

- h) Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialized form.
- i) Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.
- j) Annual Report along with Audited financials and Audit Reports for the last three Financial Years.
- k) Limited Review financials for the quarter ended December 31, 2021.

AA. Issue Details

1.	Security Name	Jammu & Kashmir Bank Basel III Tier II Bonds 2021-22
2.	Issuer/Bank	The Jammu & Kashmir Bank Limited (the Bank/the Issuer)
3.	Type of Instrument	Unsecured, Subordinated, Non-Convertible, Redeemable, Fully-paid-up, Basel III Compliant Tier II Bonds in the nature of Debentures of Rs 1 crore each ("Bonds")
4.	Nature of Instrument	Unsecured Basel III Tier II Bonds.
5.	Seniority of the Bonds	<p>Claims of the investors in this instrument shall be:</p> <ul style="list-style-type: none"> (i) superior to the claims of investors in common equity and instruments eligible for inclusion in Tier 1 Capital issued by the Bank; (ii) subordinated to the claims of all depositors, general creditors of the Bank; (iii) Neither be secured nor covered by guarantee of the Bank or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis creditors of the Bank. <p>Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms under RBI Master Circular on Basel III Capital Regulations, RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 & amendments thereof on time to time ("Basel III Guidelines.")</p> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorbency, Permanent principal write-down on PONV Trigger Event and Other Events mentioned in the Placement Memorandum.</p>
6.	Minimum Subscription	Not applicable
7.	Mode of Issue	Private Placement through Electronic Bidding Platform (EBP).
8.	Type of Bidding	Closed Bidding on Electronic Bidding Platform (EBP) of Bombay Stock Exchange ("BSE")
9.	Manner of allotment	Uniform Coupon
10.	Eligible Investors	In terms of the Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 ("NCS Regulations") along with the Operational Circular for issue and listing of non-convertible securities, securitized debt instruments, security receipts, municipal debt securities and commercial papers dated 10 August 2021

	<p>(“Operational Circular”), only Qualified Institutional Buyers (“QIBs”) are allowed to participate in the issuance of the Bonds. The Tier 2 Bonds to be issued under the Placement Memorandum and other transaction documents have the relevant features, hence the Operational Circular will be applicable.</p> <p>As per Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 dated September 2018, “Qualified Institutional Buyer” means:</p> <ul style="list-style-type: none"> I) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI; II) a foreign portfolio investor other than individuals, corporate bodies and family offices; III) a public financial institution; IV) a scheduled commercial bank; V) a multilateral and bilateral development financial institution; VI) a state industrial development corporation; VII) an insurance company registered with the Insurance Regulatory and Development Authority of India; VIII) a provident fund with minimum corpus of twenty-five crore rupees; IX) a pension fund with minimum corpus of twenty five crore rupees; X) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; XI) insurance funds set up and managed by army, navy or air force of the Union of India; and XII) insurance funds set up and managed by the Department of Posts, India; and XIII) Systemically important non-banking financial companies. XIV) Investment by Foreign Portfolio Investors (FPIs) in these Bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by the Securities and Exchange Board of India (SEBI)/other regulatory authorities on investment in these instruments. <p>Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue.</p> <p>Further, notwithstanding anything contained above, only eligible investors who have been addressed through the application form are eligible to apply.</p> <p>Prior to making any investment in these Bonds, each Eligible Investor should satisfy and assure itself that it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the Eligible Investor to invest in these Bonds. Further, mere receipt of the Placement Memorandum (and/or any Transaction Document in relation thereto and/or any draft of the Transaction Documents and/or the Placement Memorandum) by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these</p>
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11.	Listing (including name of stock exchange(s) where it will be listed and timeline for listing)	<p>Proposed on the Wholesale Debt Market (WDM) segment of BSE.</p> <p>The issuer shall make listing application to BSE and seek listing permission within 4 Business Days from the issue closure date (being the date on which bids are accepted on the electronic bidding platform) of the Bonds.</p>
12.	Rating of the Bonds	IND A+/Stable by India ratings and A+/Stable by CARE
13.	Issue Size	Aggregate total issue size not exceeding Rs. 1000 crore, with a base issue size of Rs. 200 crore and a green shoe option to retain oversubscription up to Rs. 800 crore.
14.	Option to retain oversubscription	Green shoe option to retain oversubscription up to Rs. 800 crore in single or multiple tranches.
15.	Objects of the Issue	Augmenting Tier II capital (as the term is defined in the Basel III Guidelines) and overall capital of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources.
16.	Details of the utilization of the proceeds	<p>The funds being raised by the Bank through this Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the issue for its regular business activities.</p> <p>The Bank undertakes that proceeds of the Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI / SEBI / Stock Exchange(s).</p>
17.	Coupon Rate	9.50% p.a. subject to "Loss Absorbency", "Permanent principal write-down on PONV Trigger Event" and "Other Events" as mentioned in this Term Sheet.
18.	Coupon Type	Fixed
19.	Step Up/ Step Down Coupon Rate	None
20.	Coupon Payment Frequency	Annual
21.	Coupon Reset Process (including rates, spread, effective date, interest rate cap & floor etc)	Not Applicable
22.	Coupon Payment Dates	On the anniversary of Deemed Date of Allotment every year till redemption of the Bonds. Kindly refer the cash flow.
23.	Computation of Interest/Day count Basis	The Interest for each of the interest periods shall be computed as per actual/ actual day count convention on the face value/ principal outstanding at the coupon rate rounded-off to the nearest rupee.

		<p>The Interest Period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date/ Call Option Date (if exercised). It is clarified that in case of Coupon payment in a leap year, the same shall be calculated taking the number of days as 366 (three hundred and sixty six) days as per the Operational Circular.</p> <p>It is clarified that if a leap year (i.e. February 29) falls during the tenor of the Bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the Coupon is payable annually.</p>
24.	Interest on Application Money	<p>This shall be paid at the coupon rate (subject to deduction of Income Tax as per the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account up to one day prior to the Deemed Date of Allotment.</p> <p>The interest on application money will be computed as per Actual/ Actual day count convention. Such interest would be paid on all valid applications, including the refunds. For the application amount that has been refunded, the Interest on application money will be paid along with the refund orders and for the application amount against which Bonds have been allotted, the Interest on application money will be paid within ten Business Days from the Deemed Date of Allotment. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.</p> <p>TDS will be deducted at the applicable rate on interest on application money.</p> <p>The Bank shall not be liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by a person who is not an eligible investor. If the Pay-In Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.</p>
25.	Default Interest Rate	<p>In case of default in payment of Interest and / or principal redemption on the due dates, additional interest at 2% per annum over the Coupon Rate will be payable by the Issuer for the defaulting period. However, any non-payment of interest and / or principal on account of RBI Guidelines, Loss Absorbency, Write-down on PONV Trigger Event and Other Events of this Summary Term Sheet, no such default interest shall be payable.</p> <p>The Issuer shall make listing application to BSE receive listing approval from BSE and/or NSE within 4 (four) Business Days from the Issue Closure Date. In case of delay in listing of the Bonds beyond 4 (Four) Business Days from the Issue Closure Date, the Issuer shall pay penal interest</p>

		at the rate of 1% p.a. over the coupon rate for the period of delay to the investor (i.e., from date of allotment to the date of listing). If the Bank fails to execute the trust deed within the prescribed timelines under the applicable law, the Bank shall also pay interest of 2% p.a. to the investors, over and above the agreed coupon rate, till the execution of the trust deed.
26.	Tenor	Redeemable after 120 months from the Deemed Date of Allotment with call option after 60 months from the Deemed Date of Allotment.
27.	Redemption Date	Redeemable after 120 months i.e. 10 years from the Deemed Date of Allotment, subject to Issuer Call, Tax Call and Regulatory Call, if any and provided that the Bonds have not been written-off on account of PONV and/or any other event on account of Basel III Guidelines. In case of exercise of call option, redemption shall be made on Call Option Date.
28.	Redemption Amount	At par along with interest accrued till one day prior to the Redemption Date subject to adjustments and write-off on account of "Loss Absorbency" & "Other Events" mentioned in this Term Sheet. In case of redemption due to exercise of call option or otherwise in accordance with RBI guidelines, the Bonds shall be redeemed at par along with interest accrued till one day prior to the Call Option Date subject to adjustments and/or write-off on account of "Loss Absorbency", "Permanent principal write-down on PONV Trigger Event" & "Other Events" as mentioned in this Term Sheet.
29.	Redemption Premium /Discount	Not Applicable
30.	Face Value / Issue Price	Rs. 1,00,00,000 per Bond.
31.	Record Date	Record Date for payment of Coupon or of principal which shall be the date falling 15 days prior to the relevant Coupon Payment Date, Issuer Call Date, Tax Call Date or Regulatory Call Date (each as defined later) on which interest or principal repayment is due and payable. In the event the Record Date for Coupon Payment Date falls on a day which is not a Business Day, the next Business Day will be considered as the Record Date. In the event the Record Date for principal repayment falls on day which is not a Business Day, the immediately preceding Business Day shall be considered as the Record Date.
32.	Put Option	Not Applicable
33.	Put Price	Not Applicable
34.	Put Date	Not Applicable
35.	Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable
36.	Call Option	i) Issuer Call On or after the fifth anniversary from the Deemed Date of Allotment, the Issuer may at its sole discretion, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Issuer Call (which notice shall specify the date fixed for exercise

			<p>of the Issuer Call (the “Issuer Call Date”), exercise a call on the outstanding Bonds.</p> <p>The Issuer Call, which is discretionary, may or may not be exercised on the fifth anniversary from the Deemed Date of Allotment i.e. the fifth Coupon Payment Date or on any Coupon Payment Date thereafter.</p> <p>The Issuer Call may be exercised only after expiry of five years from the Deemed Date of Allotment subject to the following conditions:</p> <ul style="list-style-type: none"> (a) Prior approval of RBI (Department of Banking Regulation) will be required for exercising Issuer Call. (b) The Bonds on which Call Option is exercised should be replaced with capital of the same or better quality and the replacement of this Bond shall be done at conditions which are sustainable for the income capacity of the Issuer; or (c) The Issuer demonstrates that its capital position is well above the minimum capital requirements after the Issuer Call is exercised. <p>Further, the Bank must not do anything which creates an expectation that the Issuer call will be exercised. For example, to preclude such expectation of the Bonds being called, the Coupon Reset Date (if any) need not be co-terminus with the Call Option Date. Banks may, at their discretion, consider having an appropriate gap between Coupon Reset Date and Call Option Date</p>
		ii) Tax Call	<p>If a Tax Event (as described below) has occurred and continuing, then the Issuer may subject to paragraphs (a) (b) and (c) of “Issuer Call” above, having notified the Trustee not less than 21calendar days prior to the date of exercise of such call (“Tax Call”) which notice shall specify the date fixed for exercise of the Tax Call (“Tax Call Date”), exercise a call on the Bonds or substitute the Bonds so that the Bonds have better regulatory classification subject to adjustment on account of “Loss Absorbency”, “Permanent principal write-down on PONV Trigger Event “and“ Other Events” mentioned in this Term Sheet.</p> <p>A Tax Event has occurred if, as a result of any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated there under) of India or any change in the official application of such laws, regulations or rulings the Issuer will no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to Coupon on the Bonds (“Tax Event”).</p> <p>The exercise of Tax Call by the Issuer is subject to the requirements set out in the Basel III</p>

		<p>Guidelines. RBI will permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank's capital position is well above the minimum capital requirements after the Call Option is exercised.</p>
	iii) Regulatory Call	<p>If a Regulatory Event (described below) has occurred and continuing, then the Issuer may subject to paragraphs(a),b) and (c) of "Issuer Call" above, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such call ("Regulatory Call") which notice shall specify the date fixed for exercise of the Regulatory Call (the "Regulatory Call Date")), exercise a call on the Bonds or substitute the Bonds so that the Bonds have better regulatory classification subject to adjustment on account of "Loss Absorbency", "Permanent principal write- down on PONV Trigger Event" and "Other Events" mentioned in this Term Sheet.</p> <p>A Regulatory Event is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds are excluded from the Tier II Capital of the Issuer.</p> <p>The exercise of Regulatory Call by the Issuer is subject to requirements set out in the Basel III Guidelines. RBI will permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank's capital position is well above the minimum capital requirements after the Call Option is exercised.</p> <p>The Issuer Call, the Tax Call and the Regulatory Call are hereinafter referred to as the "Call Option".</p>
37.	Call Option Date	On the fifth anniversary from the Deemed Date of Allotment or any anniversary date thereafter with prior approval RBI, subject to Tax Call / Regulatory Call. In case of Tax Call or Regulatory Call, the date may be as specified in the notice given to debenture trustees.
38.	Call Option Price	At par, i.e. per Bond along with interest accrued till one day prior to the Call Option Date subject to adjustments and/or write-off on account of "Loss Absorbency" & "Other Events" mentioned in this Summary Term Sheet.
39.	Call Notification Time (Timelines	21 calendar days prior to the date of exercise of Call

	by which the investor need to intimate Issuer before exercising the put)	Option.
40.	Minimum Application and in multiples of Bonds thereafter	One Bond and in multiples of 1 Bond thereafter
41.	Issue Timing: 1. Issue Opening Date	March 29, 2022
42.	2. Issue Closing Date	March 29, 2022
43.	3. Pay-in Date	March 30, 2022
44.	4. Deemed Date of Allotment	March 30, 2022
45.	Date of earliest closing of the issue	N.A.
46.	Issuance mode of the Bond	Private Placement in dematerialized form through BSE Electronic Bidding Platform (BSE EBP)
47.	Trading mode of the Bond	In Dematerialized mode only
48.	Settlement mode of the Bond	Payment of interest and repayment of principal amount shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism or any other permitted method at the discretion of the issuer.
49.	Settlement Cycle for EBP	T+1 (Issuance)
50.	Depository	National Securities Depository Limited and Central Depository Services (India) Limited
51.	Business Day Convention	<p>“Business Day” shall be all days (excluding Sundays and Public Holidays and Saturdays on which the Bank is not open) on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai. If the date of payment of interest/ redemption of principal does not fall on a business day, the payment of interest/ principal shall be made in accordance with Operational Circular dated 10 August 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613</p> <p>If any Coupon Payment Date, other than the ones falling on the redemption date, falls on a day that is not a business day, the payment shall be made by the Issuer on the immediately succeeding business day, which becomes the Coupon Payment Date for that coupon. However, the future Coupon Payment Date would be as per the schedule originally stipulated at the time of issuing of the Bonds. In other words, the subsequent Coupon Payment Date would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non business day.</p> <p>If the Redemption Date of the Bonds including any Call Option Date, falls on a day that is not a Business Day, the redemption amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new redemption date, along with interest accrued on the Bonds until but excluding the date of such payment.</p>
52.	Security	Unsecured

53.	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, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum	Not applicable
54.	Transaction Documents	<p>The Issuer shall execute/procure (as the case may be) the following documents: The Issuer shall execute/procure (as the case may be) the following documents:</p> <ul style="list-style-type: none"> (i) Letter appointing M/s Axis Trustee Services Ltd as Debenture Trustee; (ii) Debenture Trustee Agreement; (iii) Debenture trust deed; (iv) Rating agreement with CARE and India Ratings; (v) Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; (vi) Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; (vii) Letter appointing KFin Technologies Pvt. Ltd. as Registrar and agreement entered into between the Issuer and the Registrar. (viii) Listing Agreement with BSE Limited. (ix) Placement Memorandum with the application form.
55.	Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ul style="list-style-type: none"> a) Rating letter from CARE and India Ratings not being more than one month old from the date of issuance; b) Consent letter from the Axis Trustee Services Ltd. conveying its consent to act as Trustee to the Bondholder(s); c) Letter from BSE conveying in-principle approval for listing & trading of Bonds; d) Letter from R&T Agent conveying their consent to act as Registrars to the issue; and e) any other condition which may be required as per applicable law.
56.	Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed/ activities are completed as per terms mentioned in this Placement Memorandum:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 Business Days from the Issue closure date, 2. Making listing application and listing the Bonds on

		<p>BSE within 4 Business Days from the issue closure date; and</p> <p>3. any other activities, whether mandatory or otherwise, as mentioned elsewhere in this Placement Memorandum.</p>
57.	<p>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement) and Treatment in Bankruptcy/Liquidation</p>	<p>The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer. It is further clarified that cancellation of discretionary payments or any exercise of Write-off on PONV Trigger Event, Loss Absorbency and Other Events shall not be deemed to be an event of default.</p> <p>The Issuer or the Debenture Trustee may call for meeting of Bondholders as per the terms of the Debenture Trust Deed (to be executed). E-voting facility may be provided, if applicable subject to compliance with regulatory guidelines. In case of any decision that requires a special resolution at a meeting of the Bondholders duly convened and held in accordance with provisions contained in Debenture Trust Deed (to be executed) and applicable law, the decision shall be passed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is demanded or e-voting facility is used, by a majority representing not less than three-fourths in value of the votes cast on such poll. Notwithstanding anything contained above, if any regulations/ circular/ guidelines issued by SEBI/RBI or any other relevant regulator require the voting to be held in a particular manner, the provisions contained in such regulations/ circular/ guidelines shall prevail. The Debenture Trust Deed (to be executed) shall contain the provisions for the meetings of the Bondholders and manner of voting. Subject to applicable law and regulatory guidelines, a meeting of the Bondholders, may consider the proposal for joining the inter creditor agreement, if applicable, and the conditions for joining such inter creditor agreement, if applicable, will be made part of the meeting agenda and the Trustee will follow the process laid down vide SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020.</p>
58.	<p>Conditions for breach of covenants (as specified in Debenture Trust Deed)</p>	<p>The Bond Holders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) of the Bonds except in case of bankruptcy and liquidation of the Bank.</p>
59.	<p>Recapitalization</p>	<p>Nothing contained in this Placement Memorandum or any other Transaction Document shall hinder recapitalization by the Issuer.</p>
60.	<p>Discount at which security is issued and the effective yield as a result of such discount.</p>	<p>The Bonds shall be subjected to a progressive discount for capital adequacy purposes in accordance with Basel III Guidelines.</p>
61.	<p>Reporting of Non-Payment of Coupon</p>	<p>All instances of non-payment of Coupon should be notified by the Issuer to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai</p>
62.	<p>Provisions related to Cross Default</p>	<p>Not applicable.</p>
63.	<p>Role and Responsibilities of</p>	<p>The Trustee shall perform its duties and obligations and</p>

	Debenture Trustee	exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act,1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), the Debenture Trustee Agreement, Placement memorandum and all other related Transaction Documents, with due care, diligence and loyalty.
64.	Risk factors pertaining to the Issue	The Bonds issued are subject to the “Loss Absorbency”, “Write-off on PONV Trigger Event” and “Other Events” mentioned in this Summary Term Sheet, please refer Risk Factors of this placement documents.
65.	Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of competent courts of Mumbai, Maharashtra.
66.	Convertibility of Bonds	Non-Convertible
67.	Condition to Redemption	The Bonds shall be redeemed at par along with Coupon accrued till one day prior to the Redemption Date, as per the terms of the Placement Memorandum.
68.	Loss Absorption	<p>The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to Loss Absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Annex 5 thereof and are subject to certain Loss Absorbency features as described herein and required of Tier 2 instruments at the Point of Non-Viability as provided for in Annex 16 of the aforesaid Basel III Guidelines.</p> <p>Accordingly, the Bond and the Bondholders claim, if any, against Bank, wherever situated, may at the option of RBI be permanently written-off, in whole or in part, upon the occurrence of the trigger event called Point of Non-Viability (“PONV”).</p> <p>PONV trigger event shall be as defined in the aforesaid Basel III Guidelines and shall be determined by the RBI.</p> <p>RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise. In any case it should be noted that following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank’s behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such Bondholder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated.</p>

		<p>Unless otherwise specified in this Placement Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bond holder here of or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders. The write-down will have the following effects:</p> <ul style="list-style-type: none"> (a) Reduce the claim of the Bonds in liquidation; (b) Reduce the amount repaid when a call is exercised; and (c) Partially or fully reduce Coupon payments on the Bonds.
69.	<p>Permanent principals write- down on PONV Trigger Event</p>	<p>The Bonds are issued subject to Basel III Guidelines as amended from time to time (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) and, at the option of the Reserve Bank of India, can be permanently written off upon occurrence of the trigger event, called the Point of Non- Viability Trigger (“PONV Trigger”).</p> <p>If a PONV Trigger (as described below) occurs, the Issuer shall:</p> <ul style="list-style-type: none"> (i) notify the Trustee; (ii) cancel any Coupon which is accrued and unpaid on the Bonds as on the write-down date; and (iii) Without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI (“PONV Write down Amount”) and subject as is otherwise required by the RBI at the relevant time. The Issuer will affect a write-down within thirty days of the PONV Write-Down Amount being determined and agreed with the RBI. <p>PONV Trigger, in respect of the Issuer or its group, means the earlier of:</p> <ul style="list-style-type: none"> (i) a decision that a principal write-down, without which the Issuer or its group (as the case may be) would become non-viable, is necessary, as determined by the RBI; and (ii) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer or its group (as the case may be) would have become non-viable, as determined by the relevant authority. <p>The PONV Trigger will be evaluated both at console dated and solo level and breach at either level will trigger write-off.</p> <p>RBI would follow a two-stage approach to determine the non- viability of the Issuer. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Issuer</p>



	<p>approaching non-viability and, therefore, a closer examination of the Issuer’s financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Issuer is about to become non-viable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Issuer would be through write-off alone or write-off in conjunction with a public sector injection of funds.</p> <p>The Write-off of any Common Equity Tier 1 capital shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument. The order of write-off of the Bonds shall be as specified in the order of seniority as per the Placement Memorandum and any other regulatory norms as may be stipulated by the RBI from time to time.</p> <p>The Bond holders shall not have any residual claims on the Issuer which are senior to ordinary shares of the Issuer, following a PONV Trigger and when write-off is undertaken.</p> <p>If the Issuer is amalgamated with any other bank after the Bonds have been written down pursuant to a PONV Trigger, these cannot be written up by the amalgamated bank.</p> <p>If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, pursuant to Section 45 of the BR Act, the Issuer will be deemed as non-viable or approaching non-viability and the PONV Trigger and pre- specified trigger as per Basel III Guidelines will be activated. Accordingly, the Bonds will be permanently written-down in full prior to any reconstitution or amalgamation.</p> <p>A bank facing financial difficulties and approaching a point of non-viability shall be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through a permanent write-off or public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> a. restore confidence of the depositors/investors; b. improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and c. augment the resource base to fund balance sheet growth in the case of fresh injection of funds <p>The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p> <p>The Bonds can be written-down multiple times in case the</p>
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		<p>Bank hits the PONV Trigger Level subsequent to the first write-down. The Bonds which has been written off shall not be written up.</p> <p>In any case it should be noted that following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to any Bond holder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated. Unless otherwise specified in this Placement Memorandum, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder here of or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.</p>
70.	Other Events	<p>Treatment of Bonds in the event of Winding Up:</p> <p>The Bonds cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p> <p>(a) If the issuer goes into liquidation before the Bonds have been written-down, these Bonds will absorb losses in accordance with the order of seniority indicated in row 4 above of Term Sheet “Nature and status of Bonds and Seniority of Claim” and as per the usual legal provisions governing priority of charges.</p> <p>(b) If the Issuer goes into liquidation after the Bonds have been written-down, the holders of these Bonds will have no claim on the proceeds of liquidation.</p> <p>Amalgamation of a banking company: (Section 44 A of Banking Regulation Act, 1949)</p> <p>Subject to the provisions Banking Regulation Act, as amended from time to time:</p> <p>(a) If the Bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>(b) If the Bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up the PDIs as per its discretion.</p>

		<p>(c) If the Bank is amalgamated with any other bank after the Bonds have been written-down permanently, these Bonds cannot be written up by the amalgamated entity.</p> <p>Scheme of reconstitution or amalgamation of a banking company</p> <p>Subject to the provisions of the Banking Regulation Act, 1949 as amended from time to time: If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of Banking Regulation Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of Bonds will be activated. Accordingly, the Bonds may be written-down permanently before amalgamation / reconstitution in accordance with these rules.</p>
71.	<p>Order of claim of Basel III compliant Tier II instruments</p>	<p>The order of claim of various types of Regulatory capital instruments issued by the Bank and that may be issued in future shall be as under:</p> <p>Tier 2 instruments shall be superior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital and subordinate to the claims of all depositors and general creditors of the Bank. Tier 2 debt instruments will rank pari-passu without preference amongst themselves and other debt instruments irrespective of the date of issue classifying as Tier 2 Capital in terms of Basel III Guidelines.</p> <p>Unless the terms of any subsequent issuance of Bonds by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under this Placement Memorandum or unless the RBI specifies otherwise in its guidelines, the claims of the Bond holders shall be pari- passu with claims of holders of such subsequent Bond issuances; and shall be on pari- passu ranking with holders of other Tier2 instruments issued by the Bank. However, the claims of the Bondholders shall be subject to the provisions of Loss Absorbency, Permanent principal write-down on PONV Trigger Event and Other Events mentioned above.</p>
72.	<p>General Conditions</p>	<p>The present Issue of Bonds is being made in pursuance Master Circular No. DBR. No. BP.BC.1/ 21.06.201/ 2015-16 dated July 1, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations (“Master Circular”) covering terms and conditions for issue of Tier 2 capital (Annex 5 of the Master Circular) and minimum requirements to ensure loss absorbency of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular) as amended from time to time. In the event of any discrepancy or inconsistency between the terms of the Bonds contained in any Transaction Document(s) (including this Placement Memorandum) and the Basel III Guidelines, the provisions of the Basel III Guidelines shall</p>

		prevail.
73.	Registrar	KFin Technologies Pvt. Ltd.
74.	Trustee/Debenture Trustee	M/s Axis Trustee Services Limited.
75.	Compliance Officer	Company Secretary of the Bank, details provided in the Information Memorandum.
76.	Creation of Recovery Expense Fund	The Bank shall create a recovery expense fund in the manner and use it for the purpose as maybe specified by SEBI from time to time.
77.	All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p>Customary for a transaction of this nature, as particularly set out in the Debenture Trust Deed, including but not limited to the following:</p> <p>Information Covenants</p> <ol style="list-style-type: none"> 1. The Issuer shall furnish to the DT: <ol style="list-style-type: none"> i. all such information (including rating letter, rating rationale, latest profile of the Bank etc.) as reasonably requested by the DT for the effective discharge of its duties and obligation in connection to the Debentures under applicable law; ii. such financial statements as may be requested by the DT under applicable laws; 2. The Issuer shall inform the DT about: <ol style="list-style-type: none"> i. change in its Director and/ or a change in management control and shall promptly inform the DT of any change in its name, any change in the change in the conduct of its business prior to such change being effected. ii. any Material Adverse Effect in relation to the Bank (and the steps, if any, being taken to remedy it) promptly upon occurrence of the same. iii. any Environmental or Social Claim current, or to its knowledge, pending or threatened; or iv. any circumstances reasonably likely to result in an Environmental or Social Claim, which (a) has a Material Adverse Effect; or (B) would or, if reported, would adversely impact the credibility of the Bank, resulting in any loss or an anticipated loss to any Debenture holder. v. Quarterly report from independent chartered accountant certifying: <ol style="list-style-type: none"> a. details of interest due but unpaid and reasons for the same, in accordance with BASEL III Guidelines; and b. the number and nature of grievances received from the Debenture holders and resolved by the Bank. <p>For the purpose of the above, the following shall have the below meaning:</p> <p>“Environmental or Social Approval” means any authorisation required by an Environmental and Social Law.</p>



		<p>“Environmental or Social Law” means any applicable law or regulation concerning:</p> <ul style="list-style-type: none"> (a) occupational health and safety; (b) community welfare, and/or land or property rights; (c) the pollution or protection of the environment; or (d) any emission or substance which is capable of causing harm to any living organism or the environment. <p>“Environmental or Social Claim” means any claim by any person in connection with:</p> <ul style="list-style-type: none"> (a) a breach, or alleged breach, of an Environmental or Social Law; or (b) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment. <p>3. The Bank shall promptly notify the DT and the Debentureholders in writing about:</p> <ul style="list-style-type: none"> i. occurrence of an Event of Default and provide any further information with respect thereto as the DT or the Debentureholders may require. ii. details of all litigation, arbitration or administrative proceedings materially affecting the Bank. iii. if the Bank has received notice of any application for winding up having been made or any statutory notice of winding up is given to the Bank under the Companies Act 2013. <p>4. The Bank shall deliver to the DT and/or the Debentureholders audited standalone financial results for the financial year, within 60 (sixty) days from the end of the financial year along with the audit report and statement on impact of audit qualifications, if applicable.</p> <p>5. The Bank shall, under section 52(4) of SEBI LODR regulations and to the extent required under the debt listing agreement entered into between the Bank and the Exchange, shall disclose the following information to the stock exchange, along with the annual/quarterly financial results:</p> <ul style="list-style-type: none"> i. debt-equity ratio; ii. net worth; iii. net profit after tax; and iv. earnings per share. v. current ratio; vi. long term debt to working capital; vii. bad debts to Account receivable ratio; viii. current liability ratio;
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		<ul style="list-style-type: none"> ix. total debts to total assets; x. debtors turnover xi. inventory turnover; xii. operating margin (%); xiii. net profit margin (%); and xiv. sector specific equivalent ratios, as applicable. xv. outstanding redeemable preference shares (quantity and value). <p>6. The Bank shall, to the extent required under the SEBI LODR Regulations, submit all such documents to the stock exchange and to the DT.</p> <p>Affirmative Covenants</p> <ol style="list-style-type: none"> 1. The Bank shall at all times ensure that it is a company duly organized and validly existing under the applicable laws of India and has the right to carry on its business and operations in compliance with applicable law. 2. The Bank shall ensure that the Transaction Documents shall at all times constitute legal, valid, binding obligations of the Bank enforceable against it in accordance with the Transaction Documents and applicable law. 3. The Bank shall ensure that the execution, delivery and performance by the Bank of the Transaction Documents and the compliance by it with the terms and provisions therefor do not and will not conflict with or be inconsistent with or result in any breach of the any of the terms, covenants, conditions or provisions of, or constitute a default under any agreements, contract or other instrument to which it is a party or by which it or any of its property or assets including its shareholding in any entity is bound or to which it may be subject. 4. The Bank shall permit any officers or employees of the DT or its representatives (i) to visit and inspect any of its properties, and to discuss with its principal officers matters pertinent to an evaluation of the credit of the Bank, and (ii) to the fullest extent permitted by law and appropriate regulatory authority to review all books of record and account and any available reports or statements relevant thereto, all at such reasonable times and as often as it may reasonably request with prior written notice. 5. the Bank shall pay, in respect of the Debentures, all stamp duty, Taxes, charges if and when the Bank may be required to pay in accordance with applicable law. 6. The Bank shall at all times making all filings, submit all documentation, obtain all registrations and
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		<p>complete all formalities as may be required in connection with the Debentures and Transaction Documents with all relevant regulatory authorities.</p> <p>7. So long as the Debentureholders continue to hold the Debentures, the Bank agrees and undertakes to comply with applicable law including all provisions of the Debenture Trustee Regulations as amended from time to time and SEBI NCS Regulations, the Listing Agreement and the Disclosure Document and the Transaction Documents.</p> <p>8. The Bank will obtain and maintain all material governmental approvals and licenses that are required to carry out its business activities pursuant to the applicable laws from time to time and ensure that any such government approvals or licenses are renewed sufficiently in advance of any expiry date (if applicable).</p> <p>Negative Covenants</p> <p>The Issuer shall not undertake any of the following action, without the prior written permission of the Debenture DT:</p> <ol style="list-style-type: none"> 1. Initiate the process or voluntarily delist the securities of the Bank from the relevant stock exchange where the securities of the Bank are listed. 2. The Bank shall not utilize the issue proceeds, directly or indirectly, for any purpose other than the one set out in the Placement Memorandum.
78.	Additional covenants	<p>Delay in Listing: The Issuer shall complete all formalities and seek listing permission within 4 Business Days from the Issue Closing Date. In the event of delay in listing of Bonds beyond 4 Business Days from the Issue Closing Date, the Issuer shall pay an interest of 1.00% per annum over and above the Coupon Rate from the Deemed Date of Allotment till the actual listing of the Bonds.</p>
79.	Applicable RBI Guidelines	<p>The present issue of Bonds is being made in pursuance of Master Circular on Basel III capital regulations issued vide circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, (as amended from time to time) by the RBI covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments.</p> <p>The issue of Bonds and the terms and conditions of the Bonds will be subject to the applicable guidelines issued by the Reserve Bank of India and the Securities and Exchange Board of India from time to time.</p>
80.	Prohibition on Purchase/ Funding of Bonds	<p>Neither the Issuer nor a related party over which the Issuer exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Issuer directly or indirectly fund the purchase of the Bonds. The Issuer shall also not grant advances against</p>



		the security of the Bonds issued by it.
81.	Procedure to apply for Bonds	Please refer to the instructions under Clause Z - (V) - How to Apply, on Page no. 76 and onwards of this Placement Memorandum.

Note: *The Bank reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the date of allotment and issue size of the above issue without giving any reasons or prior notice. Consequent to change in Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Bank.*

BB. UNDERTAKING BY THE ISSUER:

The Issuer undertakes that:

- (i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk Factors' given under point B (ii) under the Section 'General Risks'.
- (ii) The Issuer having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the issue, that the information contained in this Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.