are unable to recover such advances in a timely manner or at all, our financial condition, results of operations and cash flows may be adversely affected.
3. We could be subject to various sanctions and penalties by the Reserve Bank of India (RBI) for failing to comply with the requirement to list the Equity Shares on a stock exchange in India before July 31, 2021.
4. Our business is concentrated in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Telangana and the Union Territory of Puducherry (collectively, "South India"), particularly in the states of Kerala and Tamil Nadu. As at June 30, 2023, 62.43% of our banking outlets are located in South India (including 43.43% in Kerala and 13.86% in Tamil Nadu), 73.09% of our gross advances are from customers in South India (including 43.45% from Kerala and 22.14% from Tamil Nadu) and 86.90% of our deposits are from banking outlets in South India (including 80.04% from Kerala and 3.36% from Tamil Nadu). Any adverse change in the economy of South India, particularly in the states of Kerala and Tamil Nadu, could have an adverse effect on our financial condition, results of operations and cash flows.
5. As at March 31, 2023, we were in non-compliance with 17 out of the 272 Risk Based Supervision ("RBS") Tranche III requirements and if the Reserve Bank of India (RBI) imposes penalties on us for this non-compliance, it could adversely affect our reputation, business, financial condition, results of operations and cash flows.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

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

Category of individuals / entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigation	Aggregate amount involved (₹ in million)[1]
Bank						
By the Bank	862[#]	NA	NA	NA	1	136.24
Against the Bank	1	13	5	NA	Nil	288.67
Directors (excluding Kadambelil Paul Thomas)						
By the Directors	Nil	NA	NA	NA	Nil	Nil
Against the Directors	Nil	Nil	Nil	NA	Nil	Nil
Kadambelil Paul Thomas						
By Kadambelil Paul Thomas	Nil	NA	NA	NA	Nil	Nil
Against Kadambelil Paul Thomas	Nil	Nil	Nil	Nil[2]	Nil	Nil
ESAF Financial Holdings Private Limited						
By ESAF Financial Holdings Private Limited	Nil	NA	NA	NA	Nil	Nil
Against ESAF Financial Holdings Private Limited	Nil	9	2	Nil	Nil	271.40
For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 420.						

Notes:

(1) To the extent ascertainable and quantifiable. As at June 30, 2023, the Bank has not made any provisions and contingent liabilities for outstanding litigation, except for with respect to fraud cases, where the Bank has made provisions for all amount related to such fraud cases. The contingent liabilities of the Bank as a percentage of its net worth as of June 30, 2023, is 0.10%.

(2) Excludes directions issued by the RBI to our Bank in respect of the office of Kadambelil Paul Thomas.

 # Includes 729 cases filed by our Bank for alleged violation of Section 138 of the Negotiable Instruments Act,1881 and 85 police complaints filed by our Bank under the IPC.

For further details, please see the section entitled "*Outstanding Litigation and Material Developments*" on page 420 of the RHP.

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

Sr. No	Particulars	Litigation filed by	Current status	Amount involved
1.	The office of the Commissioner of Central Tax and Central Excise (Audit), Kochi had issued a show cause notice to our Bank on the grounds that our Bank had, allegedly, contravened certain provisions of the Finance Act, 1994 and CENVAT Credit Rules, 2004. Our Bank pursuant to its letter denied the alleged contraventions and prayed for the proceedings initiated against to be dropped.	Commissioner of Central Tax and Central Excise (Audit), Kochi	This matter is currently pending	₹35.16 million
2.	The Assessment Unit, Income Tax Department had issued an assessment order alleging that our Bank under-reported the income to the Assessment Unit and separately initiated penalty proceedings under Section 270A(1) of the IT Act. A demand notice and notice for penalty has been issued to our Bank demanding our Bank to pay the required sum and to show cause as to why an order imposing penalty should not be passed.	Assessment Unit, Income Tax Department	This matter is currently pending	₹218.00 million
3.	Our Bank has received an inspection order from the office of the Assistant Labour Officer, Thodupuzha on the grounds that our Bank is not in compliance with the provisions of the Kerala Shops and Commercial Establishments Workers Welfare Fund Act, 2006, the Minimum Wages Act, 1948 and the Kerala Shops and Commercial Establishments Act, 1960. Our Bank made an oral submission before the ALO stating that the aforementioned provisions are not applicable to our Bank.	Assistant Labour Officer, Thodupuzha	This matter is currently pending	Not quantifiable
4.	Our Bank has received notices and an inspection order from the office of the Assistant Labour Inspector, Aruppukkottai ("**ALI**") on the grounds that our Bank had allegedly violated certain provisions of the Tamil Nadu Shops and Establishment Rules, 1948 and the Tamil Nadu Industrial Establishments (National and Festival Holidays) Rules, 1959. Our Bank paid a compounding fee and assured that it will complete the shops and commercial establishment registration of our Bank's Aruppukkottai branch and subsequently written to the ALI for guidance on the process for the shops and establishments registration under the TN S&E Act and TN S&E Rules.	Assistant Labour Inspector, Aruppukkottai	This matter is currently pending	Not quantifiable
5.	Our Bank has received various inspection notices and a show cause notice pursuant the inspection from the Labour Inspector, Dhar ("**Labour Inspector**") under the Child and Adolescent (Prohibition and Regulation) Act, 1986, the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948 ("Minimum Wages Act"), the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Madhya Pradesh Shops and Establishment Act, 1958 ("MP S&E Act") on the grounds that our Bank *inter alia* had allegedly (i) not maintained the leave register; (ii) not displayed summary of the MP S&E Act in the branch premises; and (iii) not kept the form L related to dyeing and painting in the farm. Our Bank responded to the show cause notice submitting the compliance status under the applicable acts.	Labour Inspector, Dhar	This matter is currently pending	Not quantifiable

For further details, please see the section entitled "*Outstanding Litigation and Material Developments*" on page 420 of the RHP.

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

D. Brief details of outstanding criminal proceedings against the Promoters: None

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 420 of the RHP.

ANY OTHER IMPORTANT INFORMATION AS PER BRLMs/BANK – Nil

DECLARATION BY OUR BANK

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

DECLARATION BY SELLING SHAREHOLDER

We hereby confirm that all statements, disclosures and undertakings made or confirmed by the Selling Shareholders in the Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Bank or any other Selling Shareholder or any person(s) in the Red Herring Prospectus.