PROSPECTUS
November 27, 2019
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

CSB BANK LIMITED

(Formerly known as The Catholic Syrian Bank Limited)

Our Bank was incorporated on November 26, 1920 under the Indian Companies Act, 1913 as 'The Catholic Syrian Bank Limited'. A fresh certificate of incorporation under the Companies Act, 1956 was issued by the Registrar of Companies, Kerala at Ernakulum ("**RoC**") on April 14, 1987. The Shareholders of our Bank approved the change of the name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited' through a postal ballot resolution dated May 4, 2019. RBI through its letter bearing reference number DBR.PSBD.No.8231/16.01.060/2018-19 dated April 1, 2019 conveyed its 'no objection' in terms of Section 49B of the Banking Regulation Act to the change of name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. Subsequently, a fresh certificate of incorporation under the Companies Act, 2013 was issued by the RoC on June 10, 2019 and a fresh license bearing no. MUM-147 dated June 28, 2019 was issued by the RBI under our new name to carry on the banking business in India, in lieu of our previous license dated June 19, 1969. The name of our Bank was changed to 'CSB Bank Limited' from "The Catholic Syrian Bank Limited", in the second schedule of the RBI Act with effect from June 10, 2019. For details of changes in the registered office of our Bank, see "*History and Certain Corporate Matters*" beginning on page 197.

Registered and Corporate Office: 'CSB Bhavan', Post Box No. 502, St. Mary's College Road, Thrissur 680 020, Kerala, India
Contact Person: Mr. Sijo Varghese, Company Secretary and Compliance Officer; **Telephone no.**: +91 487 2333 020, +91 487 2338 764; **Facsimile**: +91 487 2333 170
E-mail: investors@csb.co.in; **Website**: www.csb.co.in; **Corporate Identification Number**: U65191KL1920PLC000175

OUR PROMOTER: FIH MAURITIUS INVESTMENTS LTD

INITIAL PUBLIC OFFERING OF 21,009,067* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF CSB BANK LIMITED ("OUR BANK" OR "THE BANK" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 195 PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF ₹ 185 PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING TO ₹ 4,096,768,065* (THE "OFFER") COMPRISING A FRESH ISSUE OF 1,230,769* EQUITY SHARES BY OUR BANK AGGREGATING TO ₹ 239,999,955* ("FRESH ISSUE") AND AN OFFER FOR SALE OF 19,778,298 EQUITY SHARES AGGREGATING TO ₹ 3,856,768,110* BY THE SELLING SHAREHOLDERS, ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 12.11% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR BANK.

**Subject to finalisation of Basis of Allotment.*

This Offer was made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"). This Offer was made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein atleast 75% of the Offer was allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Bank, in consultation with the BRLMs allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) was allocated on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was allocated on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer was allocated on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer was allocated to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts and UPI ID in case of RIIs, as applicable, which were blocked by the Self Certified Syndicate Banks ("**SCSBs**"), as the case may be. Anchor Investors were not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 622.

RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Bank, there has been no formal market for the Equity Shares of our Bank. The face value of the Equity Shares is ₹10. The Offer Price/Floor Price/Price Band should not be taken 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 or sustained trading in the Equity Shares of our Bank nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

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 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 this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 23.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Bank and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus 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 makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements made or confirmed by such Selling Shareholders in this Prospectus to the extent of information specifically pertaining to itself as a Selling Shareholder and its portion of the Equity Shares offered in the Offer and assume responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Bank has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated September 18, 2019 and September 20, 2019, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus was filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013 and a signed copy of this Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 650.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Axis Capital Limited 1st floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Mumbai 400 025 **Telephone no.**: +91 22 4325 2183 **E-mail**: csb.ipo@axiscap.in **Investor Grievance e-mail**: complaints@axiscap.in **Website**: www.axiscapital.co.in **Contact Person**: Ms. Simran Gadh **SEBI Registration No.**: INM000012029	**IIFL Securities Limited**** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai – 400 013 **Telephone no.**: +91 22 4646 4600 **E-mail**:csb.ipo@iiflcap.com **Investor Grievance e-mail**:ig.ib@iiflcap.com **Website**: www.iiflcap.com **Contact Person**: Mr. Pinak Bhattacharyya / Mr. Ujjaval Kumar **SEBI Registration No.**: INM000010940	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S Marg, Vikhroli (West) Mumbai 400 083 **Telephone no.**: +91 22 4918 6200 **E-mail**: csb.ipo@linkintime.co.in **Investor Grievance e-mail**: csb.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Mr. Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/OFFER OPENED ON*	**November 22, 2019**
BID/OFFER CLOSED ON	**November 26, 2019**

** The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date i.e. November 21, 2019.*
***IIFL Securities Limited is involved as a merchant banker only in marketing of the Offer.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, statute, regulation, rules, guidelines or policies shall be to such legislation, statute, regulation, rule, guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits", "Key Regulations and Policies in India", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" beginning on pages 106, 183, 237, 468 and 641, respectively, shall have the meaning ascribed to such terms in these respective sections.

General terms

Term	Description
"our Bank", "the Bank" or "the Issuer"	CSB Bank Limited (formerly known as The Catholic Syrian Bank Limited), a banking company within the meaning of Section 5(c) of the Banking Regulation Act, incorporated under the Indian Companies Act, 1913 and having the CIN U65191KL1920PLC000175 and registered and corporate office at CSB Bhavan, Post Box No. 502, St. Mary's College Road, Thrissur 680 020, Kerala.
"we", "us", or "our"	Unless the context otherwise indicates or implies, our Bank.

Bank related terms

Term	Description
2013 ESOS Scheme	CSB Employee Stock Option Scheme, 2013
2019 ESOS Scheme	CSB Employee Stock Option Scheme, 2019
Amended and Restated Investment Agreement	Amended and Restated Investment Agreement dated October 15, 2018 entered into between our Bank and FIHM.
"Articles of Association" or "AoA"	Articles of Association of our Bank, as amended.
Audit Committee	The audit committee of the Board of Directors, as described in "*Our Management*" beginning on page 206.
"Auditors" or "Statutory Auditors"	Statutory auditors of our Bank, namely, M/s. R G N Price & Co, Chartered Accountants.
"Board" or "Board of Directors"	Board of directors of our Bank or a duly constituted committee thereof.
"Chief Executive Officer" or "CEO"	Chief executive officer of our Bank, Mr. Rajendran Chinna Veerappan.
"Chief Financial Officer" or "CFO"	Chief financial officer of our Bank, Ms. Veluthattil Maheswari.
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer to the Offer, Mr. Sijo Varghese.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "*Our Management*" beginning on page 206.
CSB ESOS Trust	A trust settled by our Bank under the provisions of the Indian Trust Act, 1882, by way of trust deed dated May 20, 2019, for the purpose of administering the 2019 ESOS Scheme.
Director(s)	Director(s) on the Board.
ESOS Schemes	Collectively, the 2013 ESOS Scheme and 2019 ESOS Scheme.
Equity Shares	Equity shares of our Bank of face value of ₹10 each.
Executive Director	An executive director of our Bank.
FIHM	FIH Mauritius Investments Ltd

Term	Description
Group Company(ies)	In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company. Accordingly, the Board pursuant to the Materiality Policy, has determined that other than such companies with which there were related party transactions during the period for which the Restated Financial Information are disclosed in this Prospectus, which are 'group companies', in terms of the SEBI ICDR Regulations, a company shall be considered material and will, consequently, be disclosed as a 'group company' in this Prospectus if such company is a member of the Promoter Group of our Bank and has entered into one or more transactions with our Bank in the most recent audited period, the monetary value of which transactions, individually or in the aggregate, exceed 10% of the total restated revenue of our Bank (on a consolidated basis, to the extent applicable) for the most recent audited period as per the Restated Financial Information of our Bank (on a consolidated basis, to the extent applicable) disclosed in this Prospectus.
IPO Committee	The IPO Committee of our Board, as described in "*Our Management*" beginning on page 206.
Investment Agreement	Investment Agreement dated February 20, 2018 entered into between our Bank and FIHM as superseded and replaced by Amended and Restated Investment Agreement.
Independent Directors	Independent directors on our Board. For details of the Independent Directors, see "*Our Management"* beginning on page 206.
Investor Director(s)	A Director on our Board appointed by FIHM pursuant to the Investment Agreement.
Key Managerial Personnel	Key managerial personnel of our Bank in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and as disclosed in "*Our Management*" beginning on page 206.
"Managing Director" or "MD"	The managing director of our Bank, Mr. Rajendran Chinna Veerappan.
Material Branches	Branches of our Bank constituting (i) the top 25 branches, which are located in five states and two union territories on the basis of their business contribution (advances and deposits) as on September 30, 2019, and (ii) out of the remaining 11 states and two union territories, top one branch identified from each of these remaining states and union territories on the basis of their business contribution (advances and deposits) as on September 30, 2019.
Materiality Policy	The policy adopted by our Board on May 23, 2019, for identification of : (a) material outstanding litigation proceedings; (b) Group Company; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Prospectus.
"Memorandum of Association" or "MoA"	Memorandum of Association of our Bank, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "*Our Management*" beginning on page 206.
Non- executive Directors	A Director not being an Executive Director.
Promoter Group	The entities constituting the promoter group of our Bank in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoter, Promoter Group and Group Company*" beginning on page 231.
Promoter	The promoter of our Bank, namely, FIH Mauritius Investments Ltd
"Registered Office" or "Registered and Corporate Office"	The registered and corporate office of our Bank, located at CSB Bhavan, Post Box No. 502, St. Mary's College Road, Thrissur 680 020.
"Registrar of Companies" or "RoC"	Registrar of Companies, Kerala at Ernakulam.
Risk Management Committee	The risk management committee of the Board of Directors, as described in "*Our Management*" beginning on page 206.
Restated Financial Information	Restated Financial Information of our Bank comprising of the Restated Statement of Assets and Liabilities as at September 30, 2019 and years ended March 31, 2019, 2018 and 2017, the Restated Statements of Profit and Loss for the six month period ended September 30, 2019 and years ended March 31, 2019, March 31, 2018 and March 31, 2017 and Restated Cash Flow Statement for the six month period ended September 30, 2019 and the years ended March 31, 2019, March 31, 2018 and March 31, 2017, the Summary Statement of Significant Accounting Policies and Notes to Accounts for the six month period ended September 30, 2019 and the years

Term	Description
	ended March 31, 2019, March 31, 2018 and March 31, 2017, and other explanatory information attached thereto, as approved by the Board of Directors at their meeting held on October 17, 2019.
Shareholder(s)	Shareholders holding Equity Shares our Bank, from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors as described in "*Our Management*" beginning on page 206.
Warrant Letter	Letter agreement dated August 7, 2019 entered into between our Bank and FIHM.
Waiver Letter	Waiver letter dated July 30, 2019 read with extension of the waiver letter dated September 27, 2019 entered into between our Bank and FIHM.

Offer related terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
"Allot", "Allotment" or "Allotted"	The allotment or transfer, as the case may be, of Equity Shares pursuant to the Offer to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus.
Anchor Investor Allocation Price	₹ 195 per Equity Share, being the price at which Equity Shares were allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Bank, in consultation with the BRLMs.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors were submitted, and allocation to Anchor Investors was completed, in this case being November 21, 2019.
Anchor Investor Offer Price	₹ 195 per Equity Share, being the final price at which the Equity Shares were issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus. The Anchor Investor Offer Price was decided by our Bank, in consultation with the BRLMs.
Anchor Investor Portion	60% of the QIB Portion (as disclosed in the Red Herring Prospectus) consisting of 9,454,080* Equity Shares, which was allocated by our Bank in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. **Subject to finalisation of Basis of Allotment.*
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and included amounts blocked by SCSB upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB which was blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by the RIIs using the UPI Mechanism.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus.

Term	Description
Banker to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s).
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Structure*" beginning on page 618.
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Bank at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	75 Equity Shares and in multiples of 75 Equity Shares thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries did accept any Bids, in this case being November 26, 2019.
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, in this case being November 22, 2019.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders submitted their Bids, in this case being November 22, 2019 to November 26, 2019.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centers	Centers at which at the Designated Intermediaries accepted the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made.
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer namely, Axis Capital Limited and IIFL Securities Limited.* **IIFL Securities Limited is involved as a merchant banker only in marketing of the Offer.*
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date.
"Collecting Registrar and Share Transfer Agents" or "CRTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the UPI Circular.
Cap Price	The higher end of the Price Band, in this case being ₹ 195 per Equity Share.
Cash Escrow and Sponsor Bank Agreement	The agreement dated November 13, 2019 entered into by our Bank, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Banker to the Offer, including the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.

Term	Description
Cut-off Price	Offer Price, finalised by our Bank, in consultation with the BRLMs, being ₹ 195 per Equity Share. Only Retail Individual Bidders were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders could submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and this Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries	Collectively, the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who were authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Designated SCSB Branches	Such branches of the SCSBs whichcollected the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	NSE.
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated August 9, 2019 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constituted an invitation to subscribe to or to purchase the Equity Shares.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) has been opened, in this case being ICICI Bank Limited.
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, in this case being ₹ 193 per Equity Share.
Fresh Issue	Fresh issue of 1,230,769* Equity Shares aggregating to ₹ 239,999,955* to be issued by our Bank. **Subject to finalisation of Basis of Allotment.*

Term	Description
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, as amended from time to time. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers.
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 315,136* Equity Shares which was available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price. **Subject to finalisation of the Basis of Allotment*.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Net Proceeds	Proceeds of the Fresh Issue, less Offer Expenses to the extent applicable to the Fresh Issue. For further details, please see "*Objects of the Offer*" beginning on page 98.
"Non-Institutional Bidder" or "NIBs"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer consisting of 31,51,360* Equity Shares which was available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. **Subject to finalisation of the Basis of Allotment*.
Non-Resident	A person resident outside India, as defined under FEMA.
Offer Agreement	The agreement dated August 9, 2019 amongst our Bank, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer	The initial public offer of 21,009,067* Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 195 per Equity Share each, aggregating to ₹ 4,096,768,065*, comprising (i) the Fresh Issue of 1,230,769* Equity Shares aggregating to ₹ 239,999,955*, and (ii) Offer for Sale of 19,778,298 Equity Shares aggregating to ₹ 3,856,768,110* by the Selling Shareholders. **Subject to finalisation of the Basis of Allotment*.
Offer for Sale	The offer for sale of 19,778,298 Equity Shares aggregating to ₹ 3,856,768,110* by the Selling Shareholders. **Subject to finalisation of Basis of Allotment.*
Offered Shares	19,778,298 Equity Shares which were offered by the Selling Shareholders in the Offer for Sale.
Offer Price	The final price at which Equity Shares were Allotted to successful Bidders, other than Anchor Investors, in this case being ₹ 195 per Equity Share. Equity Shares were Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price was decided by our Bank, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.

Term	Description
Price Band	Price band of a minimum price of ₹ 193 per Equity Share (Floor Price) and the maximum price of ₹ 195 per Equity Share (Cap Price). The Price Band and the minimum Bid Lot for the Offer was decided by our Bank, in consultation with the BRLMs, and was advertised, in all editions of Financial Express (a widely circulated English national daily newspaper) and all editions of Jansatta (a widely circulated Hindi national daily newspaper) and in all Kerala editions of Deepika (a widely circulated Malayalam daily newspaper, Malayalam also being the regional language of Kerala) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and were made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Bank in consultation with the BRLMs, finalised the Offer Price, in this case being November 27, 2019.
Prospectus	This Prospectus dated November 27, 2019 filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	Bank account to be opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date.
Public Offer Account Bank(s)	The bank with which the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Account on the Designated Date, in this case being ICICI Bank Limited.
"QIB Category" or "QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being at least 75% of the Offer consisting of 15,756,801* Equity Shares which was Allotted to QIBs, 5% of which was allocated to Mutual Funds. **Subject to finalisation of Basis of Allotment.*
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus dated November 13, 2019 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares were offered and the size of the Offer, read with the addendum dated November 18, 2019 and corrigendum dated November 20, 2019. The Bid/Offer Opening Date was six Working Days after the filing of the Red Herring Prospectus with the RoC.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account is opened, in this case being ICICI Bank Limited.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members eligible to procure Bids.
Registrar Agreement	The agreement dated August 9, 2019 amongst our Bank, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI circular, as per the lists available on the websites of BSE and NSE.
Registrar to our Bank	S.K.D.C Consultants Limited.
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited.
"Retail Individual Bidder(s)" or "RIB(s) or "RII(s)"	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of 2,100,906* Equity Shares which was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations. **Subject to finalisation of the Basis of Allotment*.

Term	Description
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders could revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Selling Shareholders	Persons and entities listed under **Annexure A**.
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Link Intime India Private Limited.
Share Escrow Agreement	The agreement dated August 9, 2019 entered into amongst the Selling Shareholders, our Bank and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	Bidding centres where the Syndicate accepted ASBA Forms from Bidders.
Sponsor Bank	The Banker to the Offer registered with SEBI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41 and updated from time to time, which is appointed by our Bank to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI, the Sponsor Bank in this Offer being, ICICI Bank Limited.
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	The agreement dated November 13, 2019 entered into among our Bank, the Selling Shareholders, the BRLMs, Registrar and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, in this case being the BRLMs.
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members.
Systemically Important Non-Banking Financial Bank	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	Axis Capital Limited and IIFL Securities Limited.
Underwriting Agreement	The agreement dated November 27, 2019 entered into among the Underwriters, our Bank and the Selling Shareholders.
UPI	Unified Payment Interface which is an instant payment mechanism, developed by NPCI.
UPI Circular	Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, issued by SEBI.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The mechanism that may be used by an RII to make a Bid in the Offer in accordance with the UPI Circular.

Term	Description
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Technical / industry related terms

Term	Description
AFS	Available for Sale
AML	Anti Money Laundering.
ANBC	Adjusted Net Bank Credit.
ATM	Automated Teller Machine.
Basel III Norms	RBI's Master Circular on Basel III Capital Regulations dated July 1, 2015
BO	Banking Outlets.
CASA	Current Account Savings Account.
CBLO	Collateralised Borrowing and Lending Obligations.
CCIL	Clearing Corporation of India Limited.
CDR	Corporate Debt Restructuring.
CET	Common Tier Equity.
CRAR	Capital to Risk Asset Ratio.
CRE – RH	Commercial Real Estate – Residential Housing.
CRR	Cash Reserve Ratio.
CRILC	Central Repository of Information on Large Credits.
DRT	Debt Recovery Tribunal.
ECS	Electronic Clearing Service
FIR	First Information Report.
FMR	Fraud Monitoring Return.
HFT	Held for Trading
HTM	Held to Maturity
IBA	Indian Banks' Association.
IFRS	International Financial Reporting Standards.
ISE	Inspection for Supervisory Evaluation.
KYC	Know Your Customer.
LAP	Loan Against Property.
LC	Letter of Credit.
LCR	Liquidity Coverage Ratio.
MCLR	Marginal cost of funds based lending rate.
MSME	Micro, Small and Medium Enterprises.
MUDRA Ltd	Micro Units Development and Refinance Agency Limited.
NABARD	National Bank for Agriculture and Rural Development.
NDTL	Net Demand and Time Liabilities.
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
NHB	National Housing Bank.
NIM	Net Interest Margin.
NPA	Non Performing Assets.
NSFR	Net Stable Funding Ratio.
Part-time BO	Part-time Banking Outlet.
PMJDY	Pradhan Mantri Jan Dhan Yojna.
PSU	Public Sector Undertaking.
P2P	Peer-to-Peer.
RIDF	Rural Infrastructure Development Fund.
RRB	Regional Rural Bank.
RBS	Risk Based Supervision.
SBLC	Standby Letter of Credit.

Term	Description
SDR	Strategic Debt Restructuring
SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquidity Ratio.
SMA	Special Mention Accounts.
SME	Small and Medium Enterprises.
SPARC	Supervisory Programme for Assessment of Risk and Capital.
STT	Securities Transaction Tax.
SWIFT	Society for Worldwide Interbank Financial Telecommunication
URC	Unbanked Rural Centre
UNIDO	United Nations Industrial Development Organisation.
NBFC	Non Banking Financial Company.
WOS	Wholly Owned Subsidiary.

Conventional and general terms / abbreviations

Term	Description
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees.
ADs	Authorised Dealers.
AML	Anti Money Laundering.
AGM	Annual general meeting.
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations.
"AS" or "Accounting Standards"	Accounting Standards issued by the Institute of Chartered Accountants of India.
Banking Regulation Act	The Banking Regulation Act, 1949.
"Bn" or "bn"	Billion.
BSE	BSE Limited.
CAGR	Compound Annual Growth Rate, which is computed by dividing the value of an investment at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result: ((End Value/Start Value)^(1/Periods) -1.
Category I FPI(s)	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
CIC	Credit Information Company.
CICRA	The Credit Information (Companies) Regulation Act, 2005.
CIRP	Corporate Insolvency Resolution Process.
Companies Act, 1956	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder
Companies Act/ Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder.
CY	Calendar Year.
Depositories	Together, NSDL and CDSL.
Depositories Act	Depositories Act, 1996.
DFS	Department of Financial Services, Ministry of Finance, Government of India.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion.
DP ID	Depository Participant's Identification.
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act.
DTL	Demand and Time Liabilities
ETF	Exchange Traded Funds
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization, which is calculated by adding finance cost and depreciation and amortization expense to Profit before exceptional items less other income.
EGM	Extraordinary General Meeting.
EPS	Earnings per Share.
FDI	Foreign Direct Investment.
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.

Term	Description
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year", "Fiscal", "fiscal", "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FIPB	The erstwhile Foreign Investment Promotion Board.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GDP	Gross domestic product.
"GoI" or "Government"	Government of India.
GAAR	General Anti Avoidance Rules
GST	Goods and services tax.
IBC	The Insolvency and Bankruptcy Code, 2016.
ICAI	The Institute of Chartered Accountants of India.
"Income Tax Act" or "IT Act"	Income Tax Act, 1961.
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules.
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPC	The Indian Penal Code, 1860.
IPO	Initial public offering.
IRDAI	Insurance Regulatory and Development Authority of India
IRDA Regulations, 2015	Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.
IST	Indian Standard Time.
KYC	Know Your Customer
Master Circular – Loans and Advances	RBI's Master Circular – Loans and Advances – Statutory and Other Restrictions dated July 1, 2015
Master Directions for Acquisitions	The Master Directions issued by the Reserve Bank of India for prior approval for acquisition of shares or voting rights in private sector banks dated November 19, 2015.
MCA	Ministry of Corporate Affairs, Government of India.
MFI	Microfinance institutions.
"Mn" or "mn"	Million.
MSME	Micro, Small & Medium Enterprises.
"N.A." or "NA"	Not Applicable.
NACH	National Automated Clearing House.
NAV	Net Asset Value.
NCLT	National Company Law Tribunal.
NEFT	National Electronic Fund Transfer.
NBFC - AFC	A non-banking financial company categorized as an asset financing company.
NBFC - SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
No.	Number.
NPA	Non Performing Asset
NPCI	National Payments Corporation of India.
NR	Non-resident.
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to participate in the Offer.
OD	Overdraft

Term	Description
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PCA	Prompt Corrective Action.
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	The Prevention of Money Laundering Act, 2002.
PPI	Prepaid Payment Instruments.
Prudential Norms	Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances issued by the RBI dated July 1, 2015.
PSS Act	The Payment and Settlement Systems Act, 2007.
RBI	Reserve Bank of India.
RDB Act	The Recovery of Debts due to Banks and Financial Institutions Act, 1993
Regulation S	Regulation S under the U.S. Securities Act
Revised Framework	The new regulatory prudential framework established by the RBI for resolution of stressed assets, pursuant to its circular dated June 7, 2019.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations.
SLR	Statutory Liquidity Ratio.
SMEs	Small and Micro Enterprises.
Stock Exchanges	Together, BSE and NSE.
STT	Securities Transaction Tax.
TDS	Tax Deducted at Source.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Trademarks Act	Trade Marks Act, 1999.
"U.S." or "USA" or "United States"	United States of America.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
"USD" or "US$"	United States Dollars.
U.S. Securities Act	United States Securities Act of 1933, as amended.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations.

CERTAIN COVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Prospectus are to the Republic of India. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our Restated Financial Information. The Restated Financial Information included in this Prospectus are as at and for the six month period ended September 30, 2019 and Fiscals ended March 31, 2019, March 31, 2018 and March 31, 2017, and have been prepared in accordance with Indian GAAP and Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time.

We prepare our audited financial statements in accordance with Indian GAAP and guidelines issued by the RBI, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, 2013, Indian GAAP, RBI guidelines and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Please see "*Risk Factors - Public companies in India, including us, will be required to prepare financial statements under Ind-AS. We have not determined with any degree of certainty the impact of such adoption on our financial reporting"* on page 31.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Our Bank's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Prospectus are to a calendar year. Further, until March 31, 1989, our Bank's financial year commenced from January 1 and ended on December 31 of the calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on pages 23, 141 and 403, respectively, and elsewhere in this Prospectus have been calculated on the basis of our Restated Financial Information.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." or "Re." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Our Bank has presented certain numerical information in this Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any references that may have been sourced from third party sources are expressed in denomination other than millions or billions, such figures appear expressed in such denominations as provided in their respective industry sources.

Time

All references to time in this Prospectus are to Indian Standard Time.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

(Amount in ₹, unless otherwise specified)

Currency	As at			
	September 30, 2019	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
1 US$	70.68	69.17	65.04	64.84

Source: RBI reference rate and www.fbil.org.in
In case of March 31 falling on a holiday, preceding working day RBI rate available has been taken

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from various industry publications and sources, including officially prepared materials from the Government of India and its various ministries, the RBI and its publications.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although we believe the industry and market data used in this Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Bank is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risk, uncertainties and assumptions, and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. For details in relation to the risks involving the industry data, see "*Risk Factors"* beginning on page 23.

In accordance with the SEBI ICDR Regulations, see "*Basis for Offer Price*" beginning on page 102, which includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Selling Shareholders nor the BRLMs have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" "seek to", "shall" or other words or phrases of similar import. Similarly, statements whether made by us or any third parties that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our ability to manage our loan exposure and NPAs;
- Failure by our borrowers to repay outstanding borrowings;
- Our ability to sustain or achieve growth for deposit base, including CASA deposit;
- Regional concentration in southern India;
- Volatility in gold prices and interest rates and other market conditions;
- Our ability to maintain or grow our CASA ratio; and
- Our concentration of exposure to certain industry and service sectors.

For further discussion on factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23, 141 and 403, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Bank, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Bank and the BRLMs will ensure that the investors in India are informed of material developments pertaining to our Bank and the Offered Shares from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders shall, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by such Selling Shareholder to the extent of information specifically pertaining to itself as a Selling Shareholder and its portion of the Equity Shares offered in the Offer in from the date of the Red Herring Prospectus until the date of Allotment.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections titled "*Risk Factors", "Industry Overview", "Our Business", "Capital Structure", "The Offer"* and *"Outstanding Litigation and Material Developments*" beginning on pages 23, 115, 141,75, 65 and 468, respectively.

Summary of business

We are one of the oldest private sector banks in India with a history of over 98 years, and a strong base in Kerala along with significant presence in Tamil Nadu, Karnataka, and Maharashtra. We offer wide range of products and services to our overall customer base of 1.3 million as on September 30, 2019, with particular focus on SME, retail, and NRI customers. We deliver our products and services through multiple channels, including 412 branches (excluding three service branches and three asset recovery branches) and 290 ATMs spread across 16 states and four union territories, and various alternate channels.

Summary of industry

As per the World Bank Global Findex Report 2017, the adult bank account holders in India were 35% in 2011 and 53% in 2014. After the implementation of financial inclusion programme, adult bank account holders were 80% in 2017. India stands second for largest unbanked population with about 190 million Indian adults still not having a bank account. The total unbanked adults across the world are 1700 million. India has a share of 11% in the global unbanked adult population, and also, in India, around 4 in 10 unbanked adults are in the age group of 15 to 24 years. (*Source: Global Findex-2017 report, World Bank*).

Name of Promoter

Our Promoter is FIHM. For details, see "*Our Promoter, Promoter Group and Group Company*" beginning on page 231.

Offer size

Offer of 21,009,067* Equity Shares aggregating to ₹ 4,096,768,065*[(1)]
Of which
Fresh issue of 1,230,769* Equity Shares aggregating to ₹ 239,999,955*
Offer for sale of 19,778,298 Equity Shares aggregating to ₹ 3,856,768,110* by the Selling Shareholders[(2)]

**Subject to finalisation of the Basis of Allotment.*

(1) The Offer has been authorised by our Board pursuant to its resolution dated March 6, 2019 and by our Shareholders pursuant to their resolution dated May 4, 2019 passed by way of postal ballot.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 604.

Objects of the Offer

Particulars	Amount
To augment our Bank's Tier-I capital base to meet our Bank's future capital requirements which are expected to arise out of growth in our Bank's assets, primarily our Bank's loans/advances and investment portfolio and to ensure compliance with Basel III and other RBI guidelines.	239,999,955*

**Subject to finalisation of the Basis of Allotment.*

Aggregate pre-Offer shareholding of Selling Shareholders, Promoter and Promoter Group

S. N.	Name of the Shareholder	No. of Equity Shares held*	% of total pre-Offer paid up equity share capital
Selling Shareholders			
1.	ICICI Lombard General Insurance Company Limited	1,000,000	0.581
2.	HDFC Life Insurance Company Limited	4,044,000	2.348
3.	ICICI Prudential Life Insurance Company Limited	3,044,000	1.767
4.	The Federal Bank Limited	2,785,661	1.617
5.	Bridge India Fund	2,500,000	1.452

S. N.	Name of the Shareholder	No. of Equity Shares held*	% of total pre-Offer paid up equity share capital
6.	Satellite Multicomm Private Limited	1,939,097	1.126
7.	Way2Wealth Securities Private Limited	1,555,214	0.903
8.	Mr. Vinod Mohan Nair	1,000,000	0.581
9.	Edelweiss Tokio Life Insurance Company Limited	846,100	0.491
10.	P-Cube Enterprises Private Limited	517,000	0.300
11.	Plant Lipids Private Limited	538,888	0.313
12.	Ms. Sheela Raja Ram	160,771	0.093
13.	Mr. Ananth Raja Ram	155,401	0.090
14.	Mr. Ranjan Ghosh	100,000	0.058
15.	Mr. T. S.Anantharaman	100,270	0.058
16.	Mr. Raja Ram	68,969	0.040
17.	Mr. Ananthagopal K P	7,500	0.004
18.	Mr. Paresh Babulal Gandhi	4,000	0.002
19.	Mr. Narendra Babulal Gandhi	3,202	0.002
20.	Mr. Nirav Bhushan Mehta	3,000	0.002
21.	Mr. Bhupendra Babulal Gandhi	1,777	0.001
22.	Mr. Sukumar Menon	2,000	0.001
23.	Mr. Shrikrishna Vinayak Patwardhan	2,416	0.001
24.	Mr. Mecheri Unni	2,083	0.001
25.	Mr. Prasanna Padmanabhan	1,200	0.001
26.	Ms. Baby M.	200	0.000
Total (A)		**20,382,749**	**11.833**
Promoter and Promoter Group			
1.	FIHM	86,262,976	50.09
Total (B)		**86,262,976**	**50.09**
Total (A + B)		**106,645,725**	**61.923**

** Inclusive of the respective portion of the Offered Shares held by each Selling Shareholder.*

Summary of Financial Statements

(in ₹ million other than share data)

Particulars	Six month period ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Share capital	1,722.77	859.72	810.14	810.14
Net worth*	15,359.91	9,739.95	3,536.43	5,461.46
Revenue	8,167.14	14,834.33	14,222.26	16,174.96
Profit after tax	442.72	(656.89)	(1,270.88)	(579.91)
Earnings per share (basic / diluted)	3.86^	(7.90)	(15.70)	(7.66)
Net asset value per Equity Share	89.19	73.54	43.68	67.46
Total borrowings	-	-	418.00	418.00

**Net worth has been defined the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets and write-back of depreciation, each as applicable, for our Bank on a restated basis.*

^ Not Annualised.

Qualifications of the Auditors

The Restated Financial Information do not contain any qualification which have been given effect to.

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Bank, our Promoter, Directors and our Group Company, as on November 25, 2019 as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Type of proceedings	Number of cases	Amount* (₹ in million)
Cases against our Bank		
Criminal proceedings	10	0
Actions taken by statutory or regulatory authorities	15	0
Claims related to direct and indirect taxes	66	469.96

Type of proceedings	Number of cases	Amount* (₹ in million)
Other Pending Material Litigation	2	349.87
Total	93	819.83
Cases by our Bank		
Criminal proceedings	135	782.37
Actions taken by statutory or regulatory authorities	0	0
Claims related to direct and indirect taxes	0	0
Other pending material litigation	73	8878.51
Total	208	9,660.88
Cases against our Directors		
Criminal proceedings	3	3.37
Actions taken by statutory or regulatory authorities	0	0
Direct and indirect taxes	0	0
Other pending material litigation	3	347.53
Total	6	350.90
Cases by our Directors		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation	Nil	Nil
Total	Nil	Nil
Cases against our Promoter		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other Pending Material Litigation	Nil	Nil
Total	Nil	Nil
Cases by our Promoter		
Criminal proceedings	Nil	Nil
Actions taken by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other Pending Material Litigation	Nil	Nil
Total	Nil	Nil
Cases involving the Group Company which have a material impact on our Bank		
Nil	Nil	Nil
Total	Nil	Nil

**To the extent quantifiable*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 468.

Risk Factors

Investors should see "*Risk Factors*" on page 23 to have an informed view before making an investment decision.

Summary of contingent liabilities of our Bank

(₹ in million)

Particulars	Six month period ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Claims against our Bank not acknowledged as debt	387.86	371.75	402.38	393.77
Liability on account of outstanding forward exchange contracts	3,567.94	2,891.66	3,430.74	3,654.83
Guarantees given on behalf of constituents:				
In India	2,271.68	2,094.34	2,140.99	2,546.84
Outside India	-	-	-	-
Acceptance, endorsement & other obligations	276.40	489.89	434.83	580.64
Other items for which our Bank is contingently liable	766.24	729.93	676.58	619.02

Particulars	Six month period ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Total	**7,270.12**	**6,577.57**	**7,085.52**	**7,795.10**

For further details of the contingent liabilities, see "*Other Financial Information*" on page 379.

Summary of Related Party Transactions

(₹ in million)

Nature of transaction	Six month period ended September 30, 2019	Fiscal 2019	Fiscal 2018	Fiscal 2017
Remuneration paid	3.6	8.16	7.20	5.20
Business Correspondents tie up	2.3	-	-	-

For details of the related party transactions, as per the requirements under Indian GAAP '*Related Party Disclosures'* issued by the ICAI and as reported in the Restated Financial Information, see *"Financial Statements"* on page 237.

Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, directors of our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Bank, other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Prospectus.

Average Cost of Acquisition

The average cost of acquisition per Equity Share for the Selling Shareholders is:

Sr. No.	Name of the Selling Shareholders	Number of Equity Shares held*	Average cost of acquisition per Equity Share (in ₹)*
1.	ICICI Lombard General Insurance Company Limited	1,000,000	100.00
2.	HDFC Life Insurance Company Limited	4,044,000	120.00
3.	ICICI Prudential Life Insurance Company Limited	3,044,000	120.00
4.	The Federal Bank Limited	2,785,661	156.03
5.	Bridge India Fund	2,500,000	100.00
6.	Satellite Multicomm Private Limited	1,939,097	235.00
7.	Way2Wealth Securities Private Limited	1,555,214	255.86
8.	Mr. Vinod Mohan Nair	1,000,000	100.00
9.	Edelweiss Tokio Life Insurance Company Limited	846,100	120.00
10.	P-Cube Enterprises Private Limited	517,000	174.07
11.	Plant Lipids Private Limited	538,888	150.77
12.	Ms. Sheela Raja Ram	160,771	150.00
13.	Mr. Ananth Raja Ram	155,401	104.63
14.	Mr. Ranjan Ghosh	100,000	100.00
15.	Mr. T. S.Anantharaman	100,270	83.98
16.	Mr. Raja Ram	68,969	85.00
17.	Mr. Ananthagopal K P	7,500	110.00
18.	Mr. Paresh Babulal Gandhi	4,000	120.00
19.	Mr. Narendra Babulal Gandhi	3,202	125.00
20.	Mr. Nirav Bhushan Mehta	3,000	135.00
21.	Mr. Bhupendra Babulal Gandhi	1,777	125.00
22.	Mr. Sukumar Menon	2,000	245.00
23.	Mr. Shrikrishna Vinayak Patwardhan	2,416	206.95
24.	Mr. Mecheri Unni	2,083	113.41
25.	Mr. Prasanna Padmanabhan	1,200	120.00
26.	Ms. Baby M.	200	120.00

**As per certificate dated November27, 2019 from R.G.N. Price & Co., Chartered Accountants.*
**** Inclusive of the respective portion of the Offered Shares held by each Selling Shareholder.*

The average cost of acquisition per Equity Share for our Promoter is:

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*

Name of the Promoter	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)*
FIHM	86,262,976	140.00

**As per certificate dated November 27, 2019 from R.G.N. Price & Co., Chartered Accountants.*

Weighted average price at which the Equity Shares were acquired by our Promoter and each of the Selling Shareholders in the one year preceding the date of this Prospectus

Our Promoter has not acquired any Equity Shares in the last one year preceding the date of this Prospectus. Further, except as stated below, the Selling Shareholders have not acquired any Equity Shares in the last one year preceding the date of this Prospectus:

Name of the Selling Shareholder	Number of Equity Shares acquired	Weighted average price at which the Equity Shares were acquired (in ₹)*
Mr. Sukumar Menon	1,000	255.00

**As per certificate dated November 27, 2019 from R.G.N. Price & Co., Chartered Accountants.*

Details of pre-Offer Placement

Our Bank does not contemplate any pre-Offer issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Our Bank has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

Split / Consolidation of equity shares of our Bank in the last one year

There has been no split or consolidation of the Equity Shares of our Bank in the last one year.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, results of operations, and financial condition could materially suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenue, increased expenses or other events that could result in a decline in the value of the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the Offer, including the merits and risks involved. Investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting, and other related matters concerning this Offer.

Prospective investors should pay particular attention to the fact that our Bank is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. To obtain a better understanding of our business, you should read this section in conjunction with the other sections of this Prospectus, including "Our Business", "Management's Discussions and Analysis of Financial Condition and Results of Operations", and "Financial Statements" on pages 141, 403, and 237 of this Prospectus, respectively, together with all the other financial information contained in this Prospectus. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated, financial information used in this section is derived from our Restated Financial Information.

INTERNAL RISK FACTORS

1. *Our business and financial performance could suffer if we are unable to effectively manage the level of our NPAs. Any change in the income recognition or asset classification norms or in RBI mandated provisioning requirements could also affect our business.*

For Fiscals 2017, 2018, and 2019, and for the six month period ended September 30, 2019, our net NPAs were ₹ 3,294.8 million, ₹ 2,637.8 million, ₹ 2,406.8 million and ₹ 2,215.0 million, which represented 4.12%, 2.87%, 2.27%, and 1.96% of our net advances, respectively. Our gross NPAs represented 7.25%, 7.89%, 4.87%, and 2.86% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. Although our Bank is making efforts to improve collections and to foreclose on existing impaired loans in a timely manner, there cannot be any assurance that we will be successful in our efforts or that the overall quality of our Bank's loan portfolio will improve or will not deteriorate in the future. If our Bank is unsuccessful in controlling or reducing its impaired loans, or if there is a significant increase in impaired loans or deterioration in the quality of the assets that our Bank holds as security, our Bank's future financial performance could be materially and adversely affected.

While we had a provisioning coverage ratio of 75.83%, 78.16% and 79.45% as on March 31, 2018 March 31, 2019 and September 30, 2019, respectively, we may need to make further provisions if recoveries with respect to such NPAs do not materialize in time or at all, or if NPA classification or provisioning requirements change.

There can be no assurance that we will be able to contain or further reduce NPAs or that the overall quality of our loan portfolio will improve or will not deteriorate in the future. Various factors beyond our control, such as rise in unemployment, prolonged recessionary conditions in the world economy, a sharp and sustained rise in the interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates, increased global competition, and adverse changes in Indian laws, regulations, and policies (including farm loan waivers), could have an adverse impact on the quality of our loan portfolio. The inability of borrowers to repay loans may translate into mounting NPAs. Any increase in NPAs will reduce the net interest-earning asset base and increase provisioning requirements, thereby adversely affecting our financial condition and results of operations.

Stress in certain sectors of the economy could impact our customers and result in higher levels of NPAs and restructured assets in the future. Further, certain assets classified as restructured may subsequently be classified as delinquent or non-performing in case borrowers fail to restore their financial viability and honour their loan servicing obligations. There can be no assurance that the debt restructuring criteria approved by us will be adequate or successful and that borrowers will be able to meet their obligations under restructured advances. Any resulting increase in delinquency levels may adversely impact our business, financial condition, and results of operations.

The combination of changes in regulations regarding restructured loans, or provisioning requirements, and any substantial increase in the level of restructured assets, and the failure of these restructured loans to perform as expected, could materially and adversely affect our business and future financial performance.

2. ***We have issued notices and initiated various recovery proceedings against defaulting borrowers under the SARFAESI Act and failure by such borrowers to repay the outstanding borrowings pursuant to such notices and proceedings may adversely affect our business.***

As on November 25, 2019, three notices, each involving an amount equal to or above ₹ 37.09 million, have been issued by our Bank under the SARFAESI Act against defaulting borrowers, involving an aggregate amount, to the extent quantifiable, of ₹ 217.92 million. Further to the notices issued under the SARFAESI Act, our Bank has initiated three civil proceedings, each involving an amount equal to or above ₹ 37.09 million, for possession of properties and other assets furnished as security with respect to the outstanding borrowings, involving an aggregate amount, to the extent quantifiable, of approximately ₹ 115.24 million. Additionally, the concerned borrowers may also initiate legal proceedings challenging the notices issued under the SARFAESI Act for recovery of outstanding borrowings. Currently, there is one such proceeding, which involves an amount equal to or above ₹ 37.09 million, where the amount in dispute, to the extent quantifiable, is ₹ 49.32 million. Our Bank has also initiated sixty four recovery proceedings against defaulting borrowers, each involving an amount equal to or above ₹ 37.09 million, involving an aggregate amount, to the extent quantifiable, of approximately ₹ 7296.09 million. There can be no assurance that the defaulting borrowers would repay the outstanding borrowings pursuant to the notices, or that we would succeed in these suits. As on November 25, 2019, we have made provisions to the tune of ₹ 4,799.36 million in relation to these defaulting loans. Any significant increase in write-offs and/or provisions would materially and adversely impact our Bank's financial performance.

3. ***We have regional concentration in southern India, especially Kerala. Any adverse change in the economic, political, or geographical conditions of Kerala and other states in southern India can impact our results of operations. Additionally, we may not be successful in expanding our operations to other parts of India which could have an adverse effect on our business, financial condition, and results of operations.***

As of September 30, 2019, we have 412 branches in India. We also have three service branches and three asset recovery branches. Out of our 412 branches (excluding our three service branches and three asset recovery branches), 349 branches were located in southern India (including 267 branches located in Kerala and 56 branches located in Tamil Nadu) constituting 78.39% of our total branch network. As on March 31, 2019, out of our total deposits of ₹ 151,239 million, ₹ 101,278 million and ₹ 17,710 million were received from Kerala and Tamil Nadu, respectively, constituting 66.98% and 11.70% of our total deposits, respectively. Further, as on September 30, 2019, out of our total deposits of ₹ 155,098 million, ₹ 103,438 million and ₹ 18,336 million were received from Kerala and Tamil Nadu, respectively, constituting 66.69% and 11.82% of our total deposits, respectively. As on March 31, 2019, out of total advances of ₹ 106,152 million, ₹ 33,834 million and ₹ 25,983 million were in Kerala and Tamil Nadu, respectively, constituting 31.87% and 24.48% of our total advances, respectively. Further, as on September 30, 2019, out of total advances of ₹ 112,978 million, ₹ 33,231 million and ₹ 28,565 million were in Kerala and Tamil Nadu, respectively, constituting 29.41% and 25.28% of our total advances, respectively.

India has experienced natural calamities such as earthquakes, tsunamis, floods, and droughts in the past. Instances of floods or other natural calamities in India, particularly in Tamil Nadu, Puducherry, Kerala, and Karnataka, could have an adverse effect on our business and the price of our Equity Shares. Such events may result in a temporary decline in the number of our customers or in our employees' ability to perform their duties. For instance, recent floods in the south Indian state of Kerala impacted 12 branches and nine ATMs and caused major disruptions in our operations and adversely affected our business.

Our concentration in the southern India, and specifically in Kerala, exposes us to many adverse economic or political circumstances in the region as compared to other public and private sector banks that have a more diversified national presence. Any political unrest, disruption, disturbance, or sustained downturn in the economy of Kerala and other states in southern India could adversely affect our business, financial condition, and results of operations.

Additionally, while we continue to expand our operations outside of our traditional areas of operation, namely Kerala and other states in southern India, we face risks with respect to our operations in geographical areas in which we do not possess the same level of familiarity with the economic condition, consumer base, and commercial operations. Also, our competitors may have already established operations in areas outside southern India and we may find it difficult to attract customers in such new areas. Further, the general permission to open new branches has been withdrawn from our Bank by the RBI *vide* its letter dated January 30, 2015. For details, see "*Risk Factors - We are required to obtain prior permission from RBI to open new branches*" on page 45.

We may not be able to successfully manage the risks associated with such expansion, which could have a material adverse effect on our business, financial condition, and results of operations.

4. ***We are required to lend a minimum percentage of our ANBC to certain priority sectors. Any adverse performance by such priority sectors or any change in the RBI's regulations relating to priority sector lending or our Bank's inability to meet the priority sector lending targets could have a material adverse impact on our financial condition and results of operations.***

In accordance with the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2016 dated July 7, 2016, as amended from time to time, all banks in India, including us, are subject to directed lending regulations. We are required to lend a minimum of 40% of our ANBC, or credit equivalent amount of off balance sheet exposure, whichever is higher, towards priority sectors. Our priority sector advances include advances for agriculture, social infrastructure, renewable energy, loans to MSMEs, housing loans, and educational loans. Further, the RBI has also mandated sub-targets of 18% of our ANBC, or credit equivalent amount of off balance sheet exposure, whichever is higher, to agriculture, 7.50% to MSMEs, and 10% to weaker sections.

As on March 31, 2017, 2018 , March 2019 and September 30, 2019, our lending to priority sectors constituted 44.22% (i.e., ₹ 37,697.5 million), 42.96% (i.e., ₹ 35,519.3 million) , 40.71% (i.e. ₹ 38,040.9 million), 45.86% (i.e. ₹ 43930.47 million) respectively, of our ANBC, including 20.14% (i.e., ₹ 17,170.8 million), 20.53% (i.e., ₹ 16,973.8 million), 20.94% (i.e., ₹ 19,563.4 million) and 24.75% (i.e., ₹ 23,708.60 million) respectively, to the agricultural sector.

Further, as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, of our total NPAs, 10.33% (i.e., ₹ 619.8 million), 12.59% (i.e., ₹ 961.5 million), 11.69% (i.e., ₹ 620.7 million), and 2.01% (i.e., ₹ 410.2 million), respectively, were towards agricultural sector (excluding RIDF).

We have experienced instances of shortfalls in our directed lending to priority sectors in the past. Any shortfall in lending to priority sectors shall be allocated for contribution to the RIDF established with NABARD and other funds with NABARD/NHB/SIDBI/MUDRA Ltd, as decided by the RBI from time to time. Our investment in such deposits as on March 31, 2019 and September 30, 2019, was ₹ 5,393 million and ₹ 5,160.48 million, respectively.

Further, non-achievement of lending targets to priority sectors may also be considered as a factor by the RBI while deciding grant of regulatory clearances and approvals for various purposes. For a list of the material approvals and licenses required from the RBI under the Banking Regulation Act and the RBI Act, see "*Government and Other Approvals*" beginning on page 587. We cannot assure you that we will be able to meet the lending targets towards priority sectors. In case we are unable to meet such targets, we may have to deposit the shortfall with any one of such agencies, and failure to do so may result in refusal of the RBI to grant us regulatory clearances and approvals in the future.

Further, any change in the RBI's guidelines may require us to increase our lending to the priority sectors, and inability of borrowers from the priority sectors to repay loans may result in an increase in NPAs, which may materially and adversely affect our business, results of operations, and financial condition.

5. ***Volatility in the market price of gold may adversely affect our financial condition, cash flows, and results of operations. In addition, we may not be able to realize the full value of our pledged gold, which exposes us to potential loss.***

Significant portion of our loan portfolio consist of advances that are secured by gold ornaments. As on September 30, 2019, our gold loans represented 33.17% of the total loans outstanding, while it was 24%, 26% and 31% of the total loans outstanding as on March 31, 2017, 2018, and 2019, respectively. Additionally, in Fiscals 2017, 2018, and 2019, and for the six month period ended September 30, 2019, defaults in our gold loan portfolio constituted 0.25%, 0.40%, 0.12%, and 0.12%, respectively, of our total gold loan portfolio for such periods. A sustained decrease in the market price of gold could cause a decrease in new gold loans in our loan portfolio, and as a result, our interest income. In addition, some of our customers may not repay their loans and a sharp downward movement in the price of gold could result in decline in the value of the gold ornaments securing the loans, which may result in losses. If the price of gold decreases significantly, our financial condition, cash flows, and results of operations may be adversely affected.

Our Bank offers loans against gold ornaments to specific customer segments; such loans are offered with monthly interest payments and principal due at maturity. These loans also have a margin requirement to account for a potential decrease in the value of the gold collateral. We experience cases of fraud in relation to gold collateral, from time to time. In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title, pledge of spurious items as security, prolonged legal proceedings, and fraudulent actions by borrowers, or we may not be able to foreclose on the collateral at all. As a result, we may suffer monetary losses, which may not be covered by our insurance and may thereby adversely affect our profitability and results of operations. Our reputation could also be adversely affected by significant frauds committed by our customers.

Further, in case of a default, we typically sell the pledged gold through auctions. There may be delays associated with the auction process. We cannot assure you that we will be able to sell such pledged gold at prices sufficient to cover the amounts under default in a timely manner or at all. Any failure to recover the expected value of pledged gold ornaments could expose us to a potential loss. Any such losses could adversely affect our cash flows, financial condition, and results of operations.

6. *Our business, financial condition, results of operations, and prospects could be materially and adversely affected if we are unable to successfully execute our business and growth strategies and manage our growth effectively.*

During the Fiscals ended March 31, 2017, March 31, 2018, and March 31, 2019, our deposits decreased from ₹ 149,116 million as on March 31, 2017 to ₹ 146,906 million as on March 31, 2018 and increased to ₹ 151,239 million as on March 31, 2019, and our net advances increased from ₹ 80,008 million as on March 31, 2017 to ₹ 91,849 million as on March 31, 2018 and to ₹ 106,152 million as on March 31, 2019. As on March 31, 2019, our total deposits and total advances were ₹ 151,239 million and ₹ 106,152 million, respectively. As on September 30, 2019, our total deposits and total advances were ₹ 155,098 million and ₹ 112,978 million, respectively.

We continue to develop and implement a number of growth initiatives to become more competitive and promote sustainable growth. We have increased our focus on building SME advances, LAP products, two wheeler loan products, and personal loan products on the asset side, and NRI franchise and retail deposits on the liability side. We also intend to grow our CASA ratio, in order to reduce the cost of funds and improve our core deposits. Due to the increased concentration risk, we are cautious in our lending against gold ornaments. We are also now more cautious in advancing corporate loans.

We have in the past set targets for our business growth and will continue to set growth targets in the future; however, there can be no assurance that we will meet our current targets or any future targets. Further, there can be no assurance that we will be able to successfully implement our growth strategies in a timely manner or at all, or that any of our new products and services will gain customer acceptance.

Our ability to sustain and manage growth depends primarily upon our ability to manage key operational issues, such as recruiting and retaining skilled personnel, establishing additional branches, developing and marketing profitable products and services to cater to the needs of our existing and potential customers in our current markets, improving our risk management systems to monitor our newer businesses, maintaining and in a timely manner, upgrading an effective technology platform, developing a knowledge base to face emerging challenges, and ensuring a high standard of customer service. Sustained growth will put pressure on our ability to effectively manage and control historical and emerging risks. The expansion of our business activities also exposes us to a number of risks and challenges, including making incorrect judgments or assumptions as to customer acceptance of any new products and services, limited or no experience in certain new business activities, recruiting and training personnel to handle new and existing business activities, and enhancing and expanding our risk management and information technology systems to effectively manage the risks associated with these new business activities, products, and services.

Our ability to sustain and manage growth is also affected by factors outside of our control, such as GDP growth, changes in regulatory policies, changes in customer demand for loans, and changes in interest rates. We may not be able to successfully maintain growth rates due to unfavorable changes in any one or more of the aforementioned factors. Our inability to effectively manage any of these operational issues or react to external factors may materially and adversely affect our business, prospects, financial condition, and results of operations.

7. *We may not be able to maintain or grow our CASA ratio in accordance with our strategy which may materially affect our financial condition and results of operations.*

Our CASA ratio improved from 24.78% as on March 31, 2017 to 27.03% as on March 31, 2018 and to 27.84% as on March 31, 2019. Further, as on September 30, 2019 our CASA ratio was 28.19%. Our medium term strategy is to improve our CASA ratio to industry standards by expanding our client base through new-to-bank acquisitions and growing CASA book through deeper engagement with existing relationships. Over the last three Fiscals and for the six month period ended September 30, 2019, we have attempted to increase our CASA ratio through various initiatives, which include conducting CASA mobilisation campaigns, increasing our focus on cross-sale of fee based products to improve customer retention, increasing our non-resident savings base through a combination of acquisition and growth of non-resident savings portfolio on a relationship managed basis, and rationalizing of service charges for CASA products and services. Our Bank has recently introduced new product lines like INSTAPay online fee collection portal and revamped Suvidha salary proposition to attract high value institutional and corporate clients. The branch structure is also being revamped to focus more on CASA acquisition, retention, and growth.

However, attracting customer deposits in the Indian market is competitive. Recently, apart from public and private sector banks, we have also started facing competition from small finance banks and payment banks. Banks are now free to fix

differential interest rates on savings deposits for various value buckets. Though we have introduced differential pricing mechanism, there is no assurance that we can successfully sustain this mechanism, and that we will be successful in growing our CASA base.

In future, we may also be forced to increase interest rates for our CASA products further to remain competitive and there is no guarantee that from such move we will be able to enhance our customer base enough to compensate for the increase in interest rates. If we fail to maintain or grow our CASA ratio, our Bank's financial condition and results of operations may be materially and adversely affected.

8. ***We have a concentration of exposure to certain industry and service sectors and if such sectors experience any sustained difficulties, our business could be materially and adversely affected.***

We monitor concentration of our exposures to sectors and calculate sector-wise exposure as required by the RBI. As on September 30, 2019, our gross advances extended to top five industry and service sectors is shown in the table below. Furthermore, we have exposure to (a) agriculture, MSMEs, education, and housing, sectors which the RBI categorizes as priority sectors, and (b) NBFCs. As on September 30, 2019, priority sector advances (including eligible investments) aggregated to ₹ 38,770.06 million, which represented 45.86% of our ANBC.

Industry/Service Sector	Gross advances (₹ in million)	Exposure as % of Total Advances
	As on September 30, 2019	
A. Industries		
Textiles	4,360.41	3.82
Food Processing	3,287.12	2.88
Chemicals and Chemical Products (Dyes, Paints, etc.)	1,521.04	1.33
Infrastructure	1,265.48	1.11
Construction	1,260.51	1.11
B. Services		
NBFC including HFCs	20,701.71	18.15
Trade (Wholesale and retail)	8,953.31	7.85
Commercial Real Estate	2,555.42	2.24
Tourism, Hotel and Restaurants	1,710.12	1.50
Transport Operators	743.86	0.65

Further, in the first half of Fiscal 2019, we faced challenges arising out of excess liquidity deployed in short term instruments, resulting in spreads and capital constraints limiting its capacity to grow advances. However, we addressed this by growing advances with low risk weights like gold loans and discounted bills, to companies with high credit ratings.

Accordingly, we financed fresh/ additional credit facilities, with an exposure of ₹ 6,658.9 million to housing finance companies, details of which are given below:

External Rating	No. of Accounts	Fresh exposure (in ₹ million)	Risk weight (%)
AAA	3	3,499.9	20
AA	3	1,649.9	30
A	5	1,436.6	50
BBB	1	72.5	100
Total	**12**	**6,658.9**	

Considering the liquidity position, we had deployed funds in housing finance companies with a good rating and carry low risk weight and consequently there was an increase in the indirect exposure to NHB/housing finance companies from Fiscal 2018 to Fiscal 2019. Major exposures were in AAA, AA and A rated companies with risk weight ranging from 20% to 50%. All these above accounts were standard and regular without any arrears in repayment.

Any significant difficulty in a particular sector, driven by events not within our control, such as regulatory action or policy announcements by government authorities or natural disasters, would adversely impact the ability of borrowers in that

industry/service sector to service their debt obligations to us. As a result, we would experience increased delinquency risk, which may materially and adversely impact our business, prospects, financial condition, and results of operations.

9. *Our business is vulnerable to interest rate related risks. Volatility in interest rates could adversely affect our net interest margin, the value of our fixed income portfolio, our security receipts, our income from treasury operations, the quality of our loan portfolio, and our financial performance.*

Our interest income amounted to 90% and 89.66% of our total income in Fiscal 2019 and for the six month period ended September 30, 2019, respectively. Net interest income represents the excess of interest earned from interest-earning assets (such as performing loans and investments) over the interest paid on interest-bearing customer deposits and borrowings. Our net interest margin for Fiscals 2017, 2018, and 2019, and for the six month period ended September 30, 2019, was 2.11%, 2.57%, 2.80%, and 3.43%, respectively.

Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policy and domestic and international economic and political conditions, as well as other factors. Volatility and changes in market interest rates could disproportionately affect the interest we earn on our assets as compared to the interest we pay on our liabilities. The difference could result in an increase in interest expense relative to interest income leading to a reduction in net interest income. Accordingly, volatility in interest rates could materially and adversely affect our business and financial performance. An increase in interest rates may also adversely affect the rate of growth of important sectors of the Indian economy, such as corporate, retail, and agricultural sectors, which may materially and adversely impact our business. Such increase in the interest rates may lead to inability of the borrowers to repay the loan amount. Any consequent increase in the delinquency rates will mean that the interest income from such advances will no longer accrue and this will further affect our net interest income.

Our sources of funding have primarily been customer deposits. Our cost of funds is sensitive to interest rate fluctuations, which exposes us to the risk of reduction in spreads. In addition, attracting customer deposits in the Indian banking industry is competitive. The rates that we must pay to attract deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy, and inflation. If we fail to achieve or sustain continued growth of our deposit base, we may be forced to rely more heavily on more expensive sources of funding, such as the wholesale market, which could materially and adversely affect our profitability and business. In addition, interest-earning assets tend to re-price more quickly than interest-bearing liabilities. Increases in interest rates applicable to our liabilities, without concurrent or corresponding increases in interest rates applicable to our interest-bearing assets, may result in a decline in our net interest income, which could materially and adversely affect our business and financial results.

Furthermore, in the event of rising interest rates, our borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay/pre-pay their loans with us, particularly if they are able to switch to more competitively priced loans offered by other banks. Our inability to retain customers as a result of rising interest rates may adversely impact our earnings in future periods. Similarly, in the event of falling interest rates, we may face more challenges in retaining our customers if we are unable to offer competitive rates on deposits as compared to other banks in the market which could materially and adversely affect our business and financial results.

10. *Our funding requirements are primarily met through customer deposits. If we fail to sustain or achieve growth of our deposit base, including our current and savings account deposit base, our business may be adversely affected.*

We meet our funding requirements through short-term (i.e., maturity up to one year) and long-term (i.e., maturity for more than one year) deposits from retail depositors (deposits of less than ₹ 20 million) and wholesale depositors (deposits of ₹ 20 million and above). Banks usually face an asset-liability mismatch due to the difference in maturity patterns of their liabilities and assets. Where maturing liabilities are more than the assets, there is a negative mismatch and a potential liquidity problem.

As on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019 we have an asset liability mismatch. The bucket-wise mismatches are as under:

(₹ in million)

	2017			2018			2019			As on September 30, 2019		
	Mismatch	Cumulative Mismatch	Mismatch (in%)	Mismatch	Cumulative Mismatch	Mismatch (in%)	Mismatch	Cumulative Mismatch	Mismatch (in%)	Mismatch	Cumulative Mismatch	Mismatch (in %)
Next Day	3,462.77	3,462.77	176.30%	3,386.78	3,386.78	114.57%	388.20	388.20	22.44%	648.51	648.51	42.39%
2-7 days	2,055.8	5,518.64	73.74	755.98	4,142.76	44.03	2,627.6	3,015.81	145.93	294.18	942.68	26.63%

	2017			2018			2019			As on September 30, 2019		
	Mismatch	Cumulative Mismatch	Mismatch (in%)	Mismatch	Cumulative Mismatch	Mismatch (in%)	Mismatch	Cumulative Mismatch	Mismatch (in%)	Mismatch	Cumulative Mismatch	Mismatch (in %)
	7		%			%	1		%			
8-14 days	1,538.97	7,057.61	81.58 %	453.35	4,596.10	18.97 %	126.20	3,142.01	9.67%	573.66	1516.35	34.96%
15-30 days	1,972.95	9,030.56	105.72 %	1,738.63	6,334.73	141.07 %	1,307.25	4,449.26	69.39 %	1646.41	3162.76	132.84 %
31days-<2M	7,521.15	16,551.71	249.60 %	2,353.38	8,688.11	93.91 %	6,928.58	11,377.84	393.21 %	4648	7810.76	106.05 %
2M<3M	5,880.38	22,432.08	181.02 %	3,191.67	11,879.79	104.53 %	5,643.41	17,021.25	293.67 %	6747.18	14557.94	371.62 %
3M-<6M	7,624.94	30,057.03	87.91 %	5,656.38	17,536.17	82.18 %	9,810.94	26,832.19	181.86 %	13923.77	28481.7	361.94 %
6M-<1Y	7,657.72	37,714.75	101.01 %	14,806.52	32,342.69	307.18 %	19,108.27	45,940.46	447.75 %	22022.79	50504.49	954.98 %
1-<3Y	-7,338.62	30,376.13	-16.40 %	-4,893.50	27,449.19	-11.70 %	-4,216.61	41,723.85	-9.49%	-6249.44	44255.05	-13.42%
3-<5 Y	1,196.59	31,572.71	16.99 %	8,383.60	35,832.78	196.43 %	11,633.40	53,357.26	668.04 %	13726.24	57981.29	642.29 %
> 5 Yr	-32,370.85	-798.14	-40.10 %	-35,832.83	-0.04	-40.39 %	-53,357.26	0.00	-51.08 %	-57981.29	0	-51.24%
Total	**-798.14**	**-798.14**	**-0.49%**	**-0.04**	**-0.04**	**0.00%**	**0.00**	**0.00**	**0.00%**	**0.00**	**0.00**	**0.00%**

Mismatch has been arrived at by subtracting total inflows from total outflows.
Mismatch percentage has been arrived at based on the formula: $\frac{\text{(total inflows – total outflows) x 100}}{\text{total outflows}}$

The data is subject to various assumptions on renewal of retail term deposits, behavior of non-maturity deposits (CASA and loans - overdrafts and cash credits), and repayments of short and long term loans. Non-renewal of retail term deposits or higher than expected volatility in non-maturity deposits or delay in repayment of loans or increase in the proportion of long term loans can alter the mismatch position of our Bank adversely. Consequently, we may face a liquidity problem. As a result, we may be required to pay higher interest rates to attract deposits, which may have an adverse impact on our business and results of operations.

Any failure on our part to minimize the asset liability mismatch resulting in higher liquidity risk may adversely affect our business, financial condition, and results of operations.

11. *We have concentration of loans to and deposits from certain customers, which expose us to the risk of credit losses and premature withdrawal of deposits from these customers which could materially and adversely affect our asset quality, financial condition, and results of operations.*

As of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, our total advances to the 20 largest borrowers were ₹ 10,041.8 million, ₹ 14,543.70 million, ₹ 16,196.70 million and ₹ 18,121 million, respectively. The percentage of advances to the 20 largest borrowers to total advances of our Bank accounted for approximately 10.85%, 13.87%, 13.50% and 15.47%, as of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. Loan facilities provided to few of these 20 largest borrowers have also been restructured. We cannot assure you that these borrowers will continue to honour their commitments and that there will be no defaults in future. We cannot assure you that there will not be any delay in payments of interest and/or principal from these borrowers.

As of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, our total deposits from the 20 largest depositors were ₹ 10,523 million, ₹ 7,513.90 million, ₹ 10,364.30 million and ₹ 10,815.8 million, respectively. The percentage of deposits from the 20 largest depositors to the total deposits of our Bank accounted for approximately 7.06%, 5.11%, 6.85% and 6.97%, as of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. We cannot assure you that there will not be any premature withdrawal or non-renewal of deposits from these depositors.

If any or a substantial number of our 20 largest depositors withdraw their deposits or do not roll over their time deposits upon maturity, we may be required to seek more expensive sources of funding, including paying higher interest rates in

order to attract and/or retain further deposits, and we cannot assure you that we will be able to obtain additional funding on commercially reasonable terms as and when required. In such an event, our Bank's liquidity position, financial condition, business, and results of operations may be materially and adversely affected.

In the event any of the above risks materialize, our business, our asset quality, results of operations and financial conditions may be adversely affected.

12. ***We operate in a highly regulated environment. Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business, for instance on February 25, 2019, the RBI imposed a penalty of ₹ 40 million on our Bank for non-adherence to timeline specified for implementation and strengthening of SWIFT related operational controls.***

We operate in a highly regulated environment in which we are regulated by the SEBI, the RBI, the IRDAI, and other regulators. Accordingly, legal and regulatory risks are inherent and substantial in our business. As we operate under licences or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circulars, notifications, and regulations issued by the relevant regulators.

Being regulated, we are subject to regular scrutiny and supervision by respective regulators, such as regular inspections that may be conducted by the RBI. We are also required to comply with regulatory guidelines in relation to approval and disbursal of loans. Such requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect investors and depositors. Any non-compliance with regulatory guidelines and directions may result in substantial penalties and reputational impact, which may affect the price of our Equity Shares. Among other things, in the event of being found non-compliant, we could be fined or prohibited from engaging in certain business activities. For instance, on February 25, 2019, the RBI imposed a penalty of ₹ 40 million on our Bank for non-adherence to timeline specified for implementation and strengthening of SWIFT related operational controls.

In addition, we are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in front running in securities markets. In the event of any such violations, regulators could take actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us.

Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.

13. ***The RBI has, in the past, imposed penalties on us for, amongst other things, failure to adhere to instructions/guidelines for opening accounts and maintaining necessary record of all cash deposits and withdrawals and violations under KYC/AML norms. In July 2007, the RBI imposed a penalty of ₹ 1 million on our Bank, being a penalty of ₹ 0.5 million for non-adherence to KYC norms and AML standards while opening and operating certain accounts, and of ₹ 0.5 million for failure of the internal control systems in detecting irregularities. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business and/or our reputation.***

We are required to comply with AML and anti-terrorism laws and other regulations in India. In the ordinary course of our banking operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers, and assessment of penalties and/or imposition of sanctions against us for such compliance failures, despite having implemented systems and controls designed to prevent the occurrence of these risks.

The RBI has, in the past, imposed penalties on us for, *inter-alia*, failure to adhere to instructions/guidelines for opening accounts and maintaining necessary record of all cash deposits and withdrawals and violations under KYC/AML norms. In July 2007, the RBI imposed a penalty of ₹ 1 million on our Bank, being a penalty of ₹ 0.5 million for non-adherence to KYC norms and AML standards while opening and operating certain accounts, and of ₹ 0.5 million for failure of the internal control systems in detecting irregularities.

Although we believe that we have adequate internal policies, processes, and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report. Our business and reputation could suffer if any such parties use or attempt to use our Bank for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements.

14. ***Public companies in India, including us, will be required to prepare financial statements under Ind AS. We have not determined with any degree of certainty the impact of such adoption on our financial reporting.***

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for scheduled commercial banks, insurers, insurance companies, and non-banking financial companies. This roadmap requires these institutions to prepare Ind AS based financial statements for the accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018. The RBI, by its circular dated February 11, 2016, initially required all scheduled commercial banks to comply with Ind AS for financial statements for the periods stated above. However, the RBI *vide* its notification dated March 22, 2019 has now decided to defer the implementation of Ind AS for scheduled commercial banks till further notice.

While we are in the process of assessing possible impact of Ind AS on our financial reporting, the nature and extent of such impact is still uncertain. In this Prospectus, we have not made any attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our historical financial statements and there can be no assurance, therefore, that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially different under Ind AS than under Indian GAAP. Further, the new accounting standards may require change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy. For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realizable from our advances, which may result in us recognizing allowances for expected loan losses in the future that may be higher or lower than under current Indian GAAP. In our transition to Ind AS reporting, we may encounter some difficulties in the ongoing process of implementing and enhancing our adequate technology support and management information systems, including the maintenance of parallel books under both the accounting norms.

Moreover, although we currently have an internal control framework in place in order to report our financial statements under Indian GAAP, we will have to modify our internal control framework and adopt new internal controls in order to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff that is well informed about Ind AS. There is no guarantee that we will be able to implement effective internal controls under Ind AS in a timely manner or at all and any failure to do so could materially and adversely affect our results of operations, financial condition, and cash flows.

15. ***Our business is vulnerable to investment risk, and any protracted or sudden decrease in the value of our investments can adversely affect our results of operation and financial condition.***

Pursuant to RBI notification dated December 5, 2018, bearing number RBI/2018-19/86 DBR.No.Ret.BC.10/12.02.001/2018-19, we are required to maintain a minimum specified percentage, currently 18.50%, of our net demand and time liabilities in Government securities and other approved assets as SLR. Yields on these investments, as well as yields on our other interest-earning assets, are dependent to a large extent on interest rates and valuation. In a rising interest rate environment, especially if the increase is sudden or sharp, and/or due to changes in valuation of the investments/assets, we could be adversely affected by a decline in the market value of our Government securities portfolio and other fixed income securities and may be required to further provide for depreciation in the "Available for Sale" and "Held for Trading" categories.

As on March 31, 2019, and September 30, 2019, 81.92% and 82.69%, of our total gross investments were in Government securities for SLR. As on March 31, 2019, 29.88% and nil% of our gross investments were held in the "Available for Sale" and the "Held for Trading" categories, respectively. As on September 30, 2019, 30.54%, and 1.66%, of our gross investments were held in the "Available for Sale" and the "Held for Trading" categories. For securities in the "Available for Sale" and "Held for Trading" categories which are subject to market risk, we are required to mark to market at regular intervals and net depreciation is recognized and provided for, while net appreciation is ignored. In respect of securities under the "Held to Maturity" category, we are not required to mark the same to market but are required to amortize the difference between acquisition cost and face value of the security over the residual maturity period of the security wherever the acquisition cost is greater than the face value. Further, any change in the RBI norms in relation to limits and other conditions for such categories of investments could adversely affect our business and financial results.

Our investment portfolio as on March 31, 2019, and September 30, 2019, included security receipts of ₹ 2,110.21 million and ₹ 1,969.27 million issued by ARCs, respectively. As per the RBI guidelines on declaration of net asset value of security receipts issued by a securitisation company, these receipts have to be valued on NAV basis. Values of these receipts are dependent on the value of underlying securities, recoverability, disposability, and market factors. Where there is a decline in value, we will have to make provision for the same and our profitability will be affected to that extent.

16. *Our success depends largely upon our management team and skilled personnel and our ability to manage attrition as well as to attract and retain personnel, and any increase in our attrition levels may increase our expenses on personnel and adversely affect our results of operations.*

We believe that the breadth of experience of our management team coupled with their in-depth knowledge of banking operations and management provides us the anchor to continue building a robust and sustainable organization. Our management's capabilities, strong reputation, extensive network of industry relationships, and extensive experience in the finance and banking industry are the key to our growth, modernization, and development. We rely heavily on the expertise and experience of our senior management personnel.

Our performance and success depend largely on our ability to nurture and retain the continued service of our management team and skilled personnel. Retirement age for all officers/executives of our Bank has been reduced from 60 years to 58 years with effect from April 30, 2019. As a result, a considerable portion of our senior management, having been associated with our Bank for several years, is due to retire in the next few years. We intend to re-appoint the retired employees on a contractual basis until we find suitable replacements. However, we may not be able to replace our senior management with similarly experienced professionals, which could materially and adversely impact the quality of our management and leadership team. Further, there is significant competition for management and other skilled personnel in the banking industry. As a result, we face a continuing challenge to hire and assimilate a number of skilled personnel. Also, there is no assurance that we will not lose our senior management personnel to our competitors that may offer more competitive remuneration packages and other benefits. In Fiscals 2017, 2018, and 2019, our attrition levels (measured as a percentage of the total number of employees whose employment with our Bank was terminated other than by way of superannuation during a financial year to the total number of employees of our Bank as at the end of such financial year) were 2.28%, 6.23%, and 12.33%, respectively. In the six month period ended September 30, 2019, our attrition levels (measured as a percentage of the total number of employees whose employment with our Bank was terminated other than by way of superannuation during the half year ended September 30, 2019 to the total number of employees of our Bank as at the end of such half year ended September 30, 2019) was 3.45%.

Any increase in our attrition levels may add to our expenditure on personnel. Our failure to retain our management team and skilled personnel or to attract new talent to aid our growth and carry out our strategies could materially and adversely affect our business, prospects, financial condition, and results of operations.

17. *We and some of our Directors are involved in certain legal and other proceedings in India and may face certain liabilities as a result of the same.*

We and some of our Directors are involved in a number of legal proceedings, which are currently pending at different stages of adjudication before various legal and statutory fora. A summary of the outstanding litigation involving our Bank, our Directors, our Promoter, and our Group Company, in terms of the SEBI ICDR Regulations and the Materiality Policy, as on the date of this Prospectus is set out in the table below, where an adverse outcome in such litigation could materially and adversely affect our business, financial condition, and results of operations.

S. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Material civil litigation	Aggregate amount involved* (in ₹ million)
1.	**Bank**					
	By our Bank	135	0	0	73	9,660.88
	Against our Bank	10	66	15	2	819.83
2.	**Directors**					
	By our Directors	Nil	Nil	Nil	Nil	Nil
	Against our Directors	3	Nil	Nil	3	350.90
3.	**Promoter**					
	By our Promoter	Nil	Nil	Nil	Nil	Nil
	Against our Promoter	Nil	Nil	Nil	Nil	Nil
4.	**Group Company**					
	By the Group Company	Nil	Nil	Nil	Nil	Nil
	Against the Group Company	Nil	Nil	Nil	Nil	Nil
	Total	148	66	15	78	10,831.61

**To the extent ascertainable.*

For further details, see "*Outstanding Litigation and Material Developments*", beginning on page 468.

Such proceedings divert management time and attention, and consume significant financial resources in their defense or prosecution, which could materially affect our financial condition. Should any new developments arise, such as a change in law or rulings against us by courts or tribunals, we may need to make provisions in our financial statements, which could adversely impact our financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favour of our Bank and our Directors. If any adverse order is passed in any of these proceedings, or if additional penalties are assessed and/or sanctions are imposed on us in the future, it may have a material adverse effect on our business, reputation, financial condition, and results of operations.

18. ***One of our Directors, Mr. Madhavan Karunakaran Menon is involved in certain criminal proceeding. Any adverse decision in these matters may have an indirect impact on the reputation and business of our Bank.***

One of our Directors, Mr. Madhavan Karunakaran Menon is involved in the following criminal proceedings:

a) Mr. Bijan Kumar Mitra (the "**Complainant**") registered an FIR bearing no. 44 of 2019 on March 2, 2019 at Rabindra Sarobor Police Station, Kolkata against Mr. Madhavan Karunakaran Menon and two employees of Thomas Cook (India) Limited (the "**Company**"), alleging commission of offences under Sections 406, 420 and 120B of the IPC. The Complainant has alleged that the Company had failed to refund the initial booking amount after cancellation of the tour by the Complainant, and therefore the Company is liable to be prosecuted. The Company had arrived at an amicable settlement with the Complainant and refunded the amount, and the same was acknowledged by the Complainant. The Complainant has requested the concerned police officer to withdraw his complaint against Mr. Madhavan Karunakaran Menon and employees of the Company. The Company is in the process of closing the matter before the concerned Police Officer.

b) Mr. Ajay Kumar Singhania (the "**Complainant**") registered an FIR bearing no. 279 of 2018 on October 14, 2018 at Posta Police Station, Kolkata, against Mr. Madhavan Karunakaran Menon and 14 others, employees of Sterling Holiday Resorts Limited ("**SHRL**"), alleging commission of offences under Sections 406, 420 and 120B of the IPC. The Complainant alleged that SHRL had failed to provide holiday to the Complainant in Corbett Resort, neither constructed the Corbett Resort till date nor refunded the amount of ₹ 0.06 million with interest of ₹ 2.52 million. Subsequently, SHRL filed a petition for quashing the FIR under Section 482 of the Code of Criminal Procedure, 1973 in the Calcutta High Court. Further, the Calcutta High Court stayed the proceedings of the lower court and restrained the Police from taking any coercive action against the directors and employees of SHRL.

c) Metropolitan Magistrate, Kolkata issued a summon in a complaint registered by Mr. Nirmala Devi Singhania under Section 200 of the Code of Criminal Procedure, 1973 against Mr. Madhavan Karunakaran Menon and 13 others of SHRL alleging commission of offences under Sections 406, 417, 418, 420 and 120B of the IPC. Mr. Nirmala Devi Singhania has alleged that SHRL has failed to adjust an amount of ₹ 0.03 million with interest of ₹ 0.76 million against the arrangement which was done in the years 2000 and 2003 respectively. SHRL filed a quashing petition before the Calcutta High Court and thereafter, the proceedings of the Metropolitan Magistrate Court, Kolkata was put on a stay by the Calcutta High Court.

If adverse orders are passed in any of these matters against Mr. Madhavan Karunakaran Menon, the reputation of our Bank and its operations maybe adversely affected. For further details, please see "*Outstanding Litigation and Material Developments – Litigation proceedings initiated against our Directors*" on page 584 of this Prospectus.

19. ***We have not been able to maintain the CRAR prescribed by RBI in the past and there can be no assurance that we will be able to maintain our CRAR above the minimum prescribed regulatory requirements in future, which could materially and adversely affect our results of operations and financial condition.***

We are subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or CRAR.

The RBI has prescribed the conditions for implementation of the Basel III capital regulation framework in India, which came into effect on April 1, 2013, and subject to a series of transitional arrangements to be phased in over a period of time, will be fully implemented by March 31, 2020.

The Basel III Norms require, among other things, higher levels of Tier 1 capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier 1 capital for investments in subsidiaries, changes in the structure of non-equity instruments eligible for inclusion in Tier 1 capital, and loss absorbency features for non-equity Tier 1 and Tier 2 capital. As of March 31, 2019, banks are required to maintain a common equity Tier 1 adequacy ratio of 5.50%, minimum Tier 1 capital ratio of 7.00%, minimum total capital ratio of 9.00%, and a capital conservation buffer of 1.875%. Also, as of September 30, 2019, banks are required to maintain a common equity Tier 1 adequacy ratio of 5.50%, minimum Tier 1 capital ratio of 7.00%, minimum total capital ratio of 9.00%, and a capital conservation buffer of 1.875%.

We have not been able to maintain the minimum prescribed CRAR under the Basel III Norms in past. As on March 31, 2018, our CRAR under the Basel III Norms was 8.33% (including capital conservation buffer), as compared to the minimum prescribed regulatory requirement of 10.875% (which includes a capital conservation buffer of 1.875%).

However, as on March 31, 2019, and September 30, 2019, our CRAR under the Basel III Norms was 16.70% and 22.77% (including capital conservation buffer), as compared to the minimum prescribed regulatory requirement of 10.875% (which includes a capital conservation buffer of 1.875%); but there can be no assurance that we will be able to maintain our CRAR above the minimum prescribed regulatory requirements in future.

Due to increase of size of assets and accordingly the risk weighted assets, there is an impact on the CRAR under the Basel III Norms. Further, any adverse developments could affect our ability to continue to satisfy the capital adequacy requirements, including deterioration in our asset quality, decline in the values of our investments or applicable risk weight for different asset classes. In case the CRAR falls below the minimum prescribed regulatory requirements in future, we may be constrained in further expanding our business.

The RBI or any other relevant authority may implement a package of reforms, including the terms which capital securities are required to have, in a manner that is different from what is currently envisaged, or may impose more onerous requirements. There can be no assurance that we will be able to comply with such requirements or that any breach of applicable laws and regulations will not adversely affect our reputation, business, financial condition, and result of operations.

If we fail to meet capital adequacy requirements, as may be prescribed by RBI from time to time, RBI may take certain actions, including restricting our lending and investment activities, further balance sheet growth, and the payment of dividends by us. These actions could also materially and adversely affect our reputation, results of operations, and financial condition. For further details, see "*Risk Factors - RBI guidelines relating to prompt corrective action could materially and adversely affect our business, future financial performance, and results of operations"* on page 53.

20. ***Some of our corporate records are not traceable. These corporate records may not be available in future and we may be subject to penalty imposed by the competent regulatory authority in this respect.***

We are unable to trace copies of certain corporate records and filings made by our Bank in the past. In particular, we have been unable to trace: (i) resolutions for the issue and allotments of equity shares from our incorporation on November 26, 1920 till the financial year ended December 31, 1982; (ii) filings with the RoC in relation to issue and allotment of equity shares from our incorporation on November 26, 1920 till the allotment dated August 14, 1991; (iii) resolutions and form filing with the RoC in relation in relation to change in our registered office on January 30, 1978; (iv) certificate of commencement of business; (v) original certificate of incorporation issued under the Indian Companies Act, 1913; and (vi) the details of allottees such as names of allottees and total number of allottees, in respect of all rights issues undertaken by the Bank from our incorporation on November 26, 1920 till November 30, 1999 (except for allotment dated October 20, 1993). Further, as per report dated July 5, 2019, SVJS & Associates, Company Secretaries, have conducted a search for these records with the RoC and have not been able to retrieve these records.

For details of the relevant documents relied upon to trace the share capital buildup of our Bank since incorporation, see "*Capital Structure*", beginning on page 75.

Our Bank has not issued any Equity Shares for consideration other than cash, but our Bank is unable to establish the same for the period prior to the financial year ended December 31, 1982, as returns of allotment of Equity shares filed by our Bank with the RoC prior to financial year ended December 31, 1982 are not traceable. While we believe that these forms were duly filed on a timely basis, we have not been able to obtain copies of these documents, including from the RoC and have placed reliance on other documents, including annual reports and audited financial statements for corroborating the share capital history and other disclosures of our Bank for such periods.

We cannot assure you that these form filings and corporate records will be available in future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

21. ***We focus and intend to continue to focus on our SME business. The growth of our SME business depends on the performance of the SME sector in India other macro level factors including but not limited to inflation, GDP and rural and urban consumption, competition from public and private sector banks, and financial institutions and NBFCs, and any change in government policies and statutory and/or regulatory reforms in the SME sector may affect our business and results of operations.***

As on March 31, 2019, and September 30, 2019, 32.00% and 29.47% of our total advances were to our SME customers, respectively. In recognition of the contribution and vast potential of the small enterprises finance sector in the economy, provision of adequate credit to this sector continues to be an important element of banking policy. The Government of

India has from time to time taken economic policy initiatives to promote this sector and enhance credit to SMEs. Some of the initiatives of the Government to support small enterprise financing include setting up a credit guarantee fund trust for small industries, Prime Minister's Employment Generation Programme, mudra loan schemes, risk sharing facilities, venture capital funding, and micro credit. The small enterprises finance sector currently is catered to largely by public sector banks, public financial institutions, and local unorganized private financiers.

Any change in the regulatory requirements in connection with the SME sector, change in government policies, and slowdown in liberalization and reforms affecting the sector could affect the performance of SMEs and demand for SME finance, and in turn, our business and results of operations.

22. ***We may be unable to expand our NRI banking business, which could adversely impact our financial results.***

As a part of our growth strategy, we intend to focus on expanding our NRI banking business. As on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, our total NRI deposits constituted ₹ 35,748 million, ₹ 37,814 million, ₹ 37,610 million and ₹ 38,151 million, respectively, out of our total deposits of ₹ 149,116 million, ₹ 146,906 million, ₹ 151,239 million and ₹155,098 million, and constituted 23.98%, 25.74% and 24.87% of our total deposits for the respective Fiscals, and 24.60% of our total deposits for the six month period ended September 30, 2019.

We intend to continue our focus on further growth in NRI banking business by offering new products and personalized services. The strategy is to grow our NRI business by expanding our client base through new-to-bank acquisitions and top-up growth and by cross-selling with existing relationships.

We have introduced graded products with value added features in order to fulfil the requirements and aspirations of discerning customers in various value segments. For facilitating fund transfer services required by our NRI customers, we have remittance and rupee drawing arrangements with exchange houses in the Middle East and also have tie ups with money transfer agents, which enhances our capability to provide inward remittance services to our customers and strengthens our NRI business.

While we anticipate continued demand in the NRI banking business, growth of our NRI portfolio is subject to various factors including geographical location of our branches, availability of funding/inflows in such locations, quality of products offered, demand from NRIs, and competitiveness at such locations. We cannot assure you that we will be able to expand our NRI banking business, which could materially and adversely affect our growth prospects, financial condition, and results of operations.

23. ***If our existing customers and targeted customers are not receptive to any changes to our brand identity or promotional activities, our business and results of operations could be adversely affected.***

Prior to June 2019, we were known as 'The Catholic Syrian Bank Limited'. To align with our objective to transform from a traditional regional / local bank to a new-age bank with a wider presence, and to underline our Bank's new identity, new businesses, and new energy, we have launched our identity makeover and rebranded ourselves as 'CSB Bank Limited' in June 2019, followed by a change of our Bank's legal entity name from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. Subsequent to 'no objection' conveyed by the RBI pursuant to its letter dated April 1, 2019, special resolution passed by the shareholders of our Bank through postal ballot on May 4, 2019, and a new certificate of incorporation dated June 10, 2019 received from the RoC, the name of our Bank was changed from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. A fresh license bearing reference no. MUM-147 dated June 28, 2019, was issued by the RBI under our new name to carry on the banking business in India, in lieu of our previous license dated June 19, 1969. The name of our Bank was changed from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited' in the second schedule of the RBI Act with effect from June 10, 2019 by Notification DBR.PSBD.No.503/16.01.160/2019-20 dated July 17, 2019 published in the weekly gazette (Part III-Section 4). While we believe our new brand name better aligns with our more modern and contemporary image, there is no assurance that our rebranding exercise will achieve the expected results. In addition, it may take time for our customers to get familiar with our new brand and new identity. If for any reason our existing customers and targeted customer segments are not receptive to our new brand and new identity, our business operations, cash flows, and results of operations may be adversely affected.

24. ***We are required to maintain CRR and SLR and any increase in these requirements could materially and adversely affect our business, financial condition, and results of operations.***

As a result of the statutory reserve requirements stipulated by the RBI, we may be more exposed structurally to interest rate risk than banks in other countries. Under the extant RBI's Master Circular - Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) dated July 1, 2015, we are subject to a CRR requirement under which we are currently required to keep 4.00% of our demand and time liabilities in current account with the RBI. We do not earn interest on cash reserves maintained with the RBI. The RBI may further increase the CRR requirement as a monetary policy measure and has done

so on numerous occasions in the past. Increases in the CRR requirement could materially and adversely affect our business, net interest income, results of operations, and financial condition.

In addition, under the RBI's regulations, our liabilities are subject to a SLR requirement, according to which 18.50% of our net demand and time liabilities need to be invested in Government securities, state government securities and other securities approved by the RBI from time to time. When the interest rate rises, the value of these fixed coupon securities depreciates.

Further, our Bank has paid ₹ 0.36 million, ₹ 0.18 million, and ₹ 0.53 million to the RBI on account of default in maintaining SLR on a daily basis in Fiscals 1988, 1989, and 1990, respectively, as additional interest paid in respect of shortfalls in the SLR maintained during such periods. However, we have maintained our SLR and accordingly not paid any additional interest in respect of shortfalls in the SLR maintained post 1990 till September 30, 2019.

We cannot assure you that investment in such securities will provide returns better than other market instruments or whether we will be able to maintain the CRR and the SLR in future. Further, any increase in the CRR and the SLR requirements would reduce the amount of cash available for lending, which may materially and adversely affect our business, financial condition, and results of operations.

25. *We have certain contingent liabilities and any crystallization of our contingent liabilities could materially and adversely affect our business, financial conditions, result of operations, and prospects.*

Our contingent liabilities as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019 are as follows:

Particulars	Amount in ₹ Millions			
	March 31, 2017	**March 31, 2018**	**March 31, 2019**	**September 30, 2019**
Claims against the Bank not acknowledged as debt	393.77	402.38	371.75	387.86
Liability on account of outstanding forward exchange contracts	3,654.83	3,430.74	2,891.66	3,567.94
Guarantees given on behalf of constituents	2,546.84	2,140.99	2,094.34	2,271.68
Acceptance, Endorsement & other obligations	580.64	434.83	489.89	276.40
Other Items for which the Bank is contingently liable	619.02	676.58	729.93	766.24
	7,795.10	**7,085.52**	**6,577.57**	**7,270.12**

For details, see "*Financial Statements*" beginning on page 237.

The contingent liabilities (including claims against our Bank not acknowledged as debts, liability on account of outstanding forward exchange contracts, guarantees given on behalf of constituents, acceptances, endorsements and other obligations, and other items for which our Bank is contingently liable) have arisen during the normal course of business. We are subject to liquidity risk and credit risk on our off-balance sheet commitments because these commitments may need to be fulfilled by us in certain circumstances. In the event that any of the above liabilities crystalize, we may be required to honour the demands raised. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfill, our business, financial conditions, result of operations, and prospects may be materially and adversely impacted.

26. *We have revalued certain assets in the past, which has resulted in increase in our 'reserves and surplus'. These reserves are not free reserves and we may not be able to utilise these for distribution as dividends or bonus shares to our shareholders.*

Our Bank has undertaken revaluation of land and buildings during Fiscals 1991, 1994, 1999, 2005, 2007, 2008, 2013, and 2016. As on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, our revaluation reserves were ₹ 1,639.59 million, ₹ 1,594.67 million, ₹ 1,578.25 million, and ₹ 1,571.13 million, respectively.

Such revaluations resulted in appreciation in the value of said assets with corresponding increase in credit to our reserve and surplus, and depreciation over and above the normal depreciation attributable to revalued assets were set off against the revaluation reserve. However, as per the Accounting Standards issued by the ICAI, we cannot use these reserves to distribute either dividends or bonus shares to our shareholders. For details of revaluation reserves, see "*Financial Statements*" beginning on page 237.

27. ***Significant portion of our lending is backed by collateral. The value of such collateral may decrease or we may experience delays in enforcing such collateral if borrowers default on their obligations. This may result in failure to recover the expected value of collateralized security exposing us to potential losses.***

As on March 31, 2019, and September 30, 2019, 95.95% and 94.85% of our advances were secured by collateral, including real estate assets, property, gold ornaments, plant, equipment, inventory, receivables, and pledges or charges on bank deposits, LIC policies, or marketable securities. The value of the collateral securing our loans, including, in particular, any property and gold ornaments, may significantly fluctuate or decline due to factors beyond our control, including those affecting the Indian and global economy in general.

In the event our borrowers default on the repayment of loans, we may not be able to realize the full value of the collateral due to various reasons, including a possible decline in the realizable value of the collateral, defective title or pledge of spurious items as security, prolonged legal proceedings, and fraudulent actions by borrowers, or we may not be able to foreclose on the collateral at all. Further, certain kinds of loans that are advanced by us are not secured by any assets.

In terms of the Banking Regulation Act, a banking company is not permitted to hold any immovable property (except as is required for its own use), for any period exceeding seven years, or as may be extended by RBI for a period not exceeding five years, on a case to case basis. Such restriction may force us to dispose off the collateral upon foreclosure without realizing the full value of such collateral.

A decline in the value of the security could impair our ability to realize the secured assets upon foreclosure, which may require us to increase our provision for loan losses. In the event of default with respect to any of these loans, the amounts we receive upon sale of the secured assets may be insufficient to recover the outstanding principal and interest on the loan. If we are required to re-value the assets securing a loan to satisfy the debt during a period of reduced asset values or to increase our allowance for loan losses, our profitability could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In India, foreclosure on collateral may be subject to delays and administrative requirements that may result or be accompanied by a decrease in the value of the collateral. Although legislations, such as the SARFAESI Act and IBC, strengthen the rights of lenders to enforce security and recover amounts owed from secured borrowers, there can be no assurance that such legislation will have a favorable impact on our efforts to reduce our levels of NPAs and we may not be able to realize the full value of our secured assets due to, among other things, delays in foreclosure proceedings, defects in the perfection of secured assets, fraudulent transfers by borrowers, and decrease in the value of secured assets.

Our inability to realize the full value of assets securing our loans on a timely basis or at all, and any compulsion to restructure our loans, could materially and adversely affect our asset quality, business, results of operations, and financial condition.

28. ***External or internal fraud could adversely affect our reputation, business, results of operations and financial condition.***

In the past, we have experienced acts of fraud committed by or involving our customers/employees. Such acts could also bind us to transactions that exceed authorised limits or present unacceptable risks or hiding unauthorised or unlawful activities from us. The amount involved in frauds matters reported by us to the RBI in the Fiscal 2019 is ₹ 852.3 million.

The top 5 frauds reported during the Fiscal 2019 were of the following nature:

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
1.	Thrissur Main	Malliyakal Industries, Maliyakkal Enterprises, MRS Traders and others ("**Maliyakkal Group of**	Maliyakkal Group of Companies had availed various loans and committed fraud against our Bank by selling the hypothecated stock and not	Fraud committed on September 30, 2015, detected on November	215.21	• Internal investigation was conducted. • Form FMR-1 dated November 23, 2018, submitted to	• Criminal complaint was filed on December 5, 2018 at Thrissur City Police station. • An original application dated October 19, 2015 was filed before DRT-2, Ernakulam against

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
		Companies")	remitting the proceeds to our Bank.	12, 2018		the RBI. • Disciplinary proceedings were initiated against the erring officials.	Malliyakal Industries and others. • FIR no. 796 dated June 22, 2019 was filed at Thrissur East police station. • The matters are currently pending.
2.	Dombivli (West), Mumbai	Milan Steel Home Appliances Private Limited	Milan Steel Home Appliances Private Limited had availed working capital limit of ₹ 111.5 million and term loan of ₹ 4.5 million and these facilities were collaterally secured by immovable property and stock. Further, Milan Steel Home Appliances Private Limited sold the immovable property and stock without the consent of our Bank and did not remit the sale proceeds.	Fraud committed on March 23, 2018, detected on April 27, 2018	114.94	• Internal investigation was conducted. • Form FMR-1 dated May 14, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings were initiated against erring officials.	• Criminal complaint dated August 14, 2018 was filed before the Deputy Commissioner of Police, Economic Offence Wing, Thane against Milan Steel Home Appliances Private Limited, the then senior manager and the chartered accountant who had introduced Milan Steel Home Appliances Private Limited. • Original application no. 39/2015 was filed on December 26, 2014 before DRT-3, Mumbai and is pending. • The matters are currently pending.
3.	Thrissur - R.S. Road	Shree Ekadhanta Petro Products Private Limited, Srivari Trading Company and others (**"Srivari Group of Companies**")	Shree Ekadhanta Petro Products Private Limited, Srivari Trading Company and others had availed cash credit limits and machinery loans and removed the hypothecated machineries and stock without the knowledge of our Bank and without closing the accounts, thus committed fraud against our Bank.	Fraud committed on September 2012, detected on September 6, 2018	104.29	• Internal investigation was conducted. • Form FMR-1 dated September 19, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the erring official.	• Criminal complaint was filed on September 20, 2012 at the Chief Judicial Magistrate Court, Thrissur against the Srivari Group of Companies, its directors and the guarantor. The case is pending. • Civil suit (Original application 441/12) was filed at DRT, Ernakulam on October 18, 2012 for recovery of our dues. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
4.	Chennai – 1, Beach Road	Sri Harichandra Agencies	Sri Harichandra Agencies had availed higher cash credit limit by submitting forged income tax returns and balance sheets. Further, in order to get higher valuation, Sri Harichandra agencies showed some other property in place of the original property while valuing the collateral secured properties and committed fraud against our Bank by diverting funds to associate concerns maintained with other banks.	Fraud committed on August 28, 2014, detected on August 13, 2018	80.58	• Internal investigation was conducted. • Form FMR-1 dated August 28, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the erring official.	• Criminal complaint was filed with the Commissioner of police, Greater Chennai Police against Sri Harichandra Agencies. • Civil suit (Original application no. 399/2016) was filed before DRT, Chennai on May 2, 2016. • The matters are currently pending.
5.	Andheri West Branch	Sharon Bio Medicine Limited	Sharon Biomedicine Ltd. had availed credit facilities from various banks and diverted the funds through their associate entities.	Fraud committed on May 18, 2012. detected on March 6, 2019	69.84	• Internal investigation was conducted. • Form FMR-1 dated March 25, 2019, submitted to the RBI.	• Since numbers of banks have financed Sharon Biomedicine Ltd., Joint Lenders Forum (**"JLF"**) will decide on filing of criminal complaint.

Our Bank has taken several measures to plug the gaps in the areas of appraisal, monitoring, internal audit system, reporting etc to strengthen the overall control systems. Few of the measures taken by our Bank recently are as follows:

- All corporate accounts are being monitored by wholesale banking department. Every corporate account has been specially assigned to a relationship manager to ensure individual monitoring of the accounts. Also, all SME accounts of above ₹ 5 million have a cluster head with a specific relationship manager who monitors the account. Thus, monitoring has been made more effective.

- Discretionary powers of branch heads are restricted to low risk/ self-liquidating facilities and loans under government sponsored schemes. The credit proposals are now appraised / sanctioned by officials who are well-versed with the process.

- Branches are now required to obtain certified copies of the title deeds at the time of legal scrutiny of the security of the immovable property offered as security and the same is required to be compared with the original of the title deeds by the local legal advisor (LLA) / senior legal advisor (SLA) and certify that there are no discrepancies noticed.

- The practice of obtaining encumbrance certificates / search reports and latest land and building tax receipts is now repeated, every 3 years from the date of disbursal or in the event of enhancement. The period of verification of prior deeds and requirement of encumbrance certificates is now increased to 30 years from 13 years.

- In respect of loans of ₹ 5 million and above, credit administration team ("**CAT**") arranges legal clearance from law officer, zonal office and for valuation of security property. CAT also ensures that the sanction terms are complied with before disbursal of the limit.

- Our Bank has also implemented online risk based internal audit, on July 3, 2019.

- Our Bank has reiterated various instructions regarding monitoring of the advance accounts so that diversion of funds by the borrowers can be restricted.

However, it is not always possible to deter misconduct by employees and the precautions we take and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of such misconduct or fraud could adversely affect our reputation, business, results of operations and financial condition.

29. *Our Promoter will continue to retain majority shareholding in our Bank after this Offer and may be entitled to certain rights which may allow it to exercise significant influence over us.*

As of the date of this Prospectus, our Promoter holds 50.09% of the issued, subscribed, and paid-up equity share capital of our Bank. Upon completion of the Offer, our Promoter will own 49.73% of our equity share capital. Pursuant to Section 12(2) of Banking Regulation Act and a Gazette Notification no. DBR.PSBD. No. 1084/16.13.100/2016-17 dated July 21, 2016, voting rights of our Promoter are capped at 26% of the total voting rights of our Bank which will allow our Promoter to vote in the capacity of a shareholder of our Bank on certain matters in the general meetings of our Bank. Subject to certain terms and conditions our Promoter may be entitled to certain rights, including board composition rights, anti-dilution rights and quorum rights. For further details in relation to such rights, see "*History and Certain Corporate Matters – Details of Shareholders' agreements*" beginning on page 203. Accordingly, the interest of our Promoter in the capacity of a shareholder of our Bank may conflict with your interests and the interest of other shareholders of our Bank. This concentration of ownership may also delay, defer, or even prevent a change in control of our Bank and may make the completion of certain transactions more difficult or impossible without the support of our Promoter. In order to establish or preserve our relationship with our Promoter, we may agree to assume risks that are proportionately greater than the returns we expect to receive from such transactions. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of these factors could materially and adversely affect our operations and profitability.

30. *Some of our Directors and Key Managerial Personnel have interests in our Bank that are in addition to their normal remuneration or benefits and reimbursement of expenses incurred.*

Some of our Directors and Key Managerial Personnel have interests in our Bank that are in addition to reimbursement of expenses and normal remuneration payable to them. Our Managing Director and Chief Executive Officer, Mr. Rajendran Chinna Veerappan, is entitled to a variable pay component and grant of certain stock options on attainment of specific performance/operational parameters, subject to prior approval of the RBI. Further, pursuant to the RBI letter dated October 25, 2019 bearing reference number DBR.PSBD.No.3344/16.01.060/2019-20 RBI has imposed regulatory restriction of freezing the remuneration of our Managing Director and Chief Executive Officer. For further details, please also see *"Risk Factors – Our Bank is subject to certain restrictions on account of non-adherence of the listing timeline prescribed by the RBI, which could have an adverse effect on our business."* beginning on page 45 of this Prospectus. Certain of our Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares, stock options held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Further, three of our KMPs, who retired from our Bank and are currently employed by our Bank on contractual basis and may be deemed to be interested to the extent of pension received by them from our Bank. For further details in relation to such interests, see "*Our Management*" beginning on page 206.

31. *The Indian banking industry is very competitive and our success will depend on our ability to compete effectively. Increased competitive pressure may have an adverse impact on our business, financial condition, and results of operations.*

We face competition from public and private sector Indian commercial banks and foreign commercial banks in all our products and services. Some such banks are large institutions and may have much larger customer and deposit bases, larger branch networks, and wider capital base. We also face competition in some of our products and services from NBFCs, small finance banks, post office savings schemes, exchange houses, micro financing institutions, co-operative banks, and other entities operating in the financial sector.

Further liberalisation of the Indian financial sector could also lead to a greater presence or new entries of Indian and foreign banks offering a wider range of products and services, which could adversely affect our competitive environment.

The RBI had come out with a set of guidelines for licensing of new banks in the private sector in February 2013. The process of licensing culminated with granting of in-principle approval to two applicants who would set up new banks in the private sector within a period of 18 months. While announcing the decision to grant in-principle approval to the two applicants, the RBI indicated that going forward it would use the learning experience from this licensing exercise to revise the guidelines appropriately and move to grant licenses more regularly "on tap" basis. Subsequently, the RBI released the Guidelines for "on tap" Licensing of Universal Banks in the Private Sector on August 1, 2016.

The RBI has also issued guidelines dated November 27, 2014, on licensing of small finance banks and payments banks in the private sector in the banking industry, including the eligibility criteria, scope, capital requirements, shareholding structure, prudential norms, and other corporate governance practices applicable to such entities. Pursuant to these guidelines, the RBI granted in-principle approvals to 11 applicants to set up payment banks and in-principle approvals to 10 applicants to set up small finance banks. These changes in the regulatory environment have the effect of lifting entry barriers in the industry, which may not be favourable for existing players like us.

We also compete with foreign banks having operations in India. In November 2013, the RBI released a framework for the setting up of WOSs in India by foreign banks. The framework encourages foreign banks to establish a presence in India by granting rights similar to those received by Indian banks, subject to certain restrictions and safeguards. Under the current framework, WOSs of foreign banks are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, WOSs of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centres (except at a few locations considered sensitive on security considerations) without having the need for prior permission from RBI in each case, subject to certain requirements. These guidelines may result in increased competition from foreign banks.

Banks like us are also facing increased competition from non-banks including NBFCs and MFIs. Going ahead, there may be increase in the non-bank related financing activities through innovations like P2P lending. P2P lending, also referred to as 'social investing', 'marketplace lending' or 'direct consumer lending', is the practice of borrowing and lending of money among unrelated individuals and business entities, on online platforms, without any role of a traditional financial intermediary like a bank or a non-banking financial institution.

Our future success will depend in large part on our ability to respond to such developments in an effective and timely manner and on our ability to compete effectively. Increased competitive pressure may have an adverse impact on our business, financial condition, and results of operations.

32. *Majority of our business premises are leased. Accordingly, we are exposed to risks typical to leasing of commercial real estate, including risk of being evicted.*

As on September 30, 2019, we had 412 branches (excluding three service branches and three asset recovery branches) and 290 ATMs, majority of which were located on leased premises. As on September 30, 2019, some of our leases, including leases of certain of our Material Branches (identified on the basis of total business) had expired and were in the process of being renewed. Termination of or failure to renew lease agreements for these premises on terms and conditions favorable to us or at all may require us to shift the concerned branch offices or the ATMs to new premises. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition, results of operations, and cash flows in respect of such premises. Some of the lease agreements entered into by us may be inadequately stamped. As a result, these agreements may be inadmissible as evidence before a court of law. Further, some of the immoveable properties used by us and taken on lease may have one or more irregularities of title such as non-registration of lease deeds. We cannot assure you that we would be able to enforce our rights under such agreements or in respect of such immovable properties, and any inability to do so, could impair our operations and adversely affect our financial condition. For further details, see "*Our Business – Property"* on page 181.

33. *We are subject to Risk Based Supervision ("RBS") by RBI. Non-compliance with the RBI observations could adversely affect our business, financial condition, or results of operations and our ability to obtain the regulatory permits and approvals required to expand our business*.

Our Bank is subject to ISE by the RBI under section 35 of the Banking Regulation Act, which is a revised RBS framework, i.e. SPARC. In the past certain observations were made by the RBI during the RBS regarding our business and operations in its RBS reports. In these reports, the RBI has identified certain material adverse findings in the operations of our Bank in the Fiscal 2016, 2017 and 2018 which are *inter-alia* as follows:

- credit appraisal and monitoring;
- data quality and automation;
- monitoring and detection of frauds;

- compliance culture and risk monitoring;
- software and security measures;
- erroneous reporting and mis-classification;
- KYC non-compliance; and
- upgradation of ATMs.

While we attempt to be in compliance with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or restriction by the RBI may have a material adverse effect on our reputation, financial condition, and results of operations.

The RBI conducts annual on-site inspections and offsite data collections on all matters addressing our banking operations and relating to, among other things, our Bank's portfolio, risk management systems, credit concentration risk, counterparty credit risk, internal controls, credit allocation, and regulatory compliance. RBS report is also based on the annual tranche data submissions done by our Bank. During the course of finalizing this inspection, the RBI inspection team shares its findings and recommendations with us and provides us an opportunity to provide clarifications, additional information, and where necessary, justification for a different position, if any, than that observed by the RBI. The RBI incorporates such findings in its final inspection report, and an aggregate risk score is awarded to our Bank. Upon final determination by the RBI of the inspection results, we are required to take actions specified therein by the RBI to its satisfaction, including, without limitation, requiring us to make provisions, impose internal limits on lending to certain sectors and tighten controls and compliance measures, and restricting our lending and investment activities. Any significant deficiencies identified by the RBI that we are unable to rectify to the RBI's satisfaction could lead to sanctions and penalties imposed by the RBI, as well as expose us to increased risks. Any failure to meet the RBI requirements could materially and adversely affect our reputation, business, financial condition, results of operations, pending applications or requests with the RBI, and our ability to obtain the regulatory permits and approvals required to expand our business.

34. ***We may face labour disruptions that could interfere with our operations and we may be unable to manage our employee costs and expenses which could adversely affect our financial condition and results of operations.***

We are exposed to the risk of strikes and other industrial actions by our employees as well as trade unions that our employees are a part of. As of September 30, 2019, out of our 3,250 employees, 1,095 officers, 633 clerks, 79 peons, and 22 part-time sweepers were members of trade unions. . On February 26, 2018, April 2, 2019, April 29, 2019, and April 30, 2019, our employees who are members of the Catholic Syrian Bank Officers' Association and other trade unions went on strike. These strikes were called to protest, *inter alia*, reduction in superannuation age from 60 years to 58 years for officers/executives, recruitment of employees on CTC basis, and non-implementation of the 11th bipartite settlement. Our Bank has not signed the mandate of IBA which requires our Bank to participate in the negotiation talks for wage hike and other terms in respect of the 11th Bipartite settlement which started in November, 2017. However, our Bank may implement the terms mentioned in the 11th Bipartite settlement with prospective effect, which may have an adverse effect on the cost of operations of our Bank. We cannot guarantee that our employees will not undertake or participate in strikes, work stoppage, or other industrial actions in the future. Any such employee unrest events result in negative publicity about us and adversely impact our brand and reputation, and could disrupt our operations, possibly for a significant period of time, or result in increased wages and other benefits, or otherwise have a material adverse effect on our business, financial condition, or results of operation.

Further, there are several cases filed against us by our former or current employees before various tribunals and courts, in relation to claims for alleged wrongful termination of service, reinstatement along with back wages, transfers, and disciplinary actions taken against them. If any of the pending cases are decided against us, we may be subject to payment of back-wages, compensations, or may even be required to re-instate the employees, which could increase our administrative costs and adversely affect our financial condition and results of operations.

35. ***We have entered into certain related party transactions, and in future we shall continue to enter into related party transactions in the ordinary course of our business on an arm's length basis***.

We have entered into and may in the ordinary course of our business continue to enter into certain transactions with related parties, including with our Promoter, Directors, Key Managerial Personnel, and Group Company. For details of the related party transactions during the last three Fiscals, and for the six month ended September 30, 2019 see "*Financial Statements - Related Party Transactions*" beginning on page 268. Certain related party transactions also require the approval of our shareholders, where the interested related parties are required to abstain from voting on such resolutions. While we have entered into such transactions on an arm's length basis, we cannot assure you that any related party transactions in future, individually or in aggregate, will not be perceived negatively or will always have a positive effect on our results of operations and financial condition.

36. *We have limited access to credit and other financial information on borrowers than banks in other economies, which may decrease the accuracy of our assessment of credit risks and thereby increase the likelihood of borrower defaults, which could materially and adversely affect our business and financial results.*

Our principal activity is to provide financing to borrowers located in India. The credit risk associated with our borrowers, including retail customers, SMEs, small and mid-sized corporates, agricultural and rural customers, and priority sectors, may be higher than in other economies due to the higher uncertainty in our regulatory, political, and economic environment, and the inability of our borrowers to adapt to global technological advances. Our corporate borrowers may suffer from low profitability because of increased competition as a result of economic liberalization policies, a sharp decline in commodity prices, a high debt burden, high interest rates in the Indian economy, and other factors.

In addition, India's system for gathering and publishing statistical information relating to the Indian economy generally or specific economic sectors within it or corporate or financial information relating to companies or other economic enterprises may not be as comprehensive as in countries with established market economies. The absence of such reliable and comprehensive statistical, corporate, and financial information, including audited financial statements and recognized debt and credit rating reports, relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult. Many of the nationwide credit bureaus have become operational in India in recent years, and it may be some time before comprehensive information on the credit history of our borrowers, especially individuals and small businesses, is available to us. In many cases, we need to rely on the accuracy and completeness of information furnished by or on behalf of customers and counterparties, including financial statements and financial information. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate, and financial information, may decrease the accuracy of our assessment of credit risk, thereby increasing the likelihood of borrower default on the loans provided by us and decreasing the likelihood that we would be able to enforce any security in respect of such loans or that the collateral will have a value commensurate to the respective loan. Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is even more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with lending to this category of borrowers.

Such difficulties in assessing credit risks associated with our day-to-day lending operations and risks associated with the business environment in India may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business and financial results.

37. *A portion of our advances are unsecured. In case we are unable to recover such advances in a timely manner or at all, it may adversely affect our business, financial condition, and results of operations.*

As on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, 4.91% or ₹ 4,057 million, 3.99% or ₹ 3,867 million, 4.05% or ₹ 4,418 million, and 5.15% or ₹ 5,873.65 million, respectively, of our total advances were unsecured. While we have been selective in our lending policies and strive to satisfy ourselves with the credit worthiness and repayment capacities of our customers, there can be no assurance that we will be able to recover the principal advanced by us and interest thereon in a timely manner or at all. Any failure to recover the unsecured advances given to our customers would expose us to a potential loss that could adversely affect our business, financial condition, and results of operations.

38. *We have had negative cash flows from operating activities in the past and may continue to have negative cash flows in the future.*

The following table sets forth net cash generated from / (used in) operating activities for the last three Fiscals and for the six month period ended September 30, 2019:

(₹ in million)

Particulars	Fiscal			
	2017	2018	2019	For the six month period ended September 30, 2019
Net cash (used in) / generated from operating activities	3,954.24	268.42	(8,932.44)	(6409.9)

For details, see "*Financial Statements*" and *"Management's Discussions and Analysis of Financial Condition and Results of Operations"* beginning on pages 237 and 403, respectively. We cannot assure you that our operating cash flows or net cash flows will be positive in the future.

39. *We have incurred losses in recent financial years. We have also recorded negative EPS and negative return on net worth in the past. In the event we continue to record negative EPS and negative return on net worth, it may adversely affect our business and financial condition.*

We incurred a net loss of ₹ 579.91 million, ₹ 1,270.88 million, and ₹ 656.89 million, for Fiscals 2017, 2018, and 2019, as per our Restated Financial Information. However, for the six month period ended September 30, 2019 our net profit after tax was ₹ 442.72 million as per our Restated Financial Information. We cannot assure you that we will not incur losses in future. For further details, see *"Financial Statements"*, beginning on page 237. We have also recorded negative EPS and negative return on net worth in Fiscals 2017, 2018, and 2019 as follows:

Particulars	Financial Year Ended 31st March		
	2017	2018	2019
Earnings per share (Basic) (₹)	(7.66)	(15.70)	(7.90)
Earnings per share (Diluted) (₹)	(7.66)	(15.70)	(7.90)
Return on net worth %	(10.62)	(35.94)	(6.74)

Though, for the six month period ended September 30, 2019 our EPS (basic and diluted) and return on networth was ₹ 3.86* and 2.88%* respectively, there can be no assurance that we will not record negative EPS and negative return on net worth in the future which may adversely affect our business and financial condition.
** Not annualised*

40. *We require certain regulatory approvals in relation to our business and failure to obtain the same in a timely manner or at all may subject us to sanctions and penalties pursuant to inspection and supervision by regulatory authorities, including the RBI and the IRDAI, or otherwise adversely affect our operations.*

We require regulatory approvals, licenses, registrations, and permissions, at corporate as well as branch levels, for operating our business, some of which would require renewal from time to time. We may not receive such approvals or memberships or may be unable to obtain renewals within the prescribed time frames or at all, which could adversely affect our business. We may need to apply for renewal of certain approvals which may expire from time to time, in the ordinary course of our business. For instance, our certificate of registration under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017, for our branch located at plot No. 238, Gama Grandeur, Central Avenue Road, 10th Road, Chembur, Mumbai 400071, Maharashtra; certificate of registration of establishment issued under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 for our branch located at Sector 12, Vashi, Navi Mumbai, Thane; certificate of registration under the Uttar Pradesh Shops and Establishments Act, 1962 for our branch located at B – 1A/6, commercial market, sector – 51, Noida – 201301, Uttar Pradesh; and certificate of registration of establishment under the West Bengal Shops and Establishments Act, 1963 for our branch located at 48, Sir Hariram Goenka Street, Ward no. – 22, Borough – IV, Kolkata Municipal Corporation, Kolkata Sub Division, P.S. – Burrabazar, P.O. – Barabazar H.O., Kolkata- 700007, have expired as on the date of this Prospectus. We have also made applications for renewal of certain approvals and for obtaining new approvals. For instance, we have made an application to register our logo appearing on the cover page of this Prospectus under class 35 as per the Trade Marks Act, 1999 and the rules made thereunder. Further, our Bank is unable to trace the copy of the registration obtained under Section 23 of the Banking Regulation Act from the RBI for certain of our Material Branches. For details, see "*Government and Other Approvals*" beginning on page 587.

Further, we have licenses from the RBI for our banking and other operations and are also registered with the IRDAI as a corporate agent. However, our operations are subject to continuous review and possible changes to the governing regulations. Failure to obtain, renew, or maintain any required approvals, permits, or licenses in accordance with the regulations and any amendments thereto, may result in the interruption of all or some of our operations and imposition of penalties, and could materially and adversely affect our business and financial results.

In the future, we may be required to obtain new registrations, permits, and approvals for any of our existing businesses, as a result of change in current regulations, or for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any permits or approvals required by us in a timely manner, or at all, and/or on favourable terms and conditions. If we fail to obtain any applicable approvals, licenses, registrations, or consents in a timely manner, we may not be able to undertake certain operations of our business which may affect our business, results of operations, and cash flows.

For further details, see "*Key Regulations and Policies in India*" and "*Government and Other Approvals*" beginning on pages 183 and 587, respectively.

41. ***Our ability to open branches in Tier 1 to Tier 6 centres is subject to fulfillment of certain eligibility criteria prescribed by the RBI. If we are unable to fulfill such eligibility criteria, and as a result, are unable to open new branches in Tier 1 to Tier 6 centres, we may be unable to grow our deposit base that may in turn adversely affect our business prospects.***

As on September 30, 2019, our branch network comprised of 412 branches (excluding three service branches and three asset recovery branches) and 290 ATMs across India. The opening of new branches and shifting of existing branches of banks is governed by the provisions of the Banking Regulation Act and the RBI guidelines. In terms of the RBI circular dated May 18, 2017, domestic scheduled commercial banks are permitted to open BOs in Tier 1 to Tier 6 centres without permission of the RBI, subject to certain conditions being satisfied, including:

- at least 25% of the total number of BOs opened during a financial year should be opened in URCs. It is further clarified that a Part-time BO opened in any centre shall also be added for computing the said requirement of 25% BOs in URC.
- A BO/Part-time BO opened in any Tier 3 to Tier 6 centre of North Eastern States and Sikkim as well as in any Tier 3 to 6 centre of 'Left-wing Extremism (LWE)' affected districts as notified by the Government of India from time to time, will be considered as equivalent to opening a BO/ Part-time BO, as the case may be, in a URC.
- A first fixed point banking correspondent outlet of a bank as well as the first 'brick and mortar' branch of any bank opened in a URC will be eligible to be treated as equivalent to opening a BO in a URC.
- The first BO by a payment bank as well as the first BO by any other bank opened in a URC will be reckoned for computing compliance with the 25% norm.

The time given to a bank for opening an outlet in a URC is one year. If a bank fails to adhere to the requirement of opening 25% BOs in a year, appropriate penal measures, including restrictions on opening of Tier 1 branches, may be imposed.

For details of key approvals obtained with respect to our Material Branches (identified on the basis of total business), see "*Government and Other Approvals*" beginning on page 587. Our ability to raise fresh deposits and grow our deposit base depends in part on our ability to expand our network of branches. Failure on our part to expand our branch network may adversely affect our business prospects, financial condition, and results of operations.

42. ***We are required to obtain prior permission from the RBI to open new branches.***

Pursuant to a letter dated January 30, 2015, from the RBI in relation to broadening of capital base and listing of the Equity Shares, the general permission for opening new branches was withdrawn from our Bank and our Bank is not permitted to open any new branches without prior approval of the RBI. Our Bank had *vide* its letters dated February 15, 2019, and March 28, 2019, requested the RBI to grant permission to open new branches. Pursuant to our requests, the RBI has *vide* its letter dated May 13, 2019, subject to certain conditions, granted permission to our Bank to open 10 new BOs at certain locations indicated by the RBI. There can be no assurance that (i) we will be able to open new branches, (ii) we will continue to satisfy the eligibility criteria for branch expansion, (iii) the restrictions imposed by the RBI will be revoked, (iv) the RBI will give us approval to open new branches in future, or (v) the RBI will not impose similar restrictions on us in the future, as a result of which our business prospects could be adversely affected.

43. ***Our Bank is subject to certain restrictions on account of non-adherence of the listing timeline prescribed by the RBI, which could have an adverse effect on our Bank's business.***

The RBI had, by way of its letter dated July 12, 2018, bearing number DBR.PSBD.NO.341/16.01.060/2018-19, ("**RBI FIHM Approval**") granted its approval to FIHM to acquire up to 51% of the post-issue paid-up share capital of the Bank, subject to certain conditions, including that our Bank shall list its Equity Shares by September 30, 2019. Our Bank had, by way of a letter dated September 19, 2019 bearing number B&S/ 353/ 2019, sought an extension of this timeline to January 31, 2020. The RBI has, by way of its letter dated October 25, 2019 bearing reference number DBR.PSBD.No.3344/16.01.060/2019-20, not acceded to this proposed extension, and, in light of the violation of the timeline set out in the RBI FIHM Approval, has imposed the following restrictions:

- Frozen the remuneration of our Managing Director and Chief Executive Officer at the existing level with immediate effect; and
- Continuation of withdrawal of the general permission to open new branches by our Bank, imposed by way of RBI's letter dated January 30, 2015. For further details in this regard, please refer to "*Risk Factors - We are required to obtain prior permission from the RBI to open new branches"* on page 45 of this Prospectus.

The RBI's letter dated October 25, 2019 also states that further restrictions may be imposed on our Bank if it fails to make satisfactory progress in listing its Equity Shares and that the above restrictions are without prejudice to such other

regulatory and enforcement actions that the RBI may take on account of the aforesaid violation. Any of these restrictions, if and when imposed by the RBI, may have an adverse effect on our Bank's business.

44. ***Any closure of branches or loss of our key branch personnel may adversely affect our ability to build and maintain relationships with our customers, which could adversely affect our business.***

Our business is dependent on our key branch personnel's ability to establish, build, and maintain customer relationships. We encourage dedicated branch personnel to service clients in certain business segments since we believe that this leads to long-term client relationships, a trust-based business environment, and over time, better cross-selling opportunities. While no individual branch manager and no single operating group of managers contribute a meaningful percentage of our business, it may suffer materially if a substantial number of branch managers leave the organization or if some of our branches are closed for any reason beyond our control. For instance, recent floods in the south Indian state of Kerala impacted 12 branches and nine ATMs and caused major disruptions in our operations and adversely affected our business.

45. ***Our risk management policies and procedures may not adequately address unidentified or unanticipated risks. Any inability to develop and implement effective risk management policies may adversely affect our business, prospects, financial condition, and results of operations.***

We have devoted significant resources to developing our risk management policies and procedures and expect to continue to do so in the future. We have policies and procedures in place to measure, manage, and control the various risks to which we are exposed, including (i) Credit Risk Management Policy, (ii) Operational Risk Management Policy, (iii) Outsourcing Policy, and (iv) Business Continuity Plan, that articulate our approach to identification, measurement, monitoring, controlling, and mitigation of various risks associated with our banking operations, in addition to providing certain important guidelines for strict adherence. Our other important risk policies include our Liquidity Management Policy, Market Risk Management Policy, Asset-Liability Management Policy, Credit Policy, Investment Policy, Forex Policy, Recovery Policy, Stress Testing Policy, KYC/AML/CFT Policy, Risk Based Internal Audit Policy, Compliance Policy, Country Risk policy, Model Risk Policy, Risk Management Policy, Reputational Risk Policy, Key Personnel Risk policy, Strategic Risk Policy, Policy on additional provision for standard advances under stressed sector, and Internal Capital Adequacy Assessment Process Policy. The Risk Management Committee of the Board and the Board reviews our risk management policies periodically. Despite this, our policies and procedures to identify, monitor, and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risk are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than the risk exposures indicated by historical measures. As we seek to expand the scope of our operations, we also face the risk of inability to develop risk management policies and procedures that are properly designed for those new business areas in a timely manner. Any inability to develop and implement effective risk management policies may adversely affect our business, prospects, financial condition, and results of operations.

46. ***Our business is highly dependent on our information technology systems, which require significant investment for regular maintenance, upgrades, and improvements. Therefore, if we are unable to adapt to rapid technological changes, or if there is any breach of our information technology systems or any failure of such systems to perform as expected, our business, reputation, and ability to service our customers could be adversely affected.***

Our information technology systems are a critical part of our business that help us manage, among other things, our risk management, regulatory compliance, deposit servicing, and loan origination functions, as well as our increasing portfolio of products and services in all our business segments. In particular, the secure transmission of confidential information is critical to our operations.

Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorised tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in costs for information retrieval and verification. Corruption of certain information could also lead to errors when we provide services to our customers. Any failure on the part of third party vendors under agreements with us to provide products and services, including software that enables our operations, or to appropriately maintain such products and services under annual maintenance contracts, may adversely affect our functioning and operations. In the event of failure on the part of these third party vendors, their liabilities towards us usually do not exceed a certain percentage of the total fee paid by us, and they will not be liable to us for any loss of profits or revenue or any consequential or indirect loss, which in turn exposes us to higher risks in using these software and systems. In addition, we may be subject to liability as a result of any theft or misuse of personal information stored on our systems or on the systems of our outsourcing service providers. Any of these outcomes could adversely affect our business, reputation, and the quality of our customer service.

Our networks and systems may be vulnerable to unauthorised access and other security problems. For instance, on May 24, 2018, Bank's website www.csb.co.in was hacked and the homepage was defaced. Corrective measures were taken

immediately and reported to the RBI. To address these issues and to minimize the risk of security breaches, we employ security systems and firewalls. Despite implementation of these systems, we cannot assure you that our existing security measures will prevent unforeseeable security breaches, including break-ins and viruses, or other disruptions such as those caused by defects in hardware or software and errors or misconduct of operators. Persons who circumvent our security measures could use our clients' confidential information wrongfully or otherwise compromise the integrity of information stored in and transmitted through these computer systems and networks. There can be no assurance that our use of encrypted password-based protections and firewalls are adequate to prevent fraud or invasion or breach of the network by an intruder. Any material security breach or other disruptions could expose us to losses and regulatory actions and may adversely affect our reputation, operations and future financial performance.

Our Bank has set up a disaster recovery site in Tata Communications IDC, White Field, Bengaluru and a specific disaster recovery facility for RTGS transactions in Chennai. The servers are hosted in a caged area with biometric access. The complete data centre is managed using a building management system. Various applications such as core banking solution, internet banking, foreign inward remittance, and ATM switch are deployed in the disaster recovery site. However, any failure in our systems, particularly those utilized for our retail products and services and transaction banking, due to the occurrence of calamities such as floods, fire, earthquakes, and cyclones that affect areas in which we have data recovery sites, could adversely affect our operations and the quality of our customer service.

The reimbursement given to customers of our Bank on account of reporting of unauthorized electronic banking transactions, in accordance with the RBI circular dated July 6, 2017 bearing reference number DBR.No.Leg.BC.78/09.07.005/2017-18, in the past three Fiscals and for the six month period ended September 30, 2019, are as follows:

Fiscal Year	Number of instances of reimbursement given to customers	Amount of reimbursement (in ₹)
For the six month period ended September 30, 2019	6	135,200.00
Fiscal 2019	2	65,000
Fiscal 2018	Nil	Nil
Fiscal 2017	Nil	Nil

Further, our core banking solutions are developed and upgraded in house and are not outsourced to specialized agencies. We need to regularly upgrade and improve our information technology systems, including our software, back-up systems, and disaster recovery operations, at substantial cost so that we remain competitive. Our success will also depend, in part, on us executing our growth strategies for investing in technology as a means of improving our customers' banking experience and on our ability to respond to new technological advances and emerging banking and other financial services industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. The high cost to upgrade and improve our information technology systems, whether to comply with changes in regulatory requirements or to remain competitive or otherwise, could be prohibitive due to the relatively small size of our Bank. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or improving market standards. Any failure to improve or upgrade our information technology systems effectively or in a timely manner could materially and adversely affect our competitiveness, financial condition, and results of operations.

47. ***We have issued Equity Shares during the last one year from the date of filing of this Prospectus at a price that may be lower than the Offer Price.***

During the last one year from the date of filing of this Prospectus, we have issued Equity Shares at a price that may be lower than the Offer Price as detailed in the following table:*

Date of allotment	Number of equity shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons/Nature for allotment
July 12, 2019	5,000,000	10	10	Cash	Preferential allotment to CSB ESOS Trust under the 2019 ESOS Scheme

*66,430,846 warrants were allotted to FIHM on October 19, 2018 and were converted into equal number of Equity Shares on August 7, 2019. Further, the RBI, has through an email on November 11, 2019 sought certain clarifications from our Bank with respect to the allotment of these warrants and the amount received by our Bank pursuant to such allotment, as

well as the filing of form FCGPR with respect to the investment by our Promoter in our Bank. We have responded to the RBI by our letter dated November 12, 2019. In the event the RBI does not find our response satisfactory, it may take action against our Bank, which may have an adverse effect on our Bank's business, financial condition or results of operations. For further details, see "*Capital Structure*" beginning on page 75.

48. *We face significant risks and challenges in developing fee income business, which may affect our business and results of operations.*

As part of our growth strategy, we have been diversifying and expanding our para-banking activities to offer distribution of life insurance and general insurance products and money transfer services through branch channels as well as through direct remittance. Additionally, as part of our banking services, we offer letter of credit, bank guarantees, and forex transaction facilities to our corporate clients. Such products and services entail a number of risks and challenges, including but not limited to the following:

- our inability to understand the preferences of our customers or potential customers and to provide customised solutions;
- inability to attract and retain personnel who are able to implement, supervise, and conduct new businesses;
- insufficient financial and other resources to support an expanded range of products and services;
- failure to obtain additional approvals and licences from regulators, including the RBI and the IRDAI;
- failure of counterparties to our para-banking related agreements in maintaining licenses / registrations or delays in informing us of such failure;
- competition from similar offerings or products and services by our competitors in the banking and non-banking financial services sectors;
- lower growth or profitability potential than we anticipate;
- failure to identify new segments and offer attractive new products and services in a timely fashion, putting us at a disadvantage to our competitors;
- changes in regulations or Government policies that may restrict or cap the interest rates or fees and commissions that we may charge customers in any of our new businesses or compel changes to our business models and viability of our businesses;
- any negative publicity arising due to regulatory or other actions against third parties with whom we are associated and over whom we have no control; and
- inability to respond promptly to new technological developments and to be in a position to dedicate resources to upgrade our systems and compete with new players entering the market.

If we are unable to successfully expand and diversify our products and services, our fee income from such products and services may be less than anticipated, which could have a material adverse effect on our business and financial results.

49. *Any failure or material weakness of our internal control systems or any material damage caused by manifestation of any operational risks which we are subject to, could adversely affect our reputation and profitability.*

Our management is responsible for establishing and maintaining adequate internal measures commensurate with the size of our Bank and complexity of operations. Our Bank's internal inspection/concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to compliance requirements and internal guidelines. During such internal audit, certain material adverse findings were identified in the operations of certain branches of our Bank, in Fiscal 2017, 2018 and 2019 which *inter-alia* are as follows:

- there were instances of fraudulent encashment of cheques/drafts of large value in one current account of co-operative credit society;
- advance were granted against pledge of spurious gold ornaments during previous inspections;
- instances of rise in NPAs;
- fraud was detected in some loan accounts;
- majority of the accounts were running more than six months under lapsed sanction and assets were not insured;
- gold pledge forms and gold packets were not available for verification;
- instances of fraudulent transactions were detected during previous inspection in some educational loan accounts;
- instances of missing of gold loan packets;
- in one account, the statement of account with the previous bank was forged and hence the account in question became NPA within a period of 6 months;

- pledge of spurious gold ornaments in some gold loan accounts was detected;
- instances of fraudulent missing of gold loan packets involving;
- failed to ensure end use of the funds;
- sanctioned additional limits to parties without any genuine business requirement;
- revival letters for some accounts were not in order;
- revival letters were pending to be obtained after expiry of 27 months from the date of documents in some accounts;
- genuineness of the title deed mortgaged;
- fraud was suspected on account of overvaluation of properties by valuers and submission of forged income tax returns by the borrowers with inflated income;
- granting fraudulent loan against third party deposits;
- fraud in gold loan accounts;
- valuation report after completion of 3 years was not obtained; and
- instances of revenue leakage

While we continue to periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from inadequacy or failure of internal processes or systems, and our actions may not be sufficient to result in an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. In addition, certain banking processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer monetary losses.

In the ordinary course of our banking business as well, we experience numerous frauds which are committed against our Bank, by either the employees of our Bank, our customers, or third parties. While we are is required to report each instance of fraud committed against our Bank to the RBI in the prescribed format, we also undertake internal investigations and departmental inquiries, as well as initiate legal action against the responsible parties in certain cases. Despite such actions and insurance coverage, such frauds may not be adequately covered by our insurance and the costs incurred to deal with such frauds and legal proceedings may be significant, thereby adversely affecting our profitability and results of operations. Such instances may also adversely affect our reputation.

50. ***Our Group Company has incurred losses in Fiscals 2017 and 2018 based on the audited financial statements.***

Finsigma Inclusive Services Private Limited ("**Finsigma**"), our Group Company, has incurred losses in Fiscals 2017 and 2018 based on the audited financial statements. The loss figures for the Fiscals 2017 and 2018 are as follows:

(₹ in million)

Particulars	Fiscal	
	2017	**2018**
Loss after tax	(6.62)	(4.10)

We cannot assure you that Finsigma will not incur losses in the future. For further details regarding our Group Company, see "*Our Promoter, Promoter Group and Group Company*" on page 231.

51. ***We are subject to various operational and other risks associated with the financial industry, which, if materialised, may have an adverse impact on our business.***

The proper functioning of our financial control, risk management, accounting, or other data collection and processing systems, together with the communication networks connecting our various branches and offices is critical to our operations and ability to compete effectively. We are exposed to many types of operational risk, including fraud or other misconduct by employees, customers, or outsiders involving our Bank, products and services, documentation, and operations. For instance, in the past, there have been numerous instances where we have had to take disciplinary action against our employees for various reasons, including misappropriation of cash, unauthorised access to our customers' accounts and authentication of fictitious and fraudulent transactions, unauthorised transactions by employees and third parties (including violation of regulations for prevention of corrupt practices and other regulations governing our business activities), unauthorised use of debit cards at ATMs, and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems.

We cannot assure you that any of these events will not happen or we will be able to recover the funds misused or misappropriated if such events occur. Further, we cannot assure you that any such incident will not have an adverse effect

on our reputation. In addition, we may also be exposed to different types of risk during our operations, including but not limited to credit risk, counterparty risk, market risk, liquidity risk, and operational risk.

Further, we outsource certain functions such as CASA account opening processing, physical storage of account opening forms, ATM transaction reconciliation and dispute resolution, cheque truncation system operations, wide area network and data centre management, antivirus and IT support, call centre activities, installation of point-of-sale machines, cash management services, cash loading activities, due diligence of customers, man power outsourcing, direct sale associates, business correspondents, generation of leads on gold loans, switching services, etc. to other agencies and are exposed to the risk that external vendors or service providers may be unable to fulfill their contractual obligations to us. We may also be subject to the risk of fraud or operational errors by their respective employees and to the risk that their (or their vendors') business continuity and data security systems prove to be inadequate. Although we maintain a system of controls designed to keep operational risk at appropriate levels, there can be no assurance that we will not suffer losses from operational risks in future which can have an adverse effect on our business, results of operations, and financial condition.

52. ***We depend on the accuracy and completeness of information about customers and counterparties. Our financial condition and results of operations could be negatively affected by relying on financial statements of customers that do not comply with generally accepted accounting principles or on other information that is incorrect or materially misleading.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of such customers and counterparties, including financial statements and other financial information and opinions on title deeds and valuation of property. We may also rely on certain representations as to the accuracy and completeness of that information. With respect to financial statements, we rely on reports of independent auditors of the borrowers. For instance, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations, and cash flows of that customer. Our financial condition and results of operations could be negatively affected by relying on financial statements of customers that do not comply with generally accepted accounting principles or on other information that is incorrect or materially misleading.

53. ***Our Promoter, FIHM, may not have adequate experience in the business activities undertaken by our Bank.***

Our Promoter, FIHM's principal activity is to achieve long-term capital appreciation, by investing in public and private equity securities and debt instruments. For further details, see "*Our Promoter, Promoter Group and Group Company*" beginning on page 231. Our Bank cannot assure you that the inadequate prior experience of FIHM in our business would not have any adverse impact on the management and/ or operations of our Bank.

54. ***Our ability to pay dividends is restricted.***

In view of losses reported for Fiscals 2017, 2018 and 2019 the Board of Directors did not recommend any dividend on the Equity Shares. Further, there are regulatory restrictions on banks with respect to payment of dividend as well. For instance, under the Banking Regulation Act, subject to certain exceptions, we cannot pay any dividend on the Equity Shares until all our capitalised expenses have been completely written off. Payment of dividend is further governed by the RBI guidelines. As per the RBI guidelines, maximum dividend payout is linked to a matrix of Net NPA percentage and level of CRAR. Further, the Basel III Norms impose additional restrictions on dividend payout. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders. Our ability to pay dividends could also be restricted under certain financing arrangements that we may enter into in the future.

In addition, dividends that we have paid in the past may not be reflective of the dividends that we may pay in the future. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, terms and conditions of our indebtedness, capital expenditures, and regulations. There can be no assurance that we will be able to pay dividends.

55. ***New product and services offered by us may not be successful and we may not grow in any new business area, which may have a material adverse effect on our business, financial condition, or results of operation.***

We may introduce new products and services to explore new business opportunities. For instance, recently we have introduced new products like two wheeler loans, loans in relation to agri-business, and MSME loans. We cannot assure you that all our new products and services will gain customer acceptance and this may result in us incurring pre-operative expenses and launch costs without any assurance that such products will be successful or will attain the desired level of market penetration. Further, our inability to grow in any new business areas could adversely affect our business and financial performance.

56. ***We maintain Nostro accounts with correspondent banks in respective countries for facilitating our foreign exchange operations. In the event that we are unable to open new accounts or continue to maintain existing accounts, for any reason whatsoever, our business, results of operations, and financial condition could be adversely affected.***

We maintain Nostro accounts in foreign currencies with correspondent foreign banks for facilitating our treasury, trade, and remittance transactions. Such accounts facilitate inward and outward remittance, whereby our customers can remit funds to India in any of the currencies for which we have opened such accounts, by instructing their banks to remit the funds to our Nostro account maintained in that particular currency. In case we intend to cater to a different foreign location or currency, we may need to open such Nostro accounts with the correspondent banks in those locations. Opening and maintaining such accounts requires compliance with strict KYC norms and any failure to adhere to such norms may result in the correspondent bank closing these accounts. Further, a correspondent bank may discontinue any of the services that it offers in relation to such accounts which may result in customer dissatisfaction.

Typically, for major currencies with large transactions, we maintain two Nostro accounts with different banks. In the case of currencies where only one Nostro account is maintained, if the correspondent banks fail to maintain or close these accounts, including due to reasons beyond our control, our business, results of operations, and financial condition could be adversely affected.

57. ***Our insurance coverage could prove inadequate to satisfy potential claims. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, results of operations, and financial condition.***

We currently have insurance coverage over our head office, branches, and other offices. We also have standard fire and special perils policy, commercial general liability insurance policy, banker's indemnity policy, and burglary insurance policy which provide coverage to our branches and offices across the country. Further, we have an insurance cover for directors' and officers' liability. While we believe that our insurance coverage is consistent with industry practice in India to cover risks associated with our business, we cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, if at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business and financial condition.

In addition, we cannot be certain that the insurance coverage will be available in sufficient amounts to cover one or more large claims. There have been instances in the past where we have not been able to recover claims from insurance companies towards our monetary claims. We cannot be certain that such rejections of our insurance claims in full or in part, will not be repeated in future, which may have a material adverse effect on our business.

58. ***We may seek growth opportunities through acquisitions or be required to undertake mergers on the recommendation of the RBI, which exposes us to integration and other acquisition risks.***

In 1964 and 1965, our Bank took over the assets and liabilities of six small and medium sized banks located in Kerala. We may seek growth opportunities through acquisitions or be required to undertake mergers recommended by the RBI. In the past, the RBI has ordered mergers of weak banks with other banks primarily in the interest of depositors of the weak banks.

Any future acquisition or merger is subject to risks and uncertainties, some of which are beyond our control, including:

- difficulties in operating the integrated information technology system, electronic banking system, risk management, and other systems;
- challenges in harmonising the two or more corporate cultures;
- difficulties in maintaining asset quality;
- difficulties in leveraging synergies and rationalising operations;
- difficulties in retaining and attracting customers and employees;
- difficulties in developing new skills required for new business and markets; and
- diversion of management's attention required to integrate the two businesses following the acquisition or merger, one or more of which could have an adverse effect on our business.

In addition to the above risks, we cannot assure you that such a merger will be in our interest or will positively impact our growth and performance. Any negative impact of a merger can adversely affect our business, results of operation, and financial condition.

We cannot assure you that the RBI will not recommend to us to undertake mergers in the future, which may have an adverse effect on our business and financial condition.

Further, the Government has expressed a preference for consolidation in the banking sector in India. Mergers among public sector banks may result in enhanced competitive strengths in pricing and delivery channels for merged entities. If there is liberalisation of the rules for foreign investment in private sector banks, this could result in consolidation in the banking sector. Our Bank may face greater competition from larger banks as a result of such consolidation, which may adversely affect our Bank's future financial performance.

59. *Third party industry and statistical data in this Prospectus may be incomplete or unreliable. Thus, we are not able to guarantee the accuracy of third party information.*

Statistical and industry data used in this Prospectus has been obtained from various government and industry publications. Neither we nor the Book Running Lead Managers have independently verified the data obtained from official and industry publications and other sources referred to in this Prospectus, and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy, and the industries in which we currently operate are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. For further details, see "*Industry Overview*" beginning on page 115.

60. *The objects of the Offer for which the funds are being raised have not been appraised by any bank or financial institutions. Further, the deployment of the Net Proceeds is at the discretion of our Bank and is not subject to monitoring by any independent agency.*

The objects of the Offer have not been appraised by any bank or financial institution. As we are a bank, in accordance with Regulation 41 of the SEBI ICDR Regulations, there is no requirement for appointment of a monitoring agency. Hence, deployment of Net Proceeds will be at the discretion of our Bank in terms of the objects of the Offer as disclosed on page 98 of this Prospectus. However, it will not be subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor the deployment of the Net Proceeds in a manner similar to that of a monitoring agency.

61. *Our Bank may face cyber threats attempting to exploit its network to disrupt services to customers and/or theft of sensitive internal data of our Bank or customer information. This may cause damage to our reputation and adversely impact our business and financial results.*

Our Bank offers internet banking services to its customers. Our internet banking channel includes multiple services such as electronic funds transfer, bill payment services, mobile recharge, online generation of account statements, balance enquiry, cheque book request, online credit card payments, and other utility payments. Our Bank is therefore exposed to various cyber threats including (i) phishing and trojans targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt exfiltration of account sensitive information; (ii) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to it by disrupting services; and (iii) data theft, wherein cyber criminals may attempt to enter our Bank's network with the intention of stealing its data or information. In addition, we also face the risk of our customers incorrectly blaming us and terminating their accounts with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party.

For instance, on May 24, 2018, the website of our Bank, www.csb.co.in was hacked. The homepage was defaced by a group called Anonplus Italia. Remedial measures were taken by our Bank immediately and assessment of content damage was carried out. The incident was reported to the RBI.

Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability. If our Bank is unable to prevent such cyber security breaches, it may have a material and adverse effect on our business, reputation, financial condition, and results of operations.

EXTERNAL RISK FACTORS

Risks Relating to Regulations

62. ***The new taxation system could adversely affect our Bank's business.***

Three major reforms in Indian tax laws have recently been enacted, namely, central, state and interstate GST laws, the GAAR, and safe harbour rules:

- The Government of India has introduced a comprehensive national GST regime that combines taxes and levies by the central and state governments into a unified rate structure. Given that this law has been introduced recently, we are unable to assess how GST will impact our results of operations.

- The provisions of the GAAR have come into effect from the beginning of Fiscal 2017. The GAAR provisions are intended to catch arrangements declared as 'impermissible avoidance arrangements', which is defined in the Income Tax Act as any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arms-length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee, that is, an arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit. With the GAAR provisions coming into force, the tax authorities have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty.

- We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

Similarly, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for India companies from 34.94% to approximately 25.17%. Should our Bank opt in favor of this new voluntary concessional tax regime, the results of operations of our Bank may be negatively impacted during the relevant transition year. Our Bank is currently in the process of evaluating the potential impacts of this tax election and has not yet made a decision regarding this matter.

Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

63. ***RBI guidelines relating to prompt corrective action could materially and adversely affect our business, future financial performance, and results of operations.***

On April 13, 2017, the RBI revised the PCA framework for banks. The new PCA framework has stipulated thresholds for capital ratios, NPAs, profitability, and leverage for banks. When the PCA framework is triggered, the RBI would have a range of discretionary actions it can take to address the outstanding issues. These discretionary actions include conducting special supervisory meetings, conducting reviews, inspections, and special audits of the bank, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, imposing restrictions on directors' or management's compensation, as applicable, removing of managerial persons, and superseding the board of directors. If we were to violate the RBI's rules and regulations and are brought under the PCA framework, it could materially and adversely affect our business, financial condition, results of operations, and cash flows.

64. *The RBI guidelines relating to Revised Framework for resolution of stressed assets may impact the profitability of our Bank.*

Pursuant to the Revised Framework, the RBI has established a new regulatory framework for resolution of stressed assets, according to which banks must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention accounts. The banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to, within a period of 30 days from the date of such default ("**Review Period**"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings for insolvency or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and such inter-creditor agreement should also provide that decisions by lenders representing 75% by value of outstanding facilities (fund based as well as non-fund based) and 60% by number shall bind all lenders party to the inter-creditor agreement. The resolution plan is required to be implemented within 180 days from the end of the Review Period. Depending on the aggregate exposure of the borrower towards the lenders, the Review Period is required to commence by a specified date, as set out in the Revised Framework.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the prescribed timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions of (i) 20%, if the resolution plan is not implemented within 180 days from the end of the Review Period; (ii) 15% (i.e. total additional provisioning of 35%), if the resolution plan is not implemented within 365 days from the commencement of the Review Period. Further, any action by banks with an intent to conceal the actual status of accounts or to evergreen the stressed accounts, will be subjected to stringent supervisory / enforcement actions as deemed appropriate by the RBI, including, but not limited to, higher provisioning on such accounts and monetary penalties. The banks shall make appropriate disclosures in their financial statements, under 'Notes on Accounts', relating to resolution plans implemented.

In the event our Bank is unable to implement resolution plans or fails to initiate legal proceedings for insolvency or recovery within the prescribed timelines or at all, our Bank may be subject to further provisioning requirements or any other supervisory/enforcement action, as may be deemed appropriate by the RBI, which may have a material and adverse effect on our business, financial condition, and results of operations. For further details, see "*Key Regulations and Policies in India*" beginning on page 183.

65. *Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are subject to comprehensive sanctions and with certain persons or businesses that have been specially designated by the Office of Foreign Asset Control ("**OFAC**") or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

We provide transfer, settlement, and other services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iraq. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. or other sanctions.

66. *RBI may remove any employee, managerial personnel or may supersede our Board of Directors in certain circumstances which may materially affect our business, results of operations, and financial conditions.*

The Banking Regulation Act confers powers on the RBI to remove from office any directors, chairman, chief executive officer, or other officers or employees of a bank in certain circumstances. The RBI also has the powers to supersede the board of directors of a bank and appoint an administrator to manage the bank for a period of up to six months, which may exceed up to 12 months in certain circumstances. The RBI may exercise powers of supersession where it is satisfied, in consultation with the Central Government that it is in the public interest to do so, to prevent the affairs of any bank from being conducted in a manner that is detrimental to the interest of the depositors, or for securing the proper management of any bank. Should any of the steps as explained herein are taken by the RBI against our Bank, our business, results of operations, and financial conditions would be materially and adversely affected.

Risks Relating to India

67. *Financial instability in other countries may cause increased volatility in Indian financial markets which could harm our business, our future financial performance, and the prices of the Equity Shares.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets, and indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance, and the prices of the Equity Shares.

68. *We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially and adversely affect our business, results of operations, financial condition, cash flows, and the price of the Equity Shares.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are to be listed on the BSE and the NSE. Consequently, our business, operations, financial performance, and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, imposition of currency controls, and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India, and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health issue in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulations, including in relation to interest rate movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- logistical and communication challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- occurrence of natural calamities and force majeure events;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or on a timely basis; and

- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty in enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

69. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

Flows to foreign exchange reserves can be volatile. There can be no assurance that India's foreign exchange reserves will not decrease in the future. Further, decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition, and results of operations.

Risks Relating to the Equity Shares

70. ***Financial difficulty and other problems in certain financial institutions in India could materially and adversely affect our business and the price of our Equity Shares.***

We are exposed to the risks of the Indian financial system by being a part of the system. The financial difficulties faced by certain Indian financial institutions may be closely related to the commercial soundness of other financial institutions as a result of credit, trading, clearing or other relationships. Such systemic risk may materially and adversely affect financial intermediaries, such as clearing agencies, banks, securities firms, and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and materially and adversely affect our business. Our transactions with these financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

71. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹ 0.1 million arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

72. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles, the instructions issued by the RBI, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a bank or corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholder than as a shareholder of a bank or corporate entity in another jurisdiction.

73. ***You will not, without prior RBI approval, be able to acquire Equity Shares if such acquisition would result in an individual or group holding 5.00% or more of our share capital or voting rights. Further, Foreign investment in our Bank may be restricted due to regulations governing aggregate foreign investment in the Bank's paid-up Equity Share capital.***

The Banking Regulation Act read with the Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector banks) Directions, 2015, as amended, requires any person to seek prior approval of the RBI to acquire or agree to acquire shares or voting rights of a bank, either directly or indirectly, beneficial or otherwise, by

himself or acting in concert with other persons, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in the aggregate shareholding of such persons to be 5.00% or more of the paid-up share capital of a bank or entitles him to exercise 5.00% or more of the voting rights in a bank. Further, acquisition of shareholding in a private sector bank shall be subject to the applicable FDI Policy, with the aggregate foreign investment in private sector banks not exceeding 74% of the paid-up equity share capital.

Accordingly, any acquisition of shareholding/voting rights of 5.00% or more of the paid-up capital of the Bank or total voting rights of the Bank shall be subject to obtaining prior approval from the RBI. Such approval may be granted by the RBI if it is satisfied that the applicant meets certain fitness and propriety tests. The RBI may require the proposed acquirer to seek further RBI approval for subsequent acquisitions. Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of our total voting rights from exercising voting rights in excess of 5.00%, if such person is deemed to be not fit and proper by the RBI. The aforementioned regulatory framework could adversely affect the liquidity and free transferability of the Equity Shares, and in turn have an adverse effect on the price of the Equity Shares. For further details, see "*Key Regulations and Policies in India*" and "*Terms of the Offer*" beginning on pages 183 and 614, respectively.

74. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

75. *We may decide not to proceed with the Offer at any time before Allotment. If we decide not to proceed with the Offer after the Bid/Offer Opening Date but before Allotment, the refund of application amounts deposited will be subject to us complying with our obligations under applicable laws.*

We, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time before the Allotment. If we withdraw the Offer after the Bid/Offer Opening Date, we will be required to refund all Bid Amounts deposited and shall be required to pay interest / penalty, as specified under SEBI ICDR Regulations or the Companies Act, on the Bid Amounts received if refunds are not made within the stipulated time from the Bid/Offer Closing Date. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Bank shall apply for after Allotment, and (ii) the final RoC approval.

76. *Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Bank, including a primary offering, may lead to the dilution of investors' shareholdings in our Bank. Any future issuances of Equity Shares or the disposal of Equity Shares by our shareholders or the perception that such issuance or sale may occur, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences, including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

SECTION III: INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Information as of and for the six month period ended September 30, 2019 and for the years ended March 31, 2019, March 31, 2018 and March 31, 2017.

The summary financial information presented below should be read in conjunction with "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 237 and 403, respectively.

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CSB BANK LTD
SUMMARY OF FINANCIAL INFORMATION
Summary Statement of Assets & Liabilities as Restated

(₹ in Million)

S. NO.	PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
A.	**ASSETS**				
1	**Cash in Hand**	505.94	549.48	584.28	549.22
2	**Balance with RBI**	7,057.92	6,229.47	6,669.77	6,512.84
3	**Balance with Banks**				
	In India	576.43	187.94	128.05	88.33
	Outside India	191.21	274.65	104.20	1,011.10
4	**Money at Call & Short Notice**	3,780.00	4,909.80	2,250.00	-
5	**Investments**				
	In India Gross Investment	57,771.10	41,629.52	41,118.14	43,972.35
	Less: Provision for NPA Investment	-	-	-	-
	Less: Depreciation on Investment	479.29	796.60	842.02	831.32
	In India Net Investment	57,291.81	40,832.92	40,276.12	43,141.03
	Outside India	-	-	-	-
6	**Advances**				
	In India	80,007.80	91,848.53	1,06,152.37	1,12,978.35
	Outside India	-	-	-	-
7	**Fixed Assets**	2,152.61	2,161.17	2,177.29	2,156.27
	Less: Revaluation Reserve	1,639.59	1,594.67	1,578.25	1,571.13
	Net Fixed Assets	513.02	566.50	599.04	585.14
8	**Other Assets**	9,712.23	10,582.50	10,769.50	11,117.64
	Less: Intangible Assets and Deferred Tax Asset	1,936.11	2,635.18	2,998.73	2,751.07
	Net Other Assets	7,776.13	7,947.33	7,770.77	8,366.57
	TOTAL (A)	**1,57,700.26**	**1,53,346.62**	**1,64,534.60**	**1,73,232.58**
B.	**LIABILITIES**				
1	**DEPOSITS**				
	Demand Deposit				
	From Banks	6.34	5.15	5.28	13.43
	From Others	6,071.17	6,276.31	6,165.59	6,580.47
2	**Saving Deposits**	30,868.32	33,425.08	35,934.99	37,125.25
3	**Term Deposits from Banks**	183.40	58.94	1,900.54	1,829.99
	Term Deposits from others	1,11,986.40	1,07,141.01	1,07,232.33	1,09,549.06
4	**Borrowings**				
	In India	-	-	-	-
	Outside India	-	-	-	-
	Subordinate Debts(Tier-II Bonds)	418.00	418.00	-	-
5	Other Liabilities & Provisions	2,705.17	2,485.70	3,555.92	2,774.47
	TOTAL (B)	**1,52,238.80**	**1,49,810.19**	**1,54,794.65**	**1,57,872.67**
C.	**NET WORTH (A-B)**	**5,461.46**	**3,536.43**	**9,739.95**	**15,359.91**

(₹ In Million)

S.NO.	PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
D.	**Share Capital**	**810.14**	**810.14**	**859.72**	**1,722.77**
	Equity Share Capital	810.14	810.14	859.72	1,722.77
	Share Warrant *(Refer Note 1.1 of Notes to Accounts of FY 2018-19)*			6,513.41	-
E.	**RESERVE & SURPLUS**				
1	Statutory Reserve	1,467.56	1,467.56	1,467.56	1,467.56
2	Capital Reserve	717.31	717.31	717.31	720.49
3	Revaluation Reserve	1,639.59	1,594.67	1,578.25	1,571.13
4	Share Premium	6,475.08	6,475.08	7,119.63	17,689.27
5	Revenue & Other Reserve	1,139.30	1,184.22	1,200.64	1,207.76
6	Balance of Profit & Loss Account	-	-	-	-
	TOTAL	**11,438.84**	**11,438.84**	**12,083.39**	**22,656.21**
	Less: Revaluation Reserve	1,639.59	1,594.67	1,578.25	1,571.13
	Less: Intangible Assets and Deferred Tax Asset	1,936.11	2,635.18	2,998.73	2,751.07
	Less: Profit & Loss (Dr.)	3,211.82	4,482.70	5,139.59	4,696.87
	TOTAL (E)	**4,651.32**	**2,726.29**	**2,366.82**	**13,637.14**
	NET WORTH (D+E)	**5,461.46**	**3,536.43**	**9,739.95**	**15,359.91**

The summary statement of assets and liabilities as restated should be read along with the significant accounting policy and notes on accounts.

Refer to our report of even date
For R G N Price & Co
Chartered Accountants
FRN No:002785S

C.VR. Rajendran
Managing Director & CEO

P.M Veeramani, Partner
M. No 23933

Sijo Varghese
Company Secretary

V.Maheswari
Chief Financial Officer

Place: Thrissur
Date: 17.10.2019

Summary Statement of Restated Profit & Loss Account

(₹ in Millions)

S No.	Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
A.	**INCOME**				
1	**Interest Earned**	**13,362.95**	**12,968.06**	**13,475.15**	**7,322.98**
1.1	Interest & Discount on advance/bills	8,808.80	9,128.14	9,686.17	5,631.33
1.2	Income on Investment	4,125.60	3,362.04	3,473.69	1,534.01
1.3	Interest on balance with RBI & other Inter Bank Lending	26.94	59.38	23.65	24.67
1.4	Interest - Others	401.61	418.50	291.64	132.97
2	**OTHER INCOME**	**2,812.01**	**1,254.20**	**1,359.18**	**844.16**
2.1	Commission, Exchange & Brokerage	204.93	233.55	272.42	137.09
2.2	Profit on sale of Investments(Net)	1,959.06	27.25	80.06	129.58
2.3	Profit on sale of land, building & other assets (Net)	(2.76)	15.27	(7.52)	(3.73)
2.4	Profit on exchange transaction(Net)	93.42	88.05	70.47	37.30
2.5	Miscellaneous Income	557.36	890.08	943.75	543.92
	TOTAL INCOME	**16,174.96**	**14,222.26**	**14,834.33**	**8,167.14**
B.	**EXPENDITURE**				
1	**Interest Expended**	**10,226.94**	**9,120.00**	**9,075.61**	**4,527.77**
1.1	Interest on Deposits	10,041.47	8,972.59	8,618.27	4,483.05
1.2	Interest on RBI/Inter Bank borrowings	92.73	49.30	314.88	17.76
1.3	Others	92.74	98.11	142.46	26.96
2	**Operating Expenses**	**4,430.89**	**4,358.99**	**5,625.14**	**2,603.62**
2.1	Payment to & provision for employees	2,935.81	2,869.05	3,844.30	1,681.43
2.2	Rent, Tax & Lighting	414.62	459.07	505.86	277.99
2.3	Printing & Stationery	45.87	35.28	40.35	20.89
2.4	Advertisement & Publicity	8.59	17.22	7.75	3.39
2.5	Depreciation on Banks Properties /Assets	149.28	155.71	165.33	100.01
2.6	Director's fees, allowances and expenses	14.27	10.16	7.68	3.73
2.7	Auditor's Fees & Expenses	17.83	15.88	18.36	8.40
2.8	Law Charges	19.58	25.63	31.61	11.63
2.9	Postage, Telegrams, Telephones etc.	88.60	84.42	97.42	50.10
2.10	Repairs & Maintenance	69.98	76.33	85.08	45.48
2.11	Insurance	153.49	159.25	165.56	86.53
2.12	Other Expenditure	512.97	450.99	655.84	314.04
	TOTAL EXPENDITURE	**14,657.83**	**13,478.99**	**14,700.75**	**7,131.39**
C.	**Operating Profit (before Extra Ordinary Items and Provision & Contingencies)**	**1,517.13**	**743.27**	**133.58**	**1,035.75**

(₹ in Millions)

S No.	Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
	Add/(less): Extra Ordinary Items net of taxes	-	-	-	-
	Less: Provisions & Contingencies (other than Provision for Tax)	2,521.56	2,692.20	1,109.66	346.41
D.	**Profit Before Tax**	**(1,004.43)**	**(1,948.93)**	**(976.08)**	**689.34**
	Provision for Tax including deferred tax	(424.52)	(678.05)	(319.19)	246.62
E.	**Net Profit after tax**	**(579.91)**	**(1,270.88)**	**(656.89)**	**442.72**
	Adjustment for Profit/ Loss Brought Forward	(2,616.37)	(3,211.82)	(4,482.70)	(5,139.59)
F.	**Profit available for appropriation**	**(3,196.28)**	**(4,482.70)**	**(5,139.59)**	**(4,696.87)**
a)	Statutory Reserve	3.89	-	-	-
b)	Capital Reserve	11.65	-	-	-
c)	General Reserve	-	-	-	-
d)	Revenue & Other Reserve	-	-	-	-
e)	Charity Fund	-	-	-	-
f)	Deferred Tax Liability	-	-	-	-
g)	Dividend (excluding dividend tax)	-	-	-	-
h)	Tax on Dividend	-	-	-	-
i)	Adjustment of Depreciation as per Companies Act,2013	-	-	-	-
j)	Balance of Profit carried forward	(3,211.82)	(4,482.70)	(5,139.59)	(4,696.87)
	TOTAL	**(3,196.28)**	**(4,482.70)**	**(5,139.59)**	**(4,696.87)**

The summary statement of restated profit and loss account should be read along with the significant accounting policy and notes on accounts

Refer to our report of even date
For R G N Price & Co
Chartered Accountants
FRN No:002785S

C.VR. Rajendran
Managing Director & CEO

Sijo Varghese
Company Secretary

P.M Veeramani, Partner
M. No 23933

V.Maheswari
Chief Financial Officer

Place: Thrissur
Date: 17.10.2019

Statement of Cash Flows as Restated

(₹ in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before Tax	(1,004.43)	(1,948.93)	(976.08)	689.33
Adjustments for:				
Depreciation on Fixed Assets	121.50	118.42	121.71	75.08
Amortisation of Intangible Assets	27.78	37.28	43.61	24.93
Provisions and Contingencies	2,521.56	2,692.20	1,109.66	346.40
Interest on Tier II Bonds	50.56	50.65	50.71	-
Others	4.74	(8.15)	6.62	3.81
Operating Profit before working capital changes	1,721.71	941.47	356.23	1,139.55
Adjustments for				
Deposits	4,731.58	(2,209.13)	4,332.24	3,859.47
Borrowings	-	-	-	-
Other Liabilities	(107.64)	(212.98)	908.58	(802.04)
Investments	2,419.35	16,139.78	510.91	(2,888.92)
Advances	(4,477.58)	(14,219.38)	(15,204.88)	(7,124.58)
Other Assets	(291.89)	(178.30)	253.92	(367.64)
Cash (used in) / generated from Operating Activities	**3,995.53**	**261.46**	**(8,843.00)**	**(6,184.16)**
Direct Taxes Paid (Net of refunds)	(41.29)	6.96	(89.44)	(225.74)
Net Cash (used in) / generated from Operating Activities (A)	**3,954.24**	**268.42**	**(8,932.44)**	**(6,409.90)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets and Intangible Assets	(173.72)	(223.68)	(226.51)	(85.96)
Sale of Fixed Assets	3.81	45.75	5.10	1.75
Net Cash used in Investing Activities (B)	**(169.91)**	**(177.93)**	**(221.41)**	**(84.21)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Equity Share Capital	92.54	-	49.58	198.74
Proceeds from Share Premium	1,022.27	-	644.54	1,933.63
Proceeds from issue of Equity Share Warrants			6,513.41	2,786.91
Issue / (Redemption) of Tier II Bonds	-	-	(418.00)	-
Interest Paid on Tier II Bonds	(50.56)	(50.65)	(50.71)	-
Dividend paid (including Tax on Dividend)	-	-	-	-
Net Cash generated / (used in) financing activities (C)	**1,064.25**	**(50.65)**	**6,738.82**	**4,919.28**

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	4,848.58	39.84	(2,415.03)	(1,574.83)
Cash and Cash Equivalents at the beginning of the Year	7,262.92	12,111.50	12,151.34	9,736.31
Cash and Cash Equivalents at the end of the Year	12,111.50	12,151.34	9,736.31	8,161.48
Net increase /(decrease) disclosed as above	4,848.58	39.84	(2,415.03)	(1,574.83)

The statement of cash flows as restated should be read along with the significant accounting policy and notes on accounts.

Refer to our report of even date
For R G N Price & Co
Chartered Accountants
FRN No:002785S

C.VR. Rajendran
Managing Director & CEO

P.M Veeramani, Partner
M. No 23933

Sijo Varghese
Company Secretary

V.Maheswari
Chief Financial Officer

Place: Thrissur
Date: 17.10.2019

THE OFFER

The following table summarises the Offer:

Offer	21,009,067* Equity Shares, aggregating to ₹ 4,096,768,065*
comprising of	
Fresh Issue[(1)]	Fresh Issue of 1,230,769* Equity Shares aggregating to ₹ 239,999,955*.
Offer for Sale[(2)]	Offer for Sale of 19,778,298 Equity Shares aggregating to ₹ 3,856,768,110*.
The Offer consists of:	
A) QIB Portion[(3)(4)]	15,756,801* Equity Shares
of which:	
(i) Anchor Investor Portion	9,454,080* Equity Shares
of which:	
Available for allocation to Mutual Funds only	3,151,360* Equity Shares
Balance for all QIBs including Mutual Funds	6,302,720* Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	6,302,721* Equity Shares
of which:	
(a) Mutual Fund Portion	315,136* Equity Shares
(b) Balance for all QIBs including Mutual Funds	5,987,585* Equity Shares
B) Non-Institutional Portion	3,151,360* Equity Shares
C) Retail Portion	2,100,906* Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	172,225,058 Equity Shares
Equity Shares outstanding after the Offer	173,455,827* Equity Shares
Utilisation of Net Proceeds	Please See "*Objects of the Offer*" beginning on page 98 for information about the use of the Net Proceeds. Our Bank will not receive any proceeds from the Offer for Sale.

**Subject to finalisation of the Basis of Allotment.*

(1) The Offer has been authorised by our Board pursuant to its resolution dated March 6, 2019 and by our Shareholders pursuant to their resolution dated May 4, 2019 passed by way of postal ballot.

(2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 604.

(3) Our Bank, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion was accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was allocated on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was allocated on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 622.

(4) Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in Non-Institutional Portion and Retail Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Bank, in consultation with the BRLMs and the Designated Stock Exchange.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, was made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 622 and "*Terms of the Offer*" on page 614.

GENERAL INFORMATION

Our Bank was incorporated on November 26, 1920 under the Indian Companies Act, 1913 as 'The Catholic Syrian Bank Limited'. A fresh certificate of incorporation under the Companies Act, 1956 was issued by the Registrar of Companies, Kerala at Ernakulum ("**RoC**") on April 14, 1987. The Shareholders of our Bank approved the change of the name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited' through a postal ballot resolution dated May 4, 2019. RBI through its letter bearing reference number DBR.PSBD.No.8231/16.01.060/2018-19 dated April 1, 2019, conveyed its 'no objection' in terms of Section 49B of the Banking Regulation Act to change of name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. Consequently, a fresh certificate of incorporation under the Companies Act, 2013 was issued by the RoC on June 10, 2019. RBI, vide its letter dated June 28, 2019, has granted a fresh license to our Bank to carry on banking business in India under the new name, in lieu of the previous license dated June 19, 1969, consequent to the change of name of our Bank. The name of our Bank was changed to 'CSB Bank Limited' from "The Catholic Syrian Bank Limited", in the second schedule of the RBI Act with effect from June 10, 2019.

The company registration number of our Bank is 000175 and our CIN is U65191KL1920PLC000175. Our Bank is registered with the Registrar of Companies, Kerala at Ernakulam, located at Registrar of Companies, Company Law Bhawan, BMC Road, Thrikkakara, Kochi 682021.

Registered and Corporate Office

CSB Bank Limited
(Formerly known as The Catholic Syrian Bank Limited)
'CSB Bhavan', Post Box No. 502
St. Mary's College Road
Thrissur 680 020
Kerala, India
Telephone no.: +91 487 2333 020; +91 487 2338 764

Board of Directors

The Board of Directors of our Bank comprises the following:

Name	Designation	DIN	Address
Mr. Madhavan Karunakaran Menon	Part – time Chairman and Non-executive Director	00008542	Flat No.702, Supreme Pearl, 17th Road, Khar (West), Mumbai - 400 052
Mr. Rajendran Chinna Veerappan	Managing Director and Chief Executive Officer	00460061	Flat No. 1053, 5th floor, Sobha Topas, Sobha City, Puzhakkal, Thrissur – 680 553
Mr. Sumit Maheshwari	Non – executive Director	06920646	Plot No. 8, Road No. 6, Sector No. 19, New Panvel, Navi Mumbai 410 206
Mr. Thomas Mathew	Independent Director	01277149	801/A, 8th Floor, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalakshmi, Mumbai - 400 011
Ms. Bhama Krishnamurthy	Independent Director	02196839	Flat No. 401, 4th Floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai - 400 025
Mr. Aravamuthan Madhavan	Independent Director	01865555	1A, Svethaa, 2/15, 9th Cross Street, Shastri Nagar, Adyar, Chennai – 600 020
Mr. Syed Nagoor Ali Jinnah	Independent Director	05238633	The Habiba, 10, GN Main Street, New Selvam Nagar, Trichy - 620 001

For further details in relation to our Directors, see "*Our Management*" beginning on page 206.

Company Secretary and Compliance Officer

Mr. Sijo Varghese is the Company Secretary and Compliance Officer. His contact details are as follows:

Mr. Sijo Varghese
'CSB Bhavan', Post Box 502
St. Mary's College Road
Thrissur 680 020
Kerala, India
Telephone no.: +91 487 6619 228

E-mail: investors@csb.co.in

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the names and addresses of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Book Running Lead Managers

Axis Capital Limited
1st floor, Axis House,
C-2 Wadia International Centre
Pandurang Budhkar Marg
Mumbai 400 025
Telephone no.: +91 22 4325 2183
E-mail: csb.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Ms. Simran Gadh
SEBI registration no.: INM000012029

IIFL Securities Limited*

10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Telephone no.: +91 22 4646 4600
E-mail: csb.ipo@iiflcap.com
Investor grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact person: Mr. Pinak Bhattacharyya / Mr. Ujjaval Kumar
SEBI registration no.: INM000010940
**IIFL Securities Limited is involved as merchant banker only in marketing of the Offer.*

Inter-se Allocation of Responsibilities among the BRLMs

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
2.	Due diligence of our Bank's's operations/management/business /legal etc., drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, abridged prospectus and application form. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of the Red Herring Prospectus, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
3.	Drafting and approval of statutory advertisement	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
4.	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	Axis Capital Limited, IIFL Securities Limited*	IIFL Securities Limited
5.	Appointment of Registrar to the Offer, Printers, Banker(s) to the Offer, Advertising agency etc (including coordinating all agreements to be entered with such parties)	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
6.	Preparation of road show presentation	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
7.	Preparation of FAQs for the road show team	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
8.	International institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
9.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules	Axis Capital Limited, IIFL Securities Limited*	IIFL Securities Limited
10.	Conduct non-institutional marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing and public relations strategy • Formulating strategies for marketing to Non-Institutional Bidders	Axis Capital Limited, IIFL Securities Limited*	IIFL Securities Limited
11.	Conduct retail marketing of the Offer, which will cover, *inter-alia*: • Finalising media, marketing, public relations strategy and publicity budget including list of	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited

Sr. No.	Activity	Responsibility	Co-ordinator
	frequently asked questions at retail road shows • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material		
12.	Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to the designated stock exchange	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
13.	Managing the book and finalization of pricing in consultation with our Bank	Axis Capital Limited, IIFL Securities Limited*	Axis Capital Limited
14.	Post-issue activities, which shall involve essential follow-up steps including: • Follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. including responsibility for underwriting arrangements, as applicable. • Payment of the applicable Securities Transaction Tax ("**STT**") on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004 • Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI	Axis Capital, IIFL Securities Limited*	Axis Capital Limited

**IIFL Securities Limited is involved as merchant banker only in marketing of the Offer.*

Legal counsel to our Bank as to Indian Law

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Telephone no.: +91 22 6639 6880

Legal counsel to the BRLMs as to Indian Law

L&L Partners
(*Formerly known as Luthra and Luthra Law Offices*)
1st and 9th floor
Ashoka Estate, Barakhamba Road
New Delhi 110 001
Telephone no.: +91 11 41215100

Legal counsel to the Selling Shareholders as to Indian Law

AZB & Partners
7th Floor, Embassy Icon
Infantry Road
Bangalore 560 001
Telephone no.: +91 80 4240 0500

Special purpose international legal counsel to the BRLMs

Squire Patton Boggs Singapore LLP
10 Collyer Quay
#03-01/02 Ocean Financial Centre
Singapore 049 315
Republic of Singapore
Telephone no.: +65 6922 8668

Statutory Auditors to our Bank

R.G.N. Price & Co., Chartered Accountants
G-234
Panampally Nagar
Kochi 682 036
Telephone no.: +91 484 2312960
E-mail: priceco@rgnprice.com
ICAI firm registration No.: 002785 S
Peer review certificate No.: 011628

Changes in the auditors

There has been no change in the statutory auditors of our Bank in the last three Fiscals.

Registrar to our Bank

S.K.D.C. Consultants Limited
"Kanapathy Towers", 3rd Floor
1391/A-1, Sathy Road
Ganapathy Post, Coimbatore 641 006
Telephone no.: +91 422 4958 995 / 2539 835 / 836

E-mail: info@skdc-consultants.com
Investor grievance e-mail: info@skdc-consultants.com
Website: www.skdc-consultants.com
Contact person: Mr. K. S. Ramachandran
SEBI registration no.: INR000000775

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bhadur Shastri Marg, Vikhroli (West)
Mumbai 400 083
Telephone no.: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: csb.ipo@linkintime.co.in
Investor grievance e-mail: csb.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Ms. Shanti Gopalkrishnan
SEBI registration no.: INR000004058
CIN: U67190MH1999PTC118368

Escrow Collection Bank/ Refund Bank/Public Offer Account Bank and Sponsor Bank

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai 400020
Telephone no.: +91 22 6681 8911/23/24
Fax: +91 22 261 1138
E-mail: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact person: Mr. Saurabh Kumar
SEBI registration no.: INBI00000004

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process 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 at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time or any such other website as may be prescribed by SEBI 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 at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or any such other website as may be prescribed by SEBI from time to time.

In relation to the RIIs using the UPI Mechanism, the list of branches of the SCSBs is available on the website of SEBI at https://www.sebi.gov.in or such other website as updated from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com and https://www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

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 http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

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 http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Expert to the Offer

Except as stated below, our Bank has not obtained any expert opinions:

Our Bank has received written consent dated November 13, 2019 from the Statutory Auditors namely, M/s. R.G.N. Price & Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under

Section 26(5) of the Companies Act, 2013 in this Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the report dated October 17, 2019, on the Restated Financial Statements and the statement of special tax benefits dated November 13, 2019, included in this Prospectus. Such consent has not been withdrawn up to the date of this Prospectus.

Monitoring agency

In terms of the proviso to Regulation 41(1) of the SEBI ICDR Regulations, our Bank has not appointed a monitoring agency for the Offer.

As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilisation of the proceeds of the Fresh Issue. We will disclose the utilisation of the proceeds of the Fresh Issue under a separate head along with details, if any in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Offer in our balance sheet for the relevant Financial Years.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Trustees

As this is an offer of Equity Shares, no trustee has been appointed for the Offer.

Green shoe option

A green shoe option is not contemplated to be undertaken by our Bank.

Filing of this Prospectus

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, 7th Floor, Overseas Towers, 756-L, Anna Salai, Chennai 600 002, Tamil Nadu on August 9, 2019 and simultaneously through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be filed, was filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of this Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed with the RoC situated at the address mentioned below.

Registrar of Companies, Kerala at Ernakulum
Company Law Bhawan, BMC Road
Thrikkakara
Kochi 682 021

Book Building Process

The book building process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Form within the Price Band, which was decided by our Bank in consultation with the BRLMs, and advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), all Kerala editions of Deepika (a widely circulated Malayalam newspaper, Malayalam also being the regional language of Kerala where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price was determined by our Bank in consultation with the BRLMs after the Bid/ Offer Closing Date.

All Bidders except Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the Retail Individual Bidders may participate through the ASBA process by either; (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or; (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Buyers will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 614 and 622, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after this Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Bank shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" beginning on page 622.

Underwriting Agreement

Our Bank and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated November 27, 2019. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters shall be several and shall be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriters	**Indicative Number of Equity Shares to be Underwritten**	**Amount Underwritten (₹ in millions)**
Axis Capital Limited 1st floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Mumbai 400 025 **Telephone no.:** +91 22 4325 2183 **E-mail:** csb.ipo@axiscap.in	10,504,534	2,048.38
IIFL Securities Limited* 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai – 400 013 **Telephone no.:** +91 22 4646 4600 **E-mail:**csb.ipo@iiflcap.com	10,504,533	2,048.38

**IIFL Securities Limited is involved as a merchant banker only in marketing of the Offer.*

The above-mentioned under-writing commitment is indicative and will be finalised after finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors, at its meeting held on November 27, 2019, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Bank.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The share capital of our Bank, as of the date of this Prospectus, before and duly adjusted for the Offer, is set forth below:

		Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹)[1]
A	**AUTHORIZED SHARE CAPITAL**		
	220,000,000 Equity Shares of ₹ 10 each	2,200,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	172,225,058 Equity Shares of ₹ 10 each	1,722,250,580	-
C	**PRESENT OFFER**		
	Offer of 21,009,067* Equity Shares[2]	210,090,670	4,096,768,065
	Of which		
	Fresh Issue of 1,230,769* Equity Shares	12,307,690	239,999,955
	Offer for Sale of 19,778,298 Equity Shares[3]	197,782,980	3,856,768,110
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	173,455,827 Equity Shares of ₹ 10 each	1,734,558,270	-
E	**SHARE PREMIUM ACCOUNT**		
	Before the Offer	17,689,270,101.74	
	After the Offer	17,916,962,366.74[1]	

[1] *Subject to finalisation of Basis of Allotment.*

[2] *The Offer has been authorised by our Board pursuant to its resolution dated March 6, 2019 and by our Shareholders pursuant to their resolution dated May 4, 2019 passed by way of postal ballot.*

[3] *Each Selling Shareholder severally and not jointly confirms that the Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" beginning on page 604.*

Details of changes to our Bank's authorised share capital in the last 10 years:

S No.	Date of shareholder's resolution	Particulars
1.	September 28, 2012	The authorised share capital of our Bank was increased from ₹ 1,000 million divided into 80,000,000 Equity Shares of face value of ₹ 10 each and 2,000,000 preference shares of face value of ₹ 100 each to ₹ 1,200 million divided into 100,000,000 Equity Shares of face value of ₹ 10 each and 2,000,000 preference shares of face value of ₹ 100 each.
2.	February 19, 2015	The authorised share capital of our Bank was changed from ₹ 1,200 million divided into 100,000,000 Equity Shares of face value of ₹ 10 each and 2,000,000 preference shares of face value of ₹ 100 each to ₹ 1,200 million divided into 120,000,000 Equity Shares of face value of ₹ 10 each, by reclassification of 2,000,000 preference shares of face value of ₹ 100 each to 20,000,000 Equity Shares of ₹ 10 each.
3.	March 21, 2018	The authorised share capital of our Bank was increased from ₹ 1,200 million divided into 120,000,000 Equity Shares of face value of ₹ 10 each, to ₹ 2,000 million divided into 200,000,000 Equity Shares of face value of ₹ 10 each.
4.	May 4, 2019	The authorised share capital of our Bank was increased from ₹ 2,000 million divided into 200,000,000 Equity Shares of face value of ₹ 10 each, to ₹ 2,200 million divided into 220,000,000 Equity Shares of face value of ₹ 10 each.

Notes to the Capital Structure

1. **Share capital history of our Bank**

a) Share capital history of our Bank from incorporation to the financial year ended December 31, 1982

We have been unable to trace corporate resolutions and filings in relation to changes in our issued, subscribed and paid up equity share capital from incorporation till the financial year ended December 31, 1982. Accordingly, disclosures in relation to changes in our issued, subscribed and paid up equity share capital from our incorporation to the financial year ended December 31, 1982 have been made in reliance of (i) our Memorandum of Association filed with the RoC at the time of our incorporation in 1920; and (ii) our audited balance sheets comprised in our Annual Reports from the financial

year ended December 31, 1945 till the financial year ended December 31, 1982. For further details, see "*Risk Factors - Some of our corporate records are not traceable. These corporate records may not be available in the future and we may be subject to penalty imposed by the competent regulatory authority in this respect.*" on page 34.

The table below profiles all increases or decreases in the cumulative number of equity shares of our Bank (as at the end of the relevant fiscal where such increase or decrease occurred) and corresponding changes to the cumulative paid up equity share capital of our Bank from its incorporation till the financial year ended December 31, 1982. The cumulative paid up equity share capital of our Bank has undergone changes on a regular basis on account of payment by shareholders of pending amounts called up on equity shares previously issued by our Bank until May 2, 2012 (wherein all existing Equity Shares in respect of which call monies were pending, were forfeited and 25,777 Equity Shares were subsequently re-issued on November 8, 2012 on account of annulment of the said forfeiture). Consequently, the cumulative equity share capital of our Bank may have changed in the financial years not mentioned in the table below (without any corresponding increase or decrease in cumulative number of equity shares allotted).

As on	Cumulative number of equity shares	Face value (₹)	Cumulative paid-up share capital (₹)
November 26, 1920	490	100	49,000
December 31, 1945	4,757	100	216,320[(1)]
December 31, 1949	9,757	100	362,325[(2)]
December 31, 1958	15,000	100	614,750[(3)]
December 31, 1960	20,000	100	841,490[(4)]
December 31, 1962	30,000	100	1,444,475[(5)]
December 31, 1965	29,140[(6)]	100	1,465,355[(7)]
December 31, 1966	29,096[(8)]	100	1,465,355[(9)]
December 31, 1967	30,000	100	1,500,000[(10)]
December 31, 1982	30,000	100	2,957,740[(11)]

(1) *An amount of ₹ 50 per equity share was called up on 3,133 equity shares of ₹ 100 each and an amount of ₹ 40 per equity share was called upon on 1,624 shares of ₹ 100 each, of which ₹ 5,290 was unpaid as on December 31, 1945.*

(2) *An amount of ₹ 50 per equity share was called up on 4,757 equity shares of ₹ 100 each and an amount of ₹ 25 per equity share was called upon on 5,000 shares of ₹ 100 each, of which ₹ 525 was unpaid as on December 31, 1949.*

(3) *An amount of ₹ 50 per equity share was called up on 9,757 equity shares of ₹ 100 each and an amount of ₹ 25 per equity share was called upon on 5,243 shares of ₹ 100 each, of which ₹ 4,175 was unpaid as on December 31, 1958.*

(4) *An amount of ₹ 50 per equity share was called up on 15,000 equity shares of ₹ 100 each and an amount of ₹ 20 per equity share was called upon on 5,000 shares of ₹ 100 each, of which ₹ 8,510 was unpaid as on December 31, 1960.*

(5) *An amount of ₹ 50 per equity share was called up on 30,000 equity shares of ₹ 100 each, of which ₹ 55,525 was unpaid as on December 31, 1962.*

(6) *860 equity shares of ₹ 100 each were forfeited and cancelled in the financial year ended December 31, 1965.*

(7) *An amount of ₹ 50 per equity share was called up on 29,140 equity shares of ₹ 100 each, of which ₹ 1,610 was unpaid as on December 31, 1965.*

(8) *44 equity shares of ₹ 100 each were forfeited and cancelled in the financial year ended December 31, 1966.*

(9) *An amount of ₹ 50 per equity share was called up on 29,096 equity shares of ₹ 100 each.*

(10) *An amount of ₹ 50 per equity share was called up on 30,000 equity shares of ₹ 100 each.*

(11) *An amount of ₹ 100 per equity share was called up on 30,000 equity shares of ₹ 100 each, of which ₹ 42,260 was unpaid as on December 31, 1982.*

b) Share capital history of our Bank from the financial year ended December 31, 1982 till date

Disclosures in relation to changes in our issued, subscribed and paid up equity share capital from the financial year ended December 31, 1982 till date have been made in reliance of (i) our audited balance sheets comprised in our Annual Reports from the financial year ended December 31, 1982 till the financial year ended March 31, 2012, (ii) resolutions of our Board of Directors and the associated board agendas from the financial year ended December 31, 1982 till the allotment dated August 14, 1991, and (iii) resolutions of our Board of Directors and the associated board agendas and filings made with the RoC from the time period starting from allotment dated January 8, 1992 till the date of this Prospectus. Further, the details of allottees such as the names and total number, in respect of all rights issues undertaken by our Bank since incorporation till March 23, 1999 (except for allotment dated October 20, 1993), are not traceable. See "*Risk Factors - Some of our corporate records are not traceable. These corporate records may not be available in the future and we may*

be subject to penalty imposed by the competent regulatory authority in this respect" on page 34.

The cumulative paid up equity share capital of our Bank has undergone changes on a regular basis on account of payment by shareholders of pending amounts called up on equity shares previously issued by our Bank until May 2, 2012 (wherein all existing Equity Shares on which call monies were pending i.e. 219,520 equity shares held by 467 Shareholders were forfeited). Consequently (from the financial year ended December 31, 1983 till the financial year ended March 31, 2012) the cumulative number of equity shares and the cumulative paid-up equity share capital of our Bank has been disclosed as at the end of each financial year wherein there was a change in the cumulative number of equity shares allotted by our Bank. Disclosures on the cumulative paid-up equity share capital of our Bank made in reliance of our audited balance sheets from financial year ended December 31, 1983 till the financial year ended March 31, 2012 are subject to rounding off.

Date of allotment	**Number of equity shares allotted**	**Number of allottees**	**Face value (₹)**	**Issue price per equity share (₹)**	**Form of consideration**	**Reasons/Nature for allotment**	**Cumulative number of equity shares**	**Cumulative paid-up equity share capital (₹)**
December 7, 1983	6,000	Not available	100	100	Cash	Rights issue[(1)]	36,000	-
December 31, 1983	-	-	-	-	-	-	36,000	3,119,720[(2)]
November 7, 1984	6,000	Not available	100	100	Cash	Rights issue[(3)]	42,000	-
December 31, 1984	-	-	-	-	-	-	42,000	3,805,800[(4)]
October 9, 1985	8,000	Not available	100	100	Cash	Rights issue [(5)]	50,000	-
December 31, 1985	-	-	-	-	-	-	50,000	4,957,065[(6)]
August 19, 1987	10,000	Not available	100	100	Cash	Rights issue[(7)]	60,000	-
December 31, 1987	-	-	-	-	-	-	60,000	5,904,035[(8)]
September 14, 1988	10,000	Not available	100	100	Cash	Rights issue[(9)]	70,000	-
March 31, 1989	-	-	-	-	-	-	70,000	6,906,100[(10)]
March 28, 1990	8,122	Not available	100	100	Cash	Rights issue ("**1989 Rights Issue**")[(11)]	78,122	-
March 31, 1990	-	-	-	-	-	-	78,122[(12)]	7,180,145[(12)]
November 28, 1990	6,878	Not available	100	100	Cash	Allotment of additional equity shares to existing shareholders of our Bank who had applied for additional shares in the 1989 Rights Issue[(13)]	85,000	-
March 31, 1991	-	-	-	-	-	-	85,000	9,100,745[(14)]
April 10, 1991	30,000	Not available	100	100	Cash	Rights issue[(15)]	115,000	-
August 14, 1991	30,000	Not available	100	100	Cash	Rights issue[(16)]	145,000	-
January 8, 1992	33,000	Not available	100	100	Cash	Rights issue[(17)]	178,000	-
March 31, 1992	-	-	-	-	-	-	178,000	17,209,000[(18)]
June 25, 1992	37,000	Not available	100	100	Cash	Rights issue[(19)]	215,000	-
Pursuant to resolution of our Shareholders passed at the AGM of our Bank held on September 29, 1992, equity shares of face value of ₹ 100 of our Bank were sub-divided into equity shares of face value of ₹ 10. Consequently, the issued and subscribed share capital of our								

Date of allotment	Number of equity shares allotted	Number of allottees	Face value (₹)	Issue price per equity share (₹)	Form of consideration	Reasons/Nature for allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
Bank aggregating to 2,15,000 equity shares of face value of ₹ 100 was sub-divided into 2,150,000 equity shares of face value of ₹ 10.								
January 13, 1993	2,415,475	Not available	10	10	Cash	Rights issue ("**1992 Rights Issue**")[20]	4,565,475	-
	155,431	Not available	10	10	Cash	Preferential allotment to employees	4,720,906	-
January 27, 1993	592,279	Not available	10	10	Cash	Allotment of renounced rights entitlements in the 1992 Rights Issue to renouncees and unaccepted rights entitlements in the 1992 Rights Issue to shareholders who had applied for additional shares [21]	5,313,185	-
March 31, 1993	-	-	-	-	-	-	5,313,185	43,549,000[22]
October 20, 1993	100,866	40	10	10	Cash	Allotment of renounced rights entitlements and the unsubscribed portion of the 1992 Rights Issue to existing shareholders of our Bank[23]	5,414,051	-
March 31, 1994	-	-	-	-	-	-	5,414,051	52,709,000[24]
January 27, 1999	5,233,624	11,806[25]	10	32	Cash	Rights issue ("**1998 Rights Issue**")[26]	10,647,675	-
March 23, 1999	54,682	Not available	10	32	Cash	Allotment pursuant to receipt of complete applications in respect of certain erstwhile incomplete applications received in the 1998 Rights Issue[27]	10,702,357	-
March 31, 1999	-	-	-	-	-	-	10,702,357	99,981,000[28]
November 3, 1999	177,298	13	10	32	Cash	Allotment of additional equity shares to existing shareholders of our Bank who had applied for additional shares in the 1998 Rights Issue[29]	10,879,655	-
March 31,	-	-	-	-	-	-	10,879,655	105,202,000[30]

Date of allotment	Number of equity shares allotted	Number of allottees	Face value (₹)	Issue price per equity share (₹)	Form of consideration	Reasons/Nature for allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
2000								
July 27, 2007	1,752,467	3	10	190	Cash	Preferential allotment [(31)]	12,632,122	-
March 31, 2008	-	-	-	-	-	-	12,632,122	125,403,000[(32)]
August 12, 2008	3,214,104	11	10	32	Cash	Allotment of Equity Shares offered in the 1998 Rights Issue and kept in abeyance, to existing shareholders of our Bank [(33)]	15,846,226	-
February 12, 2009	15,583,147	4,264	10	120	Cash	Rights issue ("**2008 Rights Issue**")[(34)]	31,429,373	-
March 31, 2009	-	-	-	-	-	-	31,429,373	188,790,000[(35)]
January 15, 2010	149,714	8	10	120	Cash	Allotment of Equity Shares offered in the 2008 Rights Issue and kept in abeyance to existing shareholders of our Bank[(36)]	31,579,087	-
March 31, 2010	-	-	-	-	-	-	31,579,087	189,259,000[(37)]
May 2, 2012	(219,520)	-	10	-	-	Forfeiture of Equity Shares on account of non-payment of pending call monies on Equity Shares	31,359,567	313,595,670[(38)]
November 8, 2012[(39)]	25,777	-	10	-	-	Annulment of the forfeiture of Equity Shares effected on May 2, 2012, on account of the subsequent payment by shareholders of allotment/ call monies in arrears along with interest	31,385,344	313,853,440
March 30, 2013	10,461,781	11,647	10	75	Cash	Rights issue[(40)]	41,847,125	418,471,250
October 14, 2014	3,406,094	11	10	180	Cash	Preferential allotment[(41)]	45,253,219	452,532,190
March 27, 2015	15,084,406	11,008	10	75	Cash	Rights issue[(42)]	60,337,625	603,376,250
January 12, 2016	55,00,000	4	10	100	Cash	Preferential allotment[(43)]	65,837,625	658,376,250
February 3, 2016	4,800,325	5	10	100	Cash	Preferential allotment[(44)]	70,637,950	706,379,500
February 18, 2016	1,070,032	3	10	100	Cash	Preferential allotment[(45)]	71,707,982	717,079,820
October	9,254,100	5	10	120	Cash	Preferential	80,962,082	809,620,820

Date of allotment	Number of equity shares allotted	Number of allottees	Face value (₹)	Issue price per equity share (₹)	Form of consideration	Reasons/Nature for allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
25, 2016						allotment[46]		
October 19, 2018	19,832,130	1	10	140	Cash	Preferential allotment[47]	100,794,212	859,201,145
July 12, 2019	5,000,000	1	10	10	Cash	Preferential allotment to CSB ESOS Trust under the 2019 ESOS Scheme[49]	105,794,212	1,057,942,120[48]
August 7, 2019	66,430,846	1	10	140	Cash	Conversion of warrants[50]	172,225,058	1,722,250,580

(1) *Rights issue of 6,000 equity shares of ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every five equity shares of face value ₹ 100 each held.*

(2) *An amount of ₹ 100 per equity share was called up on 30,000 equity shares of ₹ 100 each and an amount of ₹ 20 per equity share was called upon on 6,000 shares of ₹ 100 each, of which ₹ 280 was unpaid as on December 31, 1983.*

(3) *Rights issue of 6,000 equity shares of ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every six equity shares of face value ₹ 100 each held.*

(4) *An amount of ₹ 100 per equity share was called up on 36,000 equity shares of ₹ 100 each and an amount of ₹ 40 per equity share was called upon on 6,000 equity shares of ₹ 100 each, of which ₹ 34,200 was unpaid as on December 31, 1984.*

(5) *Rights issue of 8,000 equity shares of face value ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every five paid up equity shares of face value ₹ 100 held.*

(6) *An amount of ₹ 100 per equity share was called up on 50,000 equity shares of ₹ 100 each, of which ₹ 42,935 was unpaid as on December 31, 1985.*

(7) *Rights issue of 10,000 equity shares of face value ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every five paid up equity shares of face value ₹ 100 held.*

(8) *An amount of ₹ 100 per equity share was called up on 60,000 equity shares of ₹ 100 each, of which ₹ 95,965 was unpaid as on December 31, 1987.*

(9) *Rights issue of 10,000 equity shares of face value ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every six equity shares of face value ₹ 100 held.*

(10) *An amount of ₹ 100 per equity share was called up on 70,000 equity shares of ₹ 100 each, of which ₹ 93,900 was unpaid as on March 31, 1989 (the financial year ended March 31, 1989 was 15 months long in light of our Bank changing the duration of its financial year)*

(11) *Rights issue of 15,000 equity shares of face value of ₹ 100 each to existing shareholders of our Bank in the ratio of one equity share for every five equity shares of face value ₹ 100 held, of which 8,122 equity shares of face value ₹ 100 were allotted.*

(12) *An amount of ₹ 100 per equity share was called up on 70,000 equity shares of ₹ 100 each, and ₹ 25 per equity share was called up on 8,122 equity shares of ₹ 100 each, of which ₹ 22,905 was unpaid as on March 31, 1990. Our Bank also received share application money for 6,878 equity shares of face value of ₹ 100 each as additional equity shares offered in the 1989 Rights Issue. However, allotment of these shares was not made in light of a pending suit that had been filed challenging the allotment of the additional equity shares. Consequently, share application money for the aforementioned shares was not reflected in the audited balance sheet of our Bank for the financial year ended March 31, 1990. Upon the suit being decided in favour of our Bank, allotment of the 6,878 additional shares was made on November 28, 1990. See note (13) below in this regard.*

(13) *Allotment of 6,878 equity shares of face value ₹ 100 to existing shareholders of our Bank who had applied for additional equity shares in the 1989 Rights Issue.*

(14) *An amount of ₹ 100 per equity share was called up on 85,000 equity shares of ₹ 100 each, of which ₹ 154,430 was unpaid as on March 31, 1991. Further, our Bank had received application amounts of ₹ 755,175 for issuance of 30,000 equity shares of ₹ 100 each as on March 31, 1991, and included in the paid up share capital of our Bank for Fiscal 1991, for which shares were allotted on April 10, 1991.*

(15) *Rights issue of 30,000 equity shares of face value ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every three equity shares of face value ₹ 100 held.*

(16) *Rights issue of 30,000 equity shares of face value ₹ 100 to existing shareholders of our Bank.*

(17) *Rights issue of 33,000 equity shares of face value ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every four fully paid up equity shares of face value ₹ 100 held.*

(18) *An amount of ₹ 100 per equity share was called up on 178,000 equity shares of ₹ 100 each, of which ₹ 591,000 was unpaid as on March 31, 1992.*

(19) *Rights issue of 37,000 equity shares of face value ₹ 100 to existing shareholders of our Bank in the ratio of one equity share for every five fully paid up equity shares of face value ₹ 100 held.*

(20) *Rights issue of 3,108,620 Equity Shares to existing shareholders of our Bank in the ratio of (i) one equity share for every nine Equity Shares held by shareholders holding 10 Equity Shares; (ii) two Equity Shares for every eight Equity Shares held by shareholders holding 20 Equity Shares; (iii) three Equity Shares for every seven Equity Shares held by shareholders holding 30 Equity Shares; (iv) four Equity Shares for every six Equity Shares held by shareholders holding 40 Equity Shares; and (v) one Equity Share for one Equity Share held by shareholders holding 50 Equity Shares or more, of which 2,415,475 Equity Shares were allotted.*

(21) *Allotment of 280,810 Equity Shares to renouncee applicants in the 1992 Rights Issue, and 311,469 Equity Shares to existing shareholders of our Bank who had applied for additional shares in the ratio as per the 1992 Rights Issue.*

(22) *An amount of ₹ 10 per Equity Share was called up on 4,720,906 Equity Shares and an amount of ₹ 7.50 per Equity Share was called up on 592,279 Equity Shares, of which ₹ 8,357,000 was unpaid as on March 31, 1993. Further, our Bank had received application amounts of ₹ 255,000 for issuance of 100,866 Equity Shares as on March 31, 1993 and included in the paid up share capital of our Bank for Fiscal 1993, for which shares were allotted on October 20, 1993.*

(23) *Allotment of 60,900 Equity Shares to renouncee applicants in the 1992 Rights Issue, and 39,966 Equity Shares to existing shareholders of our Bank who had applied for additional shares in the ratio as per the 1992 Rights Issue. The allotment was made pursuant to receipt of approval of the RBI by its letter dated September 15, 1993 which was required given that the allottees either held, or after such allotment, would hold more than 1% of the equity share capital of our Bank.*

(24) *An amount of ₹ 10 per Equity Share was called up on 5,414,051 Equity Shares, of which ₹ 1,431,000 was unpaid as on March 31, 1994.*

(25) *Recorded by the Bank by way of board agenda dated January 27, 1999. However, no form filing is available in this regard.*

(26) *Rights issue of 8,121,076 Equity Shares with an option to retain oversubscription of 12% of the offer (pursuant to approval by the RBI for such retention of oversubscription by its letter dated January 23, 1999) to existing shareholders of our Bank in the ratio of three Equity Shares for every two Equity Shares held by existing shareholders of our Bank, of which 5,233,624 Equity Shares were allotted.*

(27) *Allotment of 54,682 Equity Shares to existing shareholders of our Bank who applied in the 1998 Rights Issue.*

(28) *An amount of ₹ 10 per Equity Share was called up on 10,647,675 Equity Shares, and an amount of ₹ 2.50 per Equity Share was called up on 54,682 Equity Shares, of which ₹ 6,632,000 was unpaid as on March 31, 1999.*

(29) *Allotment of 177,298 Equity Shares to existing shareholders of our Bank in lieu of the additional shares pursuant to the 1998 Rights Issue. Prior to the allotment, our Bank had made an application to the RBI for its acknowledgement for this allotment given that the allottees either held, or after such allotment, would hold more than 1% of the equity share capital of our Bank. Subsequently, the RBI, by its circular dated September 21, 1999, clarified that allotments/ transfers of equity shares in an Indian bank which would result in the allottees'/ transferees' holding 5% or more of its equity share capital would require acknowledgement by the RBI. Further, the RBI, by its letter dated October 11, 1999, clarified to our Bank that the current allotment would not require acknowledgement by the RBI given that the allotment did not breach the 5% threshold, subsequent to which this allotment was made.*

(30) *An amount of ₹ 10 per Equity Share was called up on 10,879,655 Equity Shares, of which ₹ 3,595,000 was unpaid as on March 31, 2000.*

(31) *Allotment of 625,881 Equity Shares to AIF Capital Development Ltd, 563,293 Equity Shares to Siguler Guff BRIC Mauritius and 563,293 Equity Shares to GPE III Mauritius Direct Investment Ltd. The RBI, by its letters dated April 13, 2007, has given its approval for allotment of the Equity Shares to AIF Capital Development Ltd, and by its letter dated July 10, 2007 for allotment of Equity Shares to Siguler Guff BRIC Mauritius and GPE III Mauritius Direct Investment Ltd and has subsequently, by its letter dated February 6, 2008, taken on record the allotment of 1,752,467 Equity Shares to the aforementioned allottees.*

(32) *An amount of ₹ 10 per Equity Share was called up on 12,632,122 Equity Shares, of which ₹ 918,000 was unpaid as on March 31, 2008.*

(33) *Allotment of 3,214,104 Equity Shares to existing shareholders of our Bank that were offered in the 1998 Rights Issue and kept in abeyance pursuant to the requirements of section 206A (b) of the Companies Act, 1956. In terms of Section 206(A) (b), the rights to the aforementioned Equity Shares were kept in abeyance pending registration of the transfer of 2,142,736 Equity Shares in respect of which such rights arise. The Equity Shares kept in abeyance represented Equity Shares arising out of rights entitlements on 2,142,736 Equity Shares, which had been lodged for transfer by their transferees and such transfer pending the approval of the RBI. Upon receipt of the approval of the RBI by its letters dated November 28, 2007 and July 21, 2008 for such transfer, the Equity Shares were released and the transferees were allotted 3,214,104 Equity Shares forming part of the 1998 Rights Issue, through an additional letter of offer dated July 24, 2008.*

(34) *Rights issue of 15,583,147 Equity Shares to existing shareholders of our Bank in the ratio of one Equity Share for every one Equity Share held by existing shareholders of our Bank.*

(35) *An amount of ₹ 10 per Equity Share was called up on 15,846,226 Equity Shares and an amount of ₹ 2 per Equity Share was called up on 15,583,147 Equity Shares, of which ₹ 838,000 was unpaid as on March 31, 2009.*

(36) *Allotment of 149,714 Equity Shares to existing shareholders of our Bank that were offered in the 2008 Rights Issue and kept in abeyance pursuant to the requirements of section 205A of the Companies Act, 1956. The Equity Shares kept in abeyance represented Equity Shares arising out of rights entitlements on 149,714 Equity Shares, which had been lodged for transfer by their transferees and such transfer pending the approval of the RBI. Upon receipt of the approval of the RBI by its letter dated August 11, 2009 for such transfer, the transferees were allotted 149,714 Equity Shares forming part of the 2008 Rights Issue, through an additional letter of offer dated December 15, 2009.*

(37) *An amount of ₹ 10 per Equity Share was called up on 31,579,087 Equity Shares, of which ₹ 810,000 was unpaid and ₹ 125,722,000 was called up but not due as on March 31, 2010.*

(38) *In addition to the forfeiture, the difference between the cumulative paid up equity share capital of our Bank from March 31, 2010 to May 2, 2012 was primarily on account of payments on a call of Equity Shares allotted in the 2008 Rights Issue that was made in Fiscal 2012*

(39) *No separate allotment of these Equity Shares was made, and the forfeiture in respect of these 25,777 Equity Shares was annulled.*

(40) *Rights issue of 10,461,781 Equity Shares to existing shareholders of our Bank in the ratio of one Equity Share for every three Equity Shares held by existing shareholders of our Bank.*

(41) *Allotment of 9,20,000 Equity Shares to Mr. C. K. Gopinathan, 355,430 Equity Shares to Mr. Sat Pal Khattar, 333,333 Equity Shares to Mr. Anand Krishnamurthy, 273,000 Equity Shares to Mr. Alok Oberoi, 627,333 Equity Shares to Agnus Capital LLP, 125,000 Equity Shares to Acumen Capital Market (India) Limited, 172,000 Equity Shares to Mr. Yusuff Ali. M. A., 388,888 Equity Shares to Plat Lipds (P) Ltd., 55,555 Equity Shares to Mr. Vikram Kundur Reddy, 55,555 Equity Shares to Mr. Nilesh Navlakha and 100,000 Equity Shares to Mr. Ravi Mehrotra and Ms. Renuka Mehrotra. The RBI has, by its letter dated June 26, 2014, provided its approval for the allotment. The average value per Equity Share has been certified at ₹ 180, based on the discounted*

free cash flow method by V. Venugopal & Associates, Chartered Accountants, appointed for the purpose of valuation, by their certificate dated June 26, 2014.

(42) *Rights issue of 15,084,406 Equity Shares to existing shareholders of our Bank in the ratio of one Equity Share for every three Equity Shares held by existing shareholders of our Bank.*

(43) *Allotment of 1,000,000 Equity Shares to Vinod Mohan Nair, 2,500,000 Equity Shares to Bridge India Fund, 1,000,000 Equity Shares to Agnus Capital LLP and 1,000,000 Equity Shares to ICICI Lombard General Insurance Company Limited. The RBI by its letter dated November 26, 2015, has accorded its approval for the allotment.*

(44) *Allotment of 1,000,000 Equity Shares to Far East Franchise Pte. Ltd., 100,000 Equity Shares to Mr. T. Varghese George, 1,693,968 Equity Shares to Brightness Capital and Advisory Services Pte. Ltd., 1,496,357 Equity Shares to Global 9 Resources Pte. Ltd. and 510,000 Equity Shares to Mr. Yusuff Ali. M. A. The RBI by its letter dated November 26, 2015, has accorded its approval for the allotment.*

(45) *Allotment of 306,032 Equity Shares to Brightness Capital and Advisory Services Pte. Ltd., 64,000 Equity Shares to Yusuff Ali. M.A. and 700,000 Equity Shares to Mr. Sat Pal Khattar. The RBI by its letter dated November 26, 2015, has accorded its approval for the allotment.*

(46) *Allotment of 916,100 Equity Shares to Edelweiss Tokio Life Insurance Company Limited, 833,334 Equity Shares to Reliance Capital Limited, 3,044,000 Equity Shares to ICICI Prudential Life Insurance Company Limited, 4,044,000 Equity Shares to HDFC Standard Life Insurance Company Limited and 416,666 Equity Shares to Bennett, Coleman & Co. Limited.*

(47) *Allotment of 19,832,130 Equity Shares to FIHM. The DFS, by its letter dated October 9, 2018, provided its approval to our Bank for increasing its FDI limits to 74% of its paid up share capital. Further, the RBI, by its letter dated July 12, 2018, provided its approval for acquisition by FIHM of up to 51% of the paid-up share capital of our Bank. The aforesaid Equity Shares were made fully paid up on July 5, 2019 as noted by the Board resolution dated July 12, 2019.*

(48) *An amount of ₹105 per Equity Share was called up on 19,832,130 Equity Shares allotted to FIHM, on June 29, 2019, and subsequently the aforementioned Equity Shares were made fully paid up on July 5, 2019.*

(49) *Allotment of 5,000,000 Equity Shares to CSB ESOS Trust.*

(50) *Allotment of 66,430,846 Equity Shares to FIHM, pursuant to conversion of warrants exchangeable into Equity Shares issued by our Bank to FIHM, in terms of the Investment Agreement. Further, the RBI, has through an email on November 11, 2019 sought certain clarifications from our Bank with respect to the allotment of the warrants and the amount received by our Bank pursuant to such allotment, as well as the filing of form FCGPR with respect to the investment by our Promoter in our Bank. For further details, please see "Risk Factors- We have issued Equity Shares during the last one year from the date of filing of this Prospectus at a price that may be lower than the Offer Price" on page 47.*

2. Our Bank does not have any outstanding preference shares as on the date of filing of this Prospectus.

3. Our Bank has not issued any equity shares or preference shares for consideration other than cash or out of revaluation of reserves at any time since incorporation.

4. Our Bank has not issued or allotted any Equity Shares pursuant to schemes of arrangement approved under Sections 391 -394 of the *erstwhile* Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

5. Except as disclosed below, our Bank has not issued any Equity Shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Prospectus:*

Name of allottee	Date of allotment	Whether such allottees are a part of the Promoter Group	Number of equity shares allotted	Face value (₹)	Offer price per equity share (₹)	Form of consideration	Reasons/nature for allotment
CSB ESOS Trust	July 12, 2019	No	5,000,000	10	10	Cash	Preferential allotment

**66,430,846 warrants were allotted to FIHM on October 19, 2018 and were converted into equal number of Equity Shares on August 7, 2019. For further details, please see "Capital Structure-Share capital history of our Bank from the financial year ended December 31, 1982 till date" on page 76.*

6. **Shareholding Pattern of our Bank**

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total No. of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities (IX) No. of Voting Rights			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		No. of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	**Promoter and Promoter Group**	1	86,262,976	0	0	86,262,976	50.09	86,262,976	86,262,976	50.09*	0	50.09	68,890,024[+]	79.86[+]	0	0	86,262,976
(B)	**Public**	26,038	80,962,082	0	0	80,962,082	47.01	80,962,082	80,962,082	47.01	0	47.01	0	0	18,07,062**	1.05	70,221,619
(C)	**Non Promoter-Non Public**	1	5,000,000	0	0	5,000,000	2.90	5,000,000	5,000,000	2.90	0	2.90	0	0	1,350,000	0.78	5,000,000
(C1)	Shares underlying depository receipts	0	0	0	0	0	0.00	0	0	0.00	0	0.00	0	0	0	0	0
(C2)	Shares held by employee trusts	1	5,000,000	0	0	5,000,000	2.90	5,000,000	5,000,000	2.90	0	2.90	0	0	1,350,000***	0.78	5,000,000
	Total (A+B+C)	**26,040**	**172,225,058**	**0**	**0**	**172,225,058**	**100.00**	**172,225,058**	**172,225,058**	**100.00**	**0**	**100.00**	**68,890,024[+]**	**40.00[+$]**	**3,157,062**	**1.83**	**161,484,595**

**Voting rights is capped at 26% at present or such other percentage as may be notified/ issued by the RBI in relation to voting rights from time to time.*

*[+]In terms of RBI letter dated July 12, 2018 bearing no. DBR.PSBD No. 341/16.01.060/2018-19 read with RBI letter dated August 27, 2018 bearing no. DBR.PSBD No. 1643/16.01.060/2018-19 ("**RBI Letters**"), a minimum of 40% of the paid-up voting capital of our Bank is required to be locked-in for a period of five years from the completion of its investments in our Bank. Accordingly, FIHM has locked in 40% of the paid-up capital of our Bank.*

[$]As a percentage of the total paid-up equity capital of our Bank.

***The pledged Equity Shares will be locked –in, in compliance with Regulation 17 of the SEBI ICDR Regulations on the date of Allotment.*

****The Equity Shares are pledged by CSB ESOS Trust.*

7. **Other details of Shareholding of our Bank**

a) As on the date of the filing of this Prospectus, our Bank has 26,040 Shareholders.

b) Set forth below is (i) a list of Shareholders holding 1% or more of the paid-up share capital of our Bank, and (ii) details of shareholding of other Shareholders, aggregating to 80% or more of the paid-up share capital of our Bank, on a fully diluted basis, as on November 22, 2019, i.e end of last week from the date of this Prospectus:

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)
1	FIH Mauritius Investments Ltd	86,262,976	50.087
2	LIIPL CSB OFS Escrow Demat Account	19,778,298	11.484
3	CSB ESOS Trust	5,000,000	2.903
4	Mr. Yusuffali Musaliam Veettil Abdul Kader	3,581,722	2.080
5	Volrado Venture Partners Fund II	3,273,286	1.901
6	Mr. Vallabh Bhanshali	2,185,392	1.269
7	Mr. Satpal Khattar	1,773,906	1.030
8	Mr. Lal Arakulath Sankappa	1,756,908	1.020
9	Mr. Zafar Ahmadullah	1,750,000	1.016
10	Mr. Thomas John Muthoot	1,665,633	0.967
11	A T Invofin India Private Limited	1,648,229	0.957
12	Akena	1,496,357	0.869
13	Brightness Capital and Advisory Services Pte Ltd	1,299,939	0.755
14	V'ocean Investments Ltd	1,070,000	0.621
15	Far East Franchise Pte. Ltd	1,000,000	0.581
16	ACG Associated Capsules Private Limited	689,266	0.400
17	Sak Industries Private Limited	621,706	0.361
18	Mr. Alok Oberoi	582,274	0.338
19	Bennett, Coleman and Company Limited	416,666	0.242
20	Investor Education and Protection Fund Authority Ministry Of Corporate Affairs	406,385	0.236
21	Plant Lipids Private Limited	404,166	0.235
22	Mr. Rohit Kothari	400,000	0.232
23	Khas Advisory LLP	400,000	0.232
24	Mr. Kevic Anant Setalvad	355,000	0.206
Total		**137,818,109**	**80.022**

c) Set forth below is (i) a list of Shareholders holding 1% or more of the paid-up share capital of our Bank, and (ii) details of shareholding of other Shareholders, aggregating to 80% or more of the paid-up share capital of our Bank, on a fully diluted basis, as of 10 days prior to the date of filing of this Prospectus:

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)
1	FIH Mauritius Investments Ltd	86,262,976	50.087
2	LIIPL CSB OFS Escrow Demat Account	19,778,298	11.484
3	CSB ESOS Trust	5,000,000	2.903
4	Mr. Yusuffali Musaliam Veettil Abdul Kader	3,581,722	2.080
5	Volrado Venture Partners Fund II	3,273,286	1.901
6	Mr. Vallabh Bhanshali	2,185,392	1.269
7	Mr. Satpal Khattar	1,773,906	1.030
8	Mr. Lal Arakulath Sankappa	1,756,908	1.020
9	Mr. Zafar Ahmadullah	1,750,000	1.016
10	Mr. Thomas John Muthoot	1,665,633	0.967

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)
11	A T Invofin India Private Limited	1,648,229	0.957
12	Global 9 Resources Pte Ltd.	1,496,357	0.869
13	Brightness Capital and Advisory Services Pte Ltd	1,299,939	0.755
14	V'ocean Investments Ltd	1,070,000	0.621
15	Siguler Guff Bric Mauritius	1,015,393	0.590
16	Far East Franchise Pte.Ltd	1,000,000	0.581
17	ACG Associated Capsules Private Limited	689,266	0.400
18	Sak Industries Private Ltd	621,706	0.361
19	Profitex Shares and Securities Private Limited	600,000	0.348
20	Mr. Alok Oberoi	582,274	0.338
21	Bennett, Coleman and Company Limited	416,666	0.242
22	Plant Lipids Private Limited	404,166	0.235
Total		**137,872,117**	**80.053**

d) Set forth below is (i) a list of Shareholders holding 1% or more of the paid-up share capital of our Bank, and (ii) details of shareholding of other Shareholders, aggregating to 80% or more of the paid-up share capital of our Bank, on a fully diluted basis, as of the date one year prior to the date of filing of this Prospectus:

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)*
1	FIH Mauritius Investments Ltd*	86,295,459	51.000
2	HDFC Standard Life Insurance Company Limited	4,044,000	2.390
3	Mr. Yusuffali Musaliam Veettil Abdul Kader	3,581,722	2.117
4	Agnus Capital LLP	3,081,854	1.821
5	ICICI Prudential Life Insurance Company Limited	3,044,000	1.799
6	The Federal Bank Limited	2,785,661	1.646
7	Bridge India Fund	2,500,000	1.477
8	Mr. Gopinathan C K	2,300,724	1.360
9	Mr. Vallabh Bhanshali	2,185,392	1.292
10	Siguler Guff Bric Mauritius	2,085,393	1.232
11	Satellite Multicomm Private Limited	1,939,097	1.146
12	Ms. Anitha P V	1,841,801	1.088
13	Mr. Satpal Khattar	1,773,906	1.048
14	Mr. Lal Arakulath Sankappa	1,756,908	1.038
15	Mr. Thomas John Muthoot	1,665,633	0.984
16	A T Invofin India Private Limited	1,648,229	0.974
17	Way2wealth Securities Private Limited	1,555,214	0.919
18	Global 9 Resources Pte. Ltd	1,496,357	0.884
19	Kiran Vyapar	1,397,617	0.826
20	Brightness Capital and Advisory Services Pte Ltd	1,299,939	0.768
21	Volrado Venture Partners Fund II	1,191,432	0.704
22	Far East Franchise Pte. Ltd	1,000,000	0.591

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)*
23	Mr. Vinod Mohan Nair	1,000,000	0.591
24	ICICI Lombard General Insurance Company Limited	1,000,000	0.591
25	Edelweiss Tokio Life Insurance Company Limited	846,100	0.500
26	Reliance Corporate Advisory Services Limited	833,334	0.492
27	ACG Associated Capsules Private Limited	689,266	0.407
28	P-Cube Enterprises Private Limited	648,000	0.383
Total		**135,487,038**	**80.072**

**This has been calculated assuming conversion of 66,463,329 warrants (including forfeited warrants) issued to FIHM and options granted and/or proposed to be granted by our Bank to its employees, as of the date one year prior to the date of filing of this Prospectus.*

e) Set forth below is (i) a list of Shareholders holding 1% or more of the paid-up share capital of our Bank, and (ii) details of shareholding of other Shareholders, aggregating to 80% of the paid-up share capital of our Bank, on a fully diluted basis, as of the date two years prior to the date of filing of this Prospectus:

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)
A.	**1% and above shareholding**		
1	HDFC Standard Life Insurance Company Limited	4,044,000	4.995
2	Mr. Yusuffali Musaliam Veettil Abdul Kader	3,581,722	4.424
3	Agnus Capital LLP	3,081,854	3.807
4	ICICI Prudential Life Insurance Company Limited	3,044,000	3.760
5	The Federal Bank Limited	2,785,661	3.441
6	Bridge India Fund	2,500,000	3.088
7	Mr. Gopinathan C K	2,335,724	2.885
8	Mr. Vallabh Bhanshali	2,185,392	2.699
9	AIF Capital Development Ltd	2,085,393	2.576
10	GPE III Mauritius Direct Investment Ltd	2,085,393	2.576
11	Siguler Guff Bric Mauritius	2,085,393	2.576
12	Satellite Multicomm Private Limited	1,939,097	2.395
13	Ms. Anitha P V	1,841,801	2.275
14	Mr. Satpal Khattar	1,773,906	2.191
15	Mr. Lal Arakulath Sankappa	1,756,908	2.170
16	Mr. Thomas John Muthoot	1,665,633	2.057
17	A T Invofin India Private Limited	1,648,229	2.036
18	Way2wealth Securities Private Limited	1,555,214	1.921
19	Global 9 Resources Pte. Ltd	1,496,357	1.848
20	Brightness Capital and Advisory Services Pte Ltd	1,299,939	1.606
21	Volrado Venture Partners fund II	1,191,432	1.472
22	Far East Franchise Pte. Ltd	1,000,000	1.235
23	Mr. Vinod Mohan Nair	1,000,000	1.235
24	ICICI Lombard General Insurance Company Limited	1,000,000	1.235
25	Edelweiss Tokio Life Insurance Company Limited	901,100	1.113

Sr. No.	Name of the Shareholder	No. Of Equity Shares	Percentage Of The Pre-Offer Equity Share Capital (%)
26	Reliance Corporate Advisory Services Limited	833,334	1.029
B.	**Less than 1% shareholding**		
1	Others Shareholders*	14,092,140	17.406
Grand Total		**64,809,622**	**80.05**

** 109 Shareholders hold 17.406% of the pre-Offer equity share capital of our Bank.*

f) Shareholding of our Directors and/or Key Management Personnel:

Except as set forth below, none of our Directors or Key Management Personnel hold any Equity Shares as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer equity share capital (%)
1.	Mr. Sekhar Rao	666	Negligible	Negligible
2.	Mr.Antony P V	533	Negligible	Negligible
3.	Mr. Ragesh Melepuram	3,554	Negligible	Negligible
4.	Mr. Bharath Mani	866	Negligible	Negligible
5.	Mr. Vincy Louis Pallissery	200	Negligible	Negligible
6.	Mr. Ganeshan V	1,506	Negligible	Negligible
Total		**7,325**	**Negligible**	**Negligible**

g) Set forth below are the details of the number of Shareholders for the last 10 years preceding the date of this Prospectus:

Sr. No.	Year	Date of AGM	No. of Shareholders*
1.	2009	August 28, 2009	25,484
2.	2010	September 30, 2010	24,902
3.	2011	September 29, 2011	24,743
4.	2012	September 28, 2012	25,348
5.	2013	September 23, 2013	25,545
6.	2014	September 26, 2014	25,622
7.	2015	September 22, 2015	25,837
8.	2016	September 23, 2016	26,108
9.	2017	September 25, 2017	27,599
10.	2018	September 29, 2018	26,759

**As on the date of the AGM*

h) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Bank for Fiscals 2019, 2018 and 2017:

Fiscal 2019

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)*
1.	FIH Mauritius Investments Ltd **	19,832,130	5.77
2.	HDFC Life Insurance Company Limited	4,044,000	4.70
3.	Mr.Yusuff Ali Musaliam Veettil Abdul Kader	3,581,722	4.16
4.	Agnus Capital LLP	3,081,854	3.58
5.	ICICI Prudential Life Insurance Company Limited	3,044,000	3.54
6.	The Federal Bank Limited	2,785,661	3.24

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)*
7.	Bridge India Fund	2,500,000	2.91
8.	Mr. Vallabh Bhanshali	2,185,392	2.54
9.	Siguler Guff BRIC Mauritius	2,085,393	2.42
10.	Mr. Gopinathan C K	2,073,724	2.41
11.	Satellite Multicomm Private Limited	1,939,097	2.25
12.	Ms. Anitha P V	1,841,801	2.14
13.	Mr. Satpal Khattar	1,773,906	2.06
14.	Mr. Lal Arakulath Sankappa	1,756,908	2.04
15.	Mr. Thomas John Muthoot	1,665,633	1.93
16.	A T Invofin India Private Limited	1,648,229	1.91
17.	Way2wealth Securities Private Limited	1,555,214	1.81
18.	Global 9 Resources Pte. Ltd	1,496,357	1.74
19.	Mr. Kiran Vyapar	1,397,617	1.62
20.	Brightness Capital And Advisory Services Pte Ltd	1,299,939	1.51
21.	Volrado Venture Partners Fund II	1,191,432	1.38
22.	Far East Franchise Pte. Ltd	1,000,000	1.16
23.	Mr. Vinod Mohan Nair	1,000,000	1.16
24.	ICICI Lombard General Insurance Company Limited	1,000,000	1.16
Total		**6,578,0009**	**59.14**

**As per actual paid-up share capital as on March 31, 2019.*

*** Equity Shares allotted to FIHM were partly paid up as on March 31, 2019. Further, FIHM also held 66,463,329 warrants (convertible and exchangeable for an equal number of Equity Shares), of which 66,430,846 warrants were converted into Equity Shares on August 7, 2019 and 32,483 warrants were forfeited.*

Fiscal 2018

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)*
1.	HDFC Standard Life Insurance Company Limited	4,044,000	4.99
2.	Mr. Yusuff Ali Ali Musaliam Veettil Abdul Kader	3,581,722	4.42
3.	Agnus Capital LLP	3,081,854	3.81
4.	ICICI Prudential Life Insurance Company Limited	3,044,000	3.76
5.	The Federal Bank Limited	2,785,661	3.44
6.	Bridge India Fund	2,500,000	3.09
7.	Mr. Gopinathan C K	2,325,724	2.87
8.	Mr. Vallabh Bhanshali	2,185,392	2.70
9.	Siguler Guff BRIC Mauritius	2,085,393	2.58
10.	GPE III Mauritius Direct Investment Ltd	2,085,393	2.58
11.	AIF Capital Development Limited	2,085,393	2.58
12.	Satellite Multicomm Private Limited	1,939,097	2.40
13.	Ms. Anitha P V	1,841,801	2.27
14.	Mr. Satpal Khattar	1,773,906	2.19
15.	Mr. Lal Arakulath Sankappa	1,756,908	2.17
16.	Mr. Thomas John Muthoot	1,665,633	2.06
17.	A T Invofin India Pvt Ltd	1,648,229	2.04
18.	Way2wealth Securities Private Limited	1,555,214	1.92
19.	Global 9 Resources Pte .Ltd	1,496,357	1.85
20.	Brightness Capital and Advisory Services Pte Ltd.	1,299,939	1.61
21.	Volrado Venture Partners Fund II	1,191,432	1.47
22.	Far East Franchise Pte. Ltd	1,000,000	1.24
23.	Mr. Vinod Mohan Nair	1,000,000	1.24

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)*
24.	ICICI Lombard General Insurance Company Limited	1,000,000	1.24
25.	Edelweiss Tokio Life Insurance Company Limited	846,100	1.05
26.	Reliance Corporate Advisory Service Limited	833,334	1.03
Total		**50,652,482**	**62.56**

**As per actual paid-up share capital as on March 31, 2018.*

Fiscal 2017

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)*
1.	HDFC Standard Life Insurance Company Limited	4,044,000	4.99
2.	Mr. Yusuff Ali Ali Musaliam Veettil Abdul Kader	3,581,722	4.42
3.	Agnus Capital LLP	3,081,854	3.81
4.	ICICI Prudential Life Insurance Company Limited	3,044,000	3.76
5.	The Federal Bank Limited	2,785,661	3.44
6.	Bridge India Fund	2,500,000	3.09
7.	Mr. Gopinathan C K	2,370,724	2.93
8.	GPE III Mauritius Direct Investment Ltd	2,085,393	2.58
9.	AIF Capital Development Ltd	2,085,393	2.58
10.	Siguler Guff BRIC Mauritius	2,085,393	2.58
11.	Edelweiss Finance And Investments Limited	1,913,452	2.36
12.	Ms. Anitha P V	1,841,801	2.27
13.	Mr. Satpal Khattar	1,773,906	2.19
14.	Mr. Lal Arakulath Sankappa	1,756,908	2.17
15.	Mr. Thomas John Muthoot	1,665,633	2.06
16.	A T Invofin India Private Limited	1,648,229	2.04
17.	Ms. Amornthip Chansri Chawla	1,622,924	2.00
18.	Way2wealth Securities Private Limited	1,555,214	1.92
19.	JPT Securities Limited	1,531,897	1.89
20.	Global 9 Resources Pte .Ltd	1,496,357	1.85
21.	Mr. Surachan Chansri Chawla	1,362,582	1.68
22.	Brightness Capital And Advisory Services Pte. Ltd	1,299,939	1.61
23.	Edelweiss Commodities Services Limited	1,214,453	1.50
24.	Mr. Gurdist Chansri Chawla	1,022,633	1.26
25.	ICICI Lombard General Insurance Company Limited	1,000,000	1.24
26.	Mr. Vinod Mohan Nair	1,000,000	1.24
27.	Far East Franchise Pte. Ltd	1,000,000	1.24
28.	Edelweiss Tokio Life Insurance Company Limited	916,100	1.13
29.	Reliance Spot Exchange Infrastructure Limited	833,334	1.03
Total		**54,119,502**	**66.86**

*******As per actual paid-up share capital as on March 31, 2017.*

8. **Details of Shareholding of our Promoter, members of the Promoter Group and directors of our Promoter in our Bank**

The build-up of the equity shareholding of our Promoter since incorporation of our Bank is set forth in the table below.

Nature of transaction	Date of allotment	Date on which the Equity Shares were made fully paid up	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)
Preferential allotment	October 19, 2018	July 5, 2019	19,832,130	10	140
Allotment of Equity Shares pursuant to conversion of warrants exchangeable into Equity Shares issued by our Bank to FIHM	August 7, 2019	August 7, 2019	66,430,846	10	140
Total shareholding			**86,262,976**		

As on the date of this Prospectus, our Promoter holds 86,262,976 Equity Shares, equivalent to 50.09% of the issued, subscribed and paid-up equity share capital of our Bank, as set forth in the table below.

Sr. No.	Name of the Shareholder	Percentage of pre-Offer capital	Percentage of post-Offer capital*
1.	FIHM	50.09%	49.73%

** Duly adjusted for the Offer.*

None of the Equity Shares held by our Promoter are pledged.

The entire shareholding of our Promoter is in dematerialised form as of the date of this Prospectus.

The members of the Promoter Group (other than our Promoter) and the directors of our Promoter do not hold any Equity Shares as on the date of filing of this Prospectus.

None of the members of the Promoter Group, the directors of our Promoter, our Directors and their relatives have purchased or sold any securities of our Bank during the period of six months immediately preceding the date of this Prospectus.

9. **Details of Promoter's contribution and lock-in**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-offer eligible equity share capital of the issuer held by the promoter is required be locked in for a period of three years as minimum promoter's contribution from the date of allotment, and the promoter's shareholding in excess of 20% of the fully diluted post-offer equity share capital shall be locked in for a period of one year from the date of allotment ("**Promoter Contribution**").

The details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoter Contribution are set forth in the table below.

Name of the Promoter	Date of allotment of the equity shares	Date on which the Equity Shares were made fully paid up	Nature of transaction	No. of Equity Shares held	Face Value (₹)	Offer/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
FIHM	October 19, 2018	July 5, 2019	Preferential allotment	19,832,130	10	140	19,832,130	11.434	December 1, 2022
	August 7, 2019	August 7, 2019	Allotment of Equity Shares pursuant to conversion of warrants	66,430,846	10	140	14,859,036	8.566	December 1, 2022

Name of the Promoter	Date of allotment of the equity shares	Date on which the Equity Shares were made fully paid up	Nature of transaction	No. of Equity Shares held	Face Value (₹)	Offer/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
			exchangeable into Equity Shares issued by our Bank to FIHM						
	Total						**34,691,166**	**20.00**	

Our Promoter has given consent to include such number of Equity Shares held by it as may constitute 20% of the fully diluted post-Offer equity share capital of our Bank as Promoter Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of Allotment, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Further, with respect to the Equity Shares being offered for Promoter Contribution under Regulation 15 of the SEBI ICDR Regulations, we confirm the following:

(i) the Equity Shares offered for Promoter Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Bank or from a bonus issue against equity shares, which are otherwise ineligible for computation of Promoter's Contribution;

(ii) the Equity Shares offered for Promoter Contribution do not include Equity Shares acquired during the one year preceding the date of the Red Herring Prospectus and the Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) our Bank has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company; and

(iv) the Equity Shares forming part of the Promoter Contribution are not subject to any pledge.

Accordingly, the Equity Shares offered for Promoter Contribution are eligible in terms of Regulation 15 of the SEBI ICDR Regulations.

10. **Details of equity share capital locked-in for one year**

Unless provided otherwise under applicable law, pursuant to the SEBI ICDR Regulations, the entire pre-Offer capital of our Bank (including those Equity Shares held by our Promoter in excess of the Promoters' Contribution) shall be locked-in for a period of one year from the date of Allotment, except for (a) Equity Shares allotted to employees, whether currently an employee or not, under the 2013 ESOS Scheme and 2019 ESOS Scheme; (b) Equity Shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employee or not, in accordance with the 2013 ESOS Scheme and 2019 ESOS Scheme; (c) Equity Shares held by a venture capital fund or alternative investment fund of Category I or Category II or a foreign venture capital investor, which shall be locked in for a period of one year from the date of purchase by such investor, as applicable. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required by under the SEBI ICDR Regulations.

The following Shareholders are exempt from the lock-in in terms of Regulation 17 of the SEBI ICDR Regulations:

Sr. No.	Name of the Shareholder	Category of Alternative Investment Fund	Date of acquisition	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)
1.	Volrado Venture Partners Fund II	Category I – Venture Capital Fund	May 15, 2017*	1,191,432	1.90%
			November 1, 2019**	2,081,854***	
Total				**3,273,286**	**1.90%**

**Purchased by way of a secondary sale of Equity Shares in physical form dated May 15, 2017. Our Bank has approved and taken the aforementioned transactions on record by way of a resolution passed by the Stakeholder's Relationship Committee on May 15, 2017.*

*** Purchased by way of a secondary sale of Equity Shares in dematerialised form, dated November 1, 2019.*

****2,081,854 Equity Shares will be locked in as per Regulation 17 of the SEBI ICDR Regulations.*

11. **Lock-in of Equity Shares Allotted to Anchor Investors**

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

12. **Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Bank shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

13. **Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

(i) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Promoter's Contribution for three years from the date of Allotment, the loan must have been granted to our Bank for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee and compliance with the applicable provisions of the Takeover Regulations.

Furthermore, in terms of RBI letter dated July 12, 2018 bearing no. DBR.PSBD No. 341/16.01.060/2018-19 read with RBI letter dated August 27, 2018 bearing no. DBR.PSBD No. 1643/16.01.060/2018-19 ("**RBI Letters**"), a minimum of 40% of the paid-up voting capital of our Bank is required to be locked-in for a period of five years from the completion of its investments in our Bank. Accordingly, FIHM has locked in 40% of the paid-up capital of our Bank. For further details, please see, "*Capital Structure - Shareholding Pattern of our Bank*" on page 83 of this Prospectus.

14. **Employee Stock Options Schemes**

a) ***2013 ESOS Scheme:***

Pursuant to a resolution dated April 8, 2014 passed by our Board of Directors and special resolution dated August 18, 2014 passed by our shareholders by way of postal ballot, approval was provided to the CSB Employee Stock Option Scheme, 2013 ("**2013 ESOS Scheme**") to offer, issue and allot equity shares to the eligible employees of our Bank. The purpose of the 2013 ESOS Scheme is to offer long term performance based incentives to select employees, enable value creation for the shareholders by aligning employees' interests with that of our Bank, and to attract, retain and motivate high quality talent. The 2013 ESOS Scheme was effective from April 1, 2013. It was subsequently amended for the purpose of compliance with the SEBI SBEB Regulations and approved pursuant to resolution passed by our Board of Directors dated May 23, 2019. Further, the 2013 ESOS Scheme was discontinued for the purpose of fresh grants thereunder, pursuant to resolution passed by our Board of Directors dated May 23, 2019, and continues only to facilitate exercise of options which have already been granted.

The 2013 ESOS Scheme is in compliance with the SEBI SBEB Regulations and the Companies Act, 2013, and is accounted for in accordance with guidance notes issued by ICAI and the relevant accounting standards, as per the certificate dated November 27, 2019, from R.G.N Price & Co. Further details in relation to the 2013 ESOS Scheme are as follows:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>820,000</td></tr>
<tr><td>Exercise price of options</td><td>₹147.25</td></tr>
<tr><td>Vesting period</td><td>As per the 2013 ESOS Scheme, vesting period is minimum of three years and maximum of five years, unless decided otherwise by the Nomination and Remuneration Committee.</td></tr>
<tr><td>Options vested</td><td>484,998</td></tr>
<tr><td>Options lapsed before vesting</td><td>335,002</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
<tr><td>Total no. of Equity Shares arising as a result of exercise of options</td><td>No options have been exercised.</td></tr>
<tr><td>Options forfeited/lapsed /cancelled</td><td>515,000</td></tr>
<tr><td>Variation in terms of options</td><td>The terms of the 2013 ESOS Scheme were varied to the extent of complying with the SEBI SBEB Regulations.</td></tr>
<tr><td>Money realised by exercise of options</td><td>Nil</td></tr>
<tr><td>Total no. of options in force as on November 27, 2019</td><td>305,000</td></tr>
<tr><td>Employee wise details of options granted to</td><td></td></tr>
<tr><td>(i) Key management personnel</td><td>
<table>
<tr><th>Name of key managerial personnel</th><th>Total no. of options granted</th></tr>
<tr><td>Mr. Bharath Mani</td><td>1,40,000</td></tr>
<tr><td>Mr. Prem Kumar Thampi</td><td>30,000</td></tr>
<tr><td>Mr. Sekhar Rao</td><td>1,15,000</td></tr>
</table>
</td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>
<table>
<tr><th>Name of employee</th><th>Total no. of options granted</th><th>% of Options granted</th><th>Fiscal Year</th></tr>
<tr><td>Mr. Sekhar Rao</td><td>1,15,000</td><td>14.02</td><td>2015-2016</td></tr>
<tr><td>Mr. Bharath Mani</td><td>1,40,000</td><td>17.07</td><td>2015-2016</td></tr>
<tr><td>Mr. Rabin Rajeev Stephen*</td><td>1,40,000</td><td>17.07</td><td>2015-2016</td></tr>
</table>
* Resigned on November 19, 2016
</td></tr>
<tr><td>(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Bank at the time of grant</td><td>
<table>
<tr><th>Name of employee</th><th>Total no. of options granted</th></tr>
<tr><td colspan="2">Nil</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share'</td><td>As per para 37 of Accounting Standard 20, "Earnings Per Share", options are considered dilutive when they would result in the issue of Equity Shares for less than fair value. As per the terms and conditions of the 2013 ESOS Scheme, the exercise price per share is more than the fair value determined based on the valuation obtained by our Bank. Hence, there is no dilution in EPS on exercise of options granted.</td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Bank had used fair value of options and impact of this difference on profits and EPS of our Bank for the last three fiscals</td><td>The exercise price of options granted under 2013 ESOS Scheme is more than the fair value and hence, bank was not required to recognize provision in the books. Further, these options are anti-dilutive, since the exercise price is more than the fair value.</td></tr>
<tr><td>Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>To ascertain the reasonableness of the valuation of options, various quantitative factors of our Bank were considered. The fair valuation of options has been carried out using Black Scholes pricing valuation model.<table><tr><th>Basis</th><th>Particulars</th></tr><tr><td>Dividend yield (%)</td><td>0%</td></tr><tr><td>Expected volatility (in %)</td><td>32.58%</td></tr><tr><td>Expected dividends</td><td>0%</td></tr><tr><td>Risk-free interest rate (in %)</td><td>7.62%</td></tr><tr><td>Weighted average share price (in ₹)</td><td>142.00</td></tr><tr><td>Exercise price (in ₹)</td><td>147.25</td></tr><tr><td>Expected life of options granted (in years)</td><td>10 years</td></tr></table></td></tr>
<tr><td>Impact on profits and EPS of the last three years if our Bank had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations in respect of options granted in the last three years</td><td>Not applicable, since no options were granted in the last three years.</td></tr>
<tr><td>Intention of the Key Managerial Persons and whole time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer</td><td>Not applicable since no options exercised.</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the 2013 ESOS Scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of 2013 ESOS Scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)</td><td>Not applicable since no options exercised.</td></tr>
</table>

Key terms and conditions of 2013 ESOS Scheme:

Term:

2013 ESOS Scheme applies to all grants of stock options and shall remain in force until all the options under 2013 ESOS Scheme have been fully exercised and / or lapsed or on the date of termination of the said 2013 ESOS Scheme by our Bank, whichever is later.

Administration:

2013 ESOS Scheme is administered by the Nomination and Remuneration Committee, which is empowered to perform various functions, including:

(i) Prescribing performance parameters for identification of eligible employees and selection of such employees to whom grants under 2013 ESOS Scheme are to be made;

(ii) determining the number of options to be granted, the dates and conditions for acceleration and vesting and exercise of options thereof under 2013 ESOS Scheme in such circumstances;
(iii) recognizing and confirming grants under 2013 ESOS Scheme; and
(iv) determining procedures for cash – less exercise of options and treatment of un-vested options in case of suspension / termination of services pending inquiries against the eligible employee.

Exercise and exercise price:

Vested options shall be exercised by eligible employees within 10 years from the date of vesting of the relevant grant (unless otherwise established by the Nomination and Remuneration Committee). The exercise price of the vested option shall be determined by the Nomination and Remuneration Committee and shall not be lower than the fair market value on such date of grant. Options that are not exercised may be re-priced in a manner that is not prejudicial to the interests of eligible employees.

Termination of Employment:

The 2013 ESOS Scheme also sets out provisions in relation to options upon termination of employees due to death, permanent disability, cessation of employment, cessation of directorship etc.

b) 2019 ESOS Scheme

Pursuant to a resolution dated March 25, 2019 passed by our Board of Directors and special resolution dated May 4, 2019 passed by our Shareholders by way of postal ballot, approval was provided to the CSB Employee Stock Option Scheme, 2019 ("**2019 ESOS Scheme**") to offer, issue and allot Equity Shares to the eligible employees of our Bank. The 2019 ESOS Scheme is administered by the CSB ESOS Trust, a trust settled by our Bank under the provisions of the Indian Trust Act, 1882, by way of trust deed dated May 20, 2019.

The objective of 2019 ESOS Scheme is to enable the employees, present and future, to get a share in the value that they help to create for our Bank over a period of time. Other key objectives of 2019 ESOS Scheme are, among others, to attract and retain critical senior talents with employee stock options as a compensation tool.

The 2019 ESOS Scheme is in compliance with the SEBI ESOP Regulations and the Companies Act, 2013, and is accounted for in accordance with guidance notes issued by ICAI and the relevant accounting standards and no grants have been made under 2019 ESOS Scheme, as per the certificate dated November 27, 2019, from R.G.N Price and Co, Chartered Accountants.

Key terms and conditions of the 2019 ESOS Scheme

Term:

2019 ESOS Scheme is established with effect from May 4, 2019 and shall continue to be in force until (i) its termination by our Bank as per the applicable laws, or (ii) the date on which all employee stock options have been issued and exercised under the 2019 ESOS Scheme, whichever is later.

Supervision and Administration:

2019 ESOS Scheme shall be supervised by the Nomination and Remuneration Committee and it shall discharge all the functions relating to superintendence of the ESOS 2019 Scheme and the rights, powers, duties or liabilities of the Board to the extent delegated and contemplated under the applicable laws and compensation policies adopted by our Bank shall be discharged by the Nomination and Remuneration Committee.

The ESOS 2019 shall be administered by the CSB ESOS Trust to the extent aspects of such administration are delegated by the Nomination and Remuneration Committee as per requirements of applicable laws.

Eligibility:

Only employees of our Bank are eligible for being granted employee stock options under the 2019 ESOS Scheme. The specific employees to whom the options may be granted would be determined by the Nomination and Remuneration Committee.

Maximum number of Equity Shares to be issued:

The options shall be issued to the eligible employees through the CSB ESOS Trust, and shall not exceed 5,000,000 employee stock options, in one or more tranches. The options so granted shall be exercisable into not more than 5,000,000 Equity Shares each fully paid up. Each such option conferring a right upon the option grantee to apply for one Equity Share of our Bank shall be transferred by the CSB ESOS Trust, in accordance with the terms and conditions as may be determined by the Nomination and Remuneration Committee in accordance with the provisions of the scheme and applicable laws. Each option, upon exercise, will entitle the option grantee to one Equity Share. Such Equity Shares issued and allotted by our Bank under the Scheme shall rank pari passu in all respects with the existing fully paid equity shares of our Bank of same class.

Vesting:

Options granted under the 2019 ESOS Scheme shall not vest before completion of one year from the date of grant. Subject to the foregoing, any staggered vesting prescribed for any grant shall be over a vesting schedule of minimum of three years and maximum of 10 years from the date of grant.

Exercise period

The exercise period in respect of a vested option shall be a period commencing from the relevant vesting date of such option and shall end with the expiry of 10 years or such other shorter period as approved by the Nomination and Remuneration Committee from the date of grant of such option, while in employment or service. Further, the 2019 ESOS Scheme also prescribes the process and treatment for vested and unvested in case of termination or separation from employment including resignation, termination due to cause, retirement, earlier retirement, death and incapacity or any other reasons.

15. Our Bank presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, the foregoing restriction does not apply to any issuance of employee stock options granted or exercised pursuant to the 2013 ESOS Scheme and 2019 ESOS Scheme

16. Except as disclosed in this Prospectus under "*Capital Structure - Details of Shareholding of our Promoter, members of the Promoter Group and directors of our Promoter in our Bank"* on page 89, none of the members of the Promoter Group, our Promoter, directors of our Promoter, and / or our Directors and their relatives have purchased or sold any securities of our Bank during the period of six months immediately preceding the date of this Prospectus.

17. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Promoter and / or our Directors and their relatives have financed the purchase by any other person of securities of our Bank during a period of six months immediately preceding the date of this Prospectus.

18. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment.

19. There were no partly paid-up Equity Shares.

20. As on the date of this Prospectus, the BRLMs and their respective associates, as defined under the SEBI Merchant Bankers Regulations do not hold any Equity Shares. The BRLM(s) and their associates may engage in the transactions with and perform services for our Bank in the ordinary course of business or may in the future engage

in commercial banking and investment banking transactions with our Bank for which they may in the future receive customary compensation.

21. Our Bank, the Promoter, the Selling Shareholders, our Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

22. Except for options granted under 2013 ESOS Scheme, there are no warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Prospectus.

23. In terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, this is an Offer for at least 10% of the post-Offer capital. The Offer was made through the Book Building Process, in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer was allocated on a proportionate basis to QIBs. Provided that our Bank in consultation with the BRLM(s), allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis out of which one third was reserved for domestic Mutual Funds only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (other than Anchor Investor Portion) was allocated on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (other than Anchor Investor Portion) was allocated on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer was allocated on a proportionate basis to Non Institutional Investors and not more than 10% of the Offer was allocated, in accordance with the SEBI ICDR Regulations, to Retail Individual Investors, subject to valid Bids being received at or above the Offer Price. Over-subscription to the extent of 1% may be retained by our Bank for rounding off. For further details, see "*Offer Procedure*" beginning on page 622.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

25. Our Promoter and the members of our Promoter Group will not participate in the Offer.

26. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid.

27. As on the date of the Draft Red Herring Prospectus, our Bank had considered a further issuance of 3,207,762 Equity Shares ("**Further Issuance**"), to our Promoter at a price to be decided by our Bank and the Promoter, in consultation with the BRLMs. However, as on the date of the Red Herring Prospectus, our Bank had decided not to undertake the Further Issuance.

28. Our Bank has not undertaken any public issue of securities. Further, except as set out under "*Capital Structure - Share capital history of our Bank from the financial year ended December 31, 1982 till date"* beginning on page 76, our Bank has not made any rights issue of any kind or class of securities since its incorporation.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue by our Bank and an Offer for Sale by the Selling Shareholders.

Fresh Issue

The objects of the Offer are to augment our Bank's Tier-I capital base to meet our Bank's future capital requirements which are expected to arise out of growth in our Bank's assets, primarily our Bank's loans/advances and investment portfolio and to ensure compliance with Basel III and other RBI guidelines. Further, the proceeds from the Offer will be used towards meeting the expenses of the Offer.

Offer for Sale

The Selling Shareholders propose to sell an aggregate of 19,778,298 Equity Shares, aggregating to ₹ 3,671.77 million after deducting the Offer related expenses.

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale. The Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting the Offer related expenses with respect to its respective Offered Shares. Other than listing fees, which will be paid by our Bank, all costs, fees and expenses directly attributable to the Offer shall be borne by the Selling Shareholders, on a pro rata basis in proportion to the respective Offered Shares. Upon the successful completion of the Offer, the Selling Shareholders shall reimburse our Bank, for any expenses incurred by our Bank on behalf of the Selling Shareholders in proportion to the respective Offered Shares.

Utilisation of the proceeds of the Fresh Issue

The details of the proceeds of the Fresh Issue are summarised below:

Particulars	**Estimated amount (in ₹ million)**
Gross proceeds from the Fresh Issue	240
(Less) Fresh Issue expenses	12.07
Net Proceeds	227.93

The main objects clause of our Memorandum of Association enables our Bank to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, our Bank's existing business activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Further, our Bank expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders. The listing will also provide a public market for the Equity Shares in India. Our Bank will not receive any proceeds from the Offer for Sale and all the proceeds will be received by the Selling Shareholders, in proportion to the Offered Shares sold by the respective Selling Shareholders as part of the Offer. For details of Offered Shares by each Selling Shareholder, see *"Other Regulatory and Statutory Disclosures*" on page 604.

Requirement and Sources of Funds

We intend to utilize the Net Proceeds to augment our Bank's Tier - I capital base to meet our Bank's future capital requirements which are expected to arise out of growth in our Bank's assets, primarily our Bank's loans/advances and investment portfolio, and to ensure compliance with Basel III and other RBI guidelines.

Details of the Objects

Augment our Bank's Tier - I capital base to meet our Bank's future capital requirements which are expected to arise out of growth in our Bank's assets, primarily our Bank's loans/advances and investment portfolio, and to ensure compliance with Basel III and other RBI guidelines.

The minimum capital adequacy ratio ("**CAR**") required to be maintained by our Bank as on March 31, 2019 and September 30, 2019 is 10.875% (which includes a capital conservation buffer of 1.875%). As on March 31, 2019, our total CAR and common equity Tier -I CAR were 16.70% and 16.03%, respectively. Further, as on September 30, 2019, our total CAR and common equity Tier -I CAR were 22.77% and 22.11%, respectively.

While our Bank has raised capital from time to time, with the adoption of Basel III by our Bank and the ongoing implementation of BASEL III by RBI, the minimum capital requirements of our Bank is expected to increase in a phased manner over the next few years.

Accordingly, the objects of the Fresh Issue are to augment our Bank's Tier-I capital base to meet our Bank's future capital requirements which are expected to arise out of growth in our Bank's assets, primarily our Bank's loans/advances and investment portfolio, and to ensure compliance with Basel III and other RBI guidelines.

Schedule of Deployment of Funds

Our Bank currently proposes to deploy the Net Proceeds in the aforesaid objects in the current Fiscal.

Appraising Agency

The Objects of the Fresh Issue have not been appraised by any bank, financial institution or agency and we have not raised any bridge loans against the Net Proceeds.

Means of Finance

The entire requirements of the objects detailed above are intended to be funded from the Net Proceeds. Accordingly, we confirm that there is no need for us 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 through the Offer.

Offer related expenses

The total Offer related expenses are estimated to be approximately ₹ 206.10 million. The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Banker to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, SCSCBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The breakup of the estimated Offer expenses is set forth below:

Activity	Amount (₹ in million)	As a % of total estimated Offer related expenses	As a % of Offer size
Fees payable to the BRLMs (including brokerage, underwriting and selling commission)	62.61	30.38	1.53
Brokerage, selling commission and bidding charges for members of the Syndicate, SCSBs, RTAs and CDPs[(1)]	3.14	1.52	0.08
Selling Commission and Processing fees to SCSBs for ASBA Applications procured by the Syndicate, Sub-Syndicate, Registered Brokers, RTAs or CDPs and submitted with the SCSBs; and bidding charges to members of the Syndicate, RTAs and CDPs[(2)]	6.12	2.97	0.15
Selling commission for Registered Brokers[(3)]	-	-	-
Fees payable to Registrar to the Offer	0.08	0.04	0.00
Printing and stationery expenses	32.72	15.87	0.80
Advertising and marketing expenses	38.05	18.46	0.93

Activity	Amount (₹ in million)	As a % of total estimated Offer related expenses	As a % of Offer size
Others: (i) Listing fees; (ii) SEBI, BSE and NSE processing fees; (iii) Book-building software fees; (iv) Other regulatory expenses; (v) Monitoring agency fees; (vi) Fees payable to legal counsels; and (vii) Miscellaneous.	63.39	30.76	1.55
Total estimated Offer expenses	206.10	100.00	5.03

(1) Selling commission payable to members of the Syndicate, SCSBs, CRTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Offer Price) would be as follows:

Portion for Retail Individual Investors	*0.35% (plus applicable GST)*
Portion for Non-Institutional Investors	*0.20% (plus applicable GST)*

Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders shall be ₹ 10 (plus applicable GST) per valid Bid cum Application Form bided by them.

(2) Bidding charges of ₹ 10 (plus applicable GST) shall be paid per valid Bid cum Application Form collected by the Syndicate, CRTAs and CDPs (including applications made by Retail Individual Investors using the UPI mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured and bidded by them.

(3) Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the members of the Syndicate / sub-Syndicate / Registered Brokers / CRTAs / CDPs and submitted to the SCSB for blocking shall be ₹ 10 per valid Bid cum Application Form (plus applicable GST).

Processing fees for applications made by Retail Individual Investors using the UPI mechanism would be as follows:

Sponsor Bank	*₹ 8 per valid Bid cum Application Form (plus applicable taxes)**

**Based on valid Bid cum Application Forms.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking would be as follows:

₹ 10 plus GST, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

The commission and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by our Bank. All of the above are exclusive of applicable taxes.

The Offer expenses shall be payable within 30 Working Days post the date of receipt of the final invoice from the respective intermediaries by our Bank in accordance with the arrangements/ agreements with the relevant intermediary.

Subject to applicable law, other than the listing fees which will be paid by our Bank, all costs, fees and expenses directly attributable to the Offer will be shared amongst our Bank and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares sold by each Selling Shareholder in the Offer for Sale and the Equity Shares allotted by our Bank as a percentage of total Equity Shares sold in the Offer, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, other than the listing fees, each Selling Shareholder shall severally reimburse our Bank for any expenses in relation to the Offer paid by our Bank on behalf of the respective Selling Shareholder, on a pro rata basis in proportion to their respective portion of the Offered Shares.

Monitoring utilization of funds

As we are a banking company, in accordance with the proviso to Regulation 41(1) of the SEBI ICDR Regulations, no monitoring agency has been appointed with respect to the Offer. To the extent applicable, our Bank will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Fresh Issue. We will disclose the utilisation of the proceeds of the Fresh Issue under a separate head in our balance sheet for the relevant Financial Years along with details, if any, in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Offer.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges. Upon receipt of listing and trading approvals from the Stock Exchanges, the Net Proceeds will be applied towards the stated objects and would be utilised by our Bank for normal business purposes.

Variation in objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the SEBI ICDR Regulations, our Bank shall not vary the Objects of the Fresh Issue unless our Bank is authorised to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Pursuant to the Companies Act, 2013, the controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of the SEBI ICDR Regulations.

Additionally, the notice in respect of such resolution issued to the shareholders shall contain details as prescribed under the Companies Act, 2013 and such details of the notice, clearly indicating the justification for such variation, shall also be published in one English and Malayalam newspaper, with Malayalam being the vernacular in Kerala i.e where our Registered Office is situated, as per the Companies Act, 2013 and the rules framed there under. Pursuant to the Companies Act, 2013, the controlling shareholders of such company are required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, in accordance with the Articles of Association, and as per the terms and conditions as may otherwise be prescribed by SEBI.

Other confirmations

No part of the Net Proceeds from the Fresh Issue will be paid by us as consideration to our Promoter, members of the Promoter Group, Selling Shareholders, Directors or Key Management Personnel, except in the normal course of business and in compliance with applicable law. Our Bank has not entered into and is not planning to enter into any arrangement/agreements with the Promoter, members of the Promoter Group, Selling Shareholders, Directors and Key Management Personnel in relation to the utilization of the Net Proceeds. Further, except in the ordinary course of business, there is not existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Bank, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 19.3 times the Floor Price and 19.5 times the Cap Price. Investors should also refer to the sections titled "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 141, 23 and 237, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Strong channel network and trusted brand in South India;
- strong capital base;
- well established SME business;
- retail offering driven by strong gold loan portfolio;
- stable and granular deposit base;
- professional and experienced management with strong and independent Board; and
- streamlined risk management controls, policies and procedures.

For further details, see "*Our Business - Competitive Strengths*" and "*Risk Factors*" on pages 145 and 23, respectively.

Quantitative Factors

Some of the information presented below relating to our Bank is based on the Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 237.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS")

Particulars	Basic EPS (Rupees)	Diluted EPS (Rupees)	Weight
Year ended March 31, 2019	(7.90)	(7.90)	3
Year ended March 31, 2018	(15.70)	(15.70)	2
Year ended March 31, 2017	(7.66)	(7.66)	1
Weighted average (Refer Note 4)	**(10.46)**	**(10.46)**	
Six month period ended September 30, 2019*	3.86	3.86	

Note:

1. *The EPS calculations have been done in accordance with Accounting Standard 20 – "Earnings per Share" issued by ICAI*
2. *The face value of each Equity Share is ₹10.*
3. *The ratios have been computed as below:*
   a. *Basic EPS and Diluted EPS (in ₹) = Net profit or (Net loss) available to equity shareholders (after extra-ordinary items) / Weighted average number of equity shares outstanding during the year/period*
4. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights]*

**Not annualized*

2. Basic and Diluted Earnings Per Share after taking into consideration conversion of warrants and ESOP allotment ("EPS")

Particulars	EPS (Rupees)	Weight
Year ended March 31, 2019	(3.81)	3
Year ended March 31, 2018	(7.38)	2
Year ended March 31, 2017	(3.37)	1
Weighted average (Refer Note 4)	**(4.93)**	

3. Price/ Earning ("P/ E") ratio in relation to Price Band of ₹ 193 to ₹ 195 per Equity Share

(a) P/ E based on basic and diluted EPS for the year ended March 31, 2019 is not measureable as EPS is negative.

(b) Industry P/ E ratio is given below:

Particulars	P/ E
Highest	27.1
Lowest	12.1
Average	**18.8**

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/ E of the industry peer set disclosed in this section.

4. Average Return on Net Worth ("RoNW")

Financial Year ended	RoNW (%)	Weight
March 31, 2019	-6.74%	3
March 31, 2018	-35.94%	2
March 31, 2017	-10.62%	1
Weighted Average*	**-17.12%**	
Six month period ended September 30, 2019#	**2.88%**	

Note:
RoNW = Net profit or (Net loss) after tax (after extra- ordinary items) / Net worth excluding revaluation reserve, Deferred Tax Asset and intangible assets at the end of the year or period
**Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*
#Not annualized

5. Average Return on Net Worth ("RoNW") after taking into consideration conversion of warrants and ESOP allotment

Financial Year ended	RoNW (%)	Weight
March 31, 2019	-4.48%	3
March 31, 2018	-8.11%	2
March 31, 2017	-3.30%	1
Weighted Average*	**-5.49%**	

Note:
RoNW = Net profit or (Net loss) after tax (after extra- ordinary items) / Net worth excluding revaluation reserve, Deferred Tax Asset and intangible assets at the end of the year or period
**Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

6. *Minimum Return on Net Worth after Offer*

to maintain Pre-Offer Basic EPS for Financial Year 2018-19

Particulars	(%)
At the Floor Price	NM*

At the Cap Price	NM*

** Non Measurable*

to maintain Pre-Offer Diluted EPS for Financial Year 2018-19

Particulars	**(%)**
At the Floor Price	NM*
At the Cap Price	NM*

** Non Measurable*

7. Net Asset Value ("NAV") per Equity Share

Particulars	**(₹)**
As on September 30, 2019	89.19
Financial Year 2019	73.54
Financial Year 2018	43.68
Financial Year 2017	67.46
NAV after the Offer*	89.94
Offer Price	195

**NAV = Net worth as at September 30, 2019 / Number of equity shares outstanding at the end of the year.*

8. Net Asset Value ("NAV") per Equity Share after taking into consideration conversion of warrants and ESOP allotment

Particulars	**(₹)**
Financial Year 2019	85.12
Financial Year 2018	90.95
Financial Year 2017	102.12
NAV after the Offer*	89.94
Offer Price	195

**NAV = Net worth as at September 30, 2019/ Number of equity shares outstanding at the end of the year.*

9. Comparison of accounting ratios with listed industry peers

Name of the Bank	**Face Value (₹)**	**Total Income (₹ million)**	**Basic EPS**	**P/E**	**P/BV**	**RONW (%)**	**NAV (₹)**
CSB Bank Limited	10	14,834.33	(7.9)	Non measurable	2.2	(6.7%)	73.54
DCB bank	10	33,917	10.5	19.4	2.2	11.3%	92.7
Federal bank	2	1,29,707	6.7	14.5	1.4	9.8%	68.0
South Indian bank	1	76,027	1.4	12.1	0.6	4.9%	28.2
City Union	1	42,816	9.6	21.3	3.1	14.1%	65.9
Karur Vysya Bank	2	67,786	2.6	27.1	0.9	3.3%	80.4

Source: Stock Exchange. Based on Audited Financials for the year ended March 31, 2019

Note:

1. *P/E ratio based on closing market price as on March 31, 2019 available on www.bseindia.com and using Basic EPS*

10. The Offer Price will be 19.5 times of the face value of the Equity Shares

The Offer Price of ₹ 195 has been determined by our Bank, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with *"Our Business"*, "*Risk Factors*" and "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 141, 23, 2387and 403, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "*Risk Factors*" beginning on page 23 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

Date: November 13, 2019

To,

The Board of Directors
CSB Bank Limited
(Formerly The Catholic Syrian Bank Limited)
CSB Bhavan, Post Box 502
St. Mary's College Road
Thrissur 680 020, Kerala, India

Dear Sirs,

Re: Proposed initial public offering of Equity shares of face value of Rs. 10 each (the "Equity Shares") of CSB Bank Limited *(Formerly The Catholic Syrian Bank Limited*) **(the "Bank" and such offering, the "Offer")**

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct and indirect tax laws presently in force in India, available to the Bank and its shareholders. Several of these benefits are dependent on the Bank and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Bank or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Bank and its shareholders face in the future, the Bank and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor advising the investor to invest in the Offer based on this statement.

We do not express any opinion or provide any assurance as to whether:

(i) the Bank and its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Bank and on the basis of our understanding of the business activities and operations of the Bank.

We hereby give consent to include this statement of special tax benefits in this Prospectus, and in any other material used in connection with the Offer.

Yours faithfully,

For and on behalf of R.G.N.Price & Co, Chartered Accountants

Authorized signatory
P.M.Veeramani
Partner
Membership No.: 23933
UDIN: 19023933AAAANF9011

Encl: As above

ANNEXURE

Statement of Direct Tax Benefits available to CSB Bank Limited *(Formerly Catholic Syrian Bank Limited)* **("the Bank") and its Shareholders**

INCOME TAX

I. TO THE BANK

Special Tax Benefits

1. Under section 36(1)(iiia) of the Act read with Rule 8C of the Income Tax Rules, deduction is allowed for the pro rata amount of discount on zero coupon bond defined under section 2(48) of the Act having regard to the period of life of such bond calculated in the manner as prescribed in the Rules.

2. Under section 36(1) (vii) of the Act, the amount of any bad debts, or part thereof, written off as irrecoverable in the accounts of the bank for the previous year is allowable as deduction. However, the amount of the deduction relating to any such debt or part thereof shall be limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account including provisions made towards rural advances made under section 36(1)(viia) of the Act. Further, if the amount subsequently recovered on any such debt or part is greater than the difference between the debt or part of debt and the amount so allowed, the excess shall be deemed to be profits and gains of business or profession and accordingly, chargeable to tax in accordance with Section 41(4) in the year in which it is recovered.

3. Under section 36(1)(viia) of the Act, in respect of any provision made for bad and doubtful debts, a Scheduled Bank is entitled to a deduction not exceeding:

   a. 8.5% of the total income (computed before making any deductions under this clause and Chapter VIA) and

   b. 10% of the aggregate average advances made by the rural branches of the Bank computed in the manner prescribed in the Rule 6ABA.

   Also the Bank shall, at its option, be allowed a further deduction in excess of the limit specified above, for an amount not exceeding the income derived from redemption of securities in accordance with a scheme framed by the Central Government provided such income has been disclosed in its return of income under the head "Profits and gains of business or profession".

4. Under section 36(1)(viii) of the Act, deduction is allowed for amount transferred to special reserve account subject to maximum 20% of profit derived from providing long term finance in India for industrial or agriculture development or development of infrastructure facility in India or development of housing in India. However, where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of general reserves of the bank, no allowance under this section shall be made in respect of such excess. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions for Section 41(4A) of the Act.

5. Under section 43D of the Act, interest income on certain categories of bad or doubtful debts as specified in Rule 6EA of the Income Tax Rules having regard to the guidelines issued by Reserve Bank of India in relation to such debts shall be chargeable to tax, only in the year in which it is actually received or the year in which it is credited to the Profit and Loss Account by the Bank, whichever is earlier

6. Under Section 47(xv) of the Act, scheme of lending of any securities under an agreement or arrangement, which the assessee has entered into with the borrower of such securities and which is subjected to the guidelines issued by the Securities and Exchange Board of India or Reserve Bank of India, in this regard, will not be considered

as transfer for the purpose of capital gain

7. As per Section 80JJAA, where the gross total income of an assesse to whom section 44AB applies, , there shall, subject to the conditions specified in subsection (2), be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in such business, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment in provided.

   Further, by the Finance Act, 2018, effective from assessment year 2019-20, this deduction of 30% is allowable for a new employee who is employed for less than the minimum period during the first year but continues to remain employed for the minimum period in subsequent year.

General Tax Benefits

1. Under section 10(15)(i) of the Act, income by way of interest, premium on redemption or other payment on securities, bonds, etc. issued by the Central Government and deposits notified by the Central Government is exempt from tax, subject to such conditions and limits as may be specified by Government in this behalf.

2. Under section 10 (33) of the Act, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) is exempt.

3. Under section 10(34) of the Act, any dividend income as referred to in section 115O of the Act , other than dividends chargeable to tax under section 115BBDA, which is declared, distributed or paid by any domestic company is exempt. As per section 115BBDA , any person other than domestic company, specified institution and trust , who are in receipt of dividend declared, paid or distributed by a domestic company or companies exceeding Rs.10 lakhs shall be liable income tax @10%. However, under section 94 (7) of the Act, the losses arising from the sale/transfer of any securities or units purchased up to three months prior to the record date and sold/transferred within a period of three months in case of securities or with a period of nine months in case of units after such date, will be disallowed to the extent of dividend /income received or receivable on such shares/securities which is claimed as tax exempt by the shareholder.

4. The following incomes are exempt under section 10(35) of the Act

   a) Income received in respect of the units of a Mutual Fund specified under section 10(23D) the Act; or
   b) Income received in respect of units from the Administrator of the specified undertaking; or
   c) Income received in respect of units from the specified company;

   Provided that this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

5. As per Section 112A , long term capital gain exceeding Rs.one lakh arising on the sale of Equity share in a company or a unit of an Equity oriented fund or a unit of a business trust and security transaction tax is paid on its acquisition and/or sale /transfer , is chargeable to tax @10% . Under section 111A of the Act, short-term capital gains arising from the transfer of a short-term capital asset, being an Equity share in a company or a unit of an Equity oriented fund is chargeable to tax at the rate of 15%, provided, the transaction of sale of such Equity share or unit is chargeable to securities transaction tax.

6. Under section 32 of the Act, deduction is allowed towards depreciation on tangible and intangible assets owned by it and used for the purpose of its business. The unabsorbed depreciation if any can be carried forwarded to the subsequent years.

7. Under section 35 of the Act, deduction is allowed in respect of expenditure laid out or expended on scientific research related to business not being in the nature of capital expenditure. Further a weighted deduction is allowed in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research or to a university or college or company or other institution to be used for scientific research

subject to the conditions specified therein or in certain cases to be used for research in social science or statistical research.

8. Under section 35DD of the Act, any expenditure incurred wholly and exclusively for the purposes of amalgamation/ demerger of an undertaking , is allowed as deduction for an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation/ demerger takes place.

9. Under section 35 DDA of the Act, any expenditure by way of payment of any sum to an employee in connection with his voluntary retirement in accordance with any scheme or schemes of voluntary retirement, is allowed as deduction for an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which expenditure incurred.

10. Under section 36(1)(vii) of the Act, in addition to the deduction available under section 36(1)(viia) of the Act, a deduction is allowed for the amount of bad debts written off as irrecoverable in the accounts. The deduction shall be limited to the amount by which such debt or part thereof, which exceeds the credit balance in the provision for bad and doubtful debts account made under section 36(1)(viia) of the Act and subject to the compliance of provisions of section 36(2)(v) of the Act. The amount subsequently recovered would be chargeable to income-tax in the year of recovery in accordance with the provisions of section 41(4) of the Income-tax Act.

11. Under section 36 (1) (xv) of the Act, any payment of securities transaction tax in respect of taxable securities transactions which are taxable under the head "profits and gains of business or profession" is allowed as deduction against such income.

12. Under section 47(viaa) of the Act, any transfer of a capital asset by a banking company to the banking institution, in a scheme of amalgamation of a banking company with a banking institution sanctioned and brought into force by the Central Government is not liable to capital gains under section 45 of the Act.

13. Under section 54EC of the Act and subject to conditions specified therein, long term capital gains on transfer of land or building or both is exempt to the extent such capital gain is invested in certain long term specified assets subject to a maximum of Rupees fifty lakhs , within six months from the date of transfer of capital asset.

    If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the long term specified asset is transferred or converted into money.

    For this purpose long term specified asset means, specified Bond redeemable after five years issued by the National Highways Authority of India or by the Rural Electrification Corporation Limited.

14. As per section 54EE, where capital gains arising from the transfer of a long term capital asset, the whole / proportion of the capital gain would be exempt from tax if the whole or proportion of the capital gain is invested within six months of the transfer of the original asset in units issued before 1st Day of April 2019 by such fund as may be notified by the central government . If such units are transferred within a period of six months from the date of acquisition of the unit , the capital gains originally exempt would be deemed to be capital gains in the year in which such units were transferred.

15. Under section 72AA of the Act, where there has been an amalgamation of a banking company with any other banking institution under a scheme sanctioned and brought into force by the Central Government, notwithstanding the provision of Section 2(1B) or Section 72A of the Act, the accumulated loss other than speculation loss and the unabsorbed depreciation of such banking company shall be deemed to be the loss or, as the case may be, allowance for depreciation of such banking institution for the previous year in which the scheme of amalgamation was brought into force and other provisions of the Act relating to set off and carry forward of loss and allowance for depreciation shall apply accordingly.

16. Under section 80G of the Act, deduction (50% / 100%) is allowed in respect of donations to certain funds, charitable institutions, etc subject to a maximum of 10% of the gross total income (as reduced by any portion thereof on which income tax is not payable under any provision thereof and by any amount which is entitled to a deduction under any other provision of chapter VI A of the Act).

17.

i. Under section 80LA of the Act, where the gross total income of a scheduled bank or any bank incorporated by or under the laws of a country outside India and having an Offshore banking Unit in a Special Economic Zone or being an unit of an International Financial Services Centre includes specified income, there shall be allowed in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to –

   a. One hundred percent of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission under clause (a) of subsection (1) of section 23 of the Banking regulations Act, 1949 (10 of 1949) or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any other relevant law was obtained and thereafter.

   b. Fifty percent of such income for five consecutive assessment years.

ii. the specified income referred to above shall be

   a. From an offshore banking unit in a special economic zone.

   b. From the business, referred to in the sub-section(1) of the section 6 of the Banking Regulation Act,1949 with an undertaking located in a special economic zone or any other undertaking which develops, develops and operates or develop, operates and maintains a Special Economic Zone

   c. From any Unit of the International Financial Services Centre from its business for which it has been approved for setting up in such a Centre in a Special Economic Zone.

18. Under section 111A of the Act, short-term capital gains arising from the transfer of a short-term capital asset, being an Equity share in a company or a unit of an Equity oriented fund is chargeable to tax at the rate of 15%, provided, the transaction of sale of such Equity share or unit is chargeable to securities transaction tax.

19. As per Section 112A , long term capital gain exceeding Rs.one lakh arising on the sale of Equity share in a company or a unit of an Equity oriented fund or a unit of a business trust and security transaction tax is paid on its acquisition and/or sale /transfer , is chargeable to tax @10% .

20. Under section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid under section 115 JB of the Act (MAT). Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10 years succeeding the year in which the MAT becomes allowable.

II. TO THE RESIDENT SHAREHOLDERS OF THE BANK

The following are the benefits as per the current tax laws to shareholders of the Bank:

1. Under section 10 (32) of the Act, any income of minor children clubbed with the total income of the parent under section 64 (1A) of the Act, will be exempt from tax to the extent of Rs. 1500 per minor child.

2. Under section 10(34) of the Act, any dividend income as referred to in section 115O of the Act other than dividends chargeable to tax under section 115 BBDA, which is declared, distributed or paid by any domestic company is exempt. However, under section 94 (7) of the Act, the losses arising from the sale/transfer of any securities or units purchased up to three months prior to the record date and sold/transferred within a period of three months in case of securities or with a period of nine months in case of units after such date, will be

disallowed to the extent of dividend /income received or receivable on such shares which is claimed as tax exempt by the shareholder.

3. As per Section 112A , long term capital gain exceeding Rs.one lakh arising on the sale of Equity share in a company or a unit of an Equity oriented fund or a unit of a business trust and security transaction tax is paid on its acquisition and/or sale /transfer , is chargeable to tax @10% .

4. Under section 111A of the Act, short-term capital gains arising from the transfer of a short-term capital asset, being an Equity share in a company or a unit of an Equity oriented fund is chargeable to tax at the rate of 15%, provided, the transaction of sale of such Equity share or unit is chargeable to securities transaction tax.

5. Under section 36 (1) (xv) of the Act, any payment of securities transaction tax in respect of taxable securities transactions which are taxable under the head "profits and gains of business or profession" shall be allowed as deduction against such income.

6. Under section 54EC of the Act and subject to conditions specified therein, long term capital gains on transfer of land or building or both is exempt to the extent such capital gain is invested in certain specified assets subject to a maximum of Rupees fifty lakhs , within six months from the date of transfer of capital asset.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.

   For this purpose specified asset means, any Bond redeemable after five years but issued by the National Highways Authority of India or by the Rural Electrification Corporation Limited.

7. Under section 54F of the Act, long term capital gains arising in the hands of an individual or HUF on transfer of Bonds/securities of the Bank is exempt if the net consideration is invested in purchase of residential house within a period of one year before or two years from the date of transfer or constructs a residential house within a period of three years from the date of transfer. The exemption is available proportionately if only a portion of the net consideration is invested as above. The exemption is subject to other conditions specified in that Section.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the new residential house is transferred.

8. As per section 54EE, where capital gains arising from the transfer of a long term capital asset, the whole / proportion of the capital gain would be exempt from tax if the whole or proportion of the capital gain is invested within six months of the transfer of the original asset in units issued before 1st Day of April 2019 by such fund as may be notified by the central government . If such units are transferred within a period of six months from the date of acquisition of the unit , the capital gains originally exempt would be deemed to be capital gains in the year in which such units were transferred.

III. TO NON-RESIDENT SHAREHOLDERS INCLUDING NRIs, OCBs and FIIs

1. Under section 10(34) of the Act, any dividend income as referred to in section 115O of the Act , other than dividends referred to in section 115BBDA which is declared, distributed or paid by any domestic company is exempt. However, under section 94 (7) of the Act, the losses arising from the sale/transfer of any securities or units purchased up to three months prior to the record date and sold/transferred within a period of three months in case of securities or within a period of nine months in case of units after such date, will be disallowed to the extent of dividend /income received or receivable on such shares which is claimed as tax exempt by the shareholder.

2. Long-term capital gains would arise to non-resident shareholders where the Equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. subject to the provisions of Section 48 of the

Income-tax Act,

3. As per Section 112A , long term capital gain exceeding Rs.one lakh arising on the sale of Equity share in a company or a unit of an Equity oriented fund or a unit of a business trust and security transaction tax is paid on its acquisition and/or sale /transfer , is chargeable to tax @10% .

4. .The short term capital gains not eligible for the concessional rate under Section 111A of the Act, are chargeable to tax as per the relevant rate applicable to the shareholder plus applicable surcharge and education cess.

5. Any under section 36 (1) (xv) of the Act, any payment of securities transaction tax in respect of taxable securities transactions which are taxable under the head "profits and gains of business or profession" is allowed as deduction against such income.

6. Under section 54EC of the Act and subject to conditions specified therein, long term capital gains on transfer of land or building or both, is exempt to the extent such capital gain is invested in certain specified assets subject to a maximum of Rupees fifty lakhs , within six months from the date of transfer of capital asset.

   If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred or converted into money.

   For this purpose specified asset means, any Bond redeemable after five years but issued by the National Highways Authority of India or by the Rural Electrification Corporation Limited.

7. As per section 54EE, where capital gains arising from the transfer of a long term capital asset, the whole / proportion of the capital gain would be exempt from tax if the whole or proportion of the capital gain is invested within six months of the transfer of the original asset in units issued before 1st Day of April 2019 by such fund as may be notified by the central government . If such units are transferred within a period of six months from the date of acquisition of the unit , the capital gains originally exempt would be deemed to be capital gains in the year in which such units were transferred.

8. Under section 54F of the Act, long term capital gains arising in the hands of an individual or HUF on transfer of Bonds/securities of the Bank is exempt if the net consideration is invested in purchase of residential house within a period of one year before or two years from the date of transfer or constructs a residential house within a period of three years from the date of transfer. The exemption is available proportionately if only a portion of the net consideration is invested as above. The exemption is subject to other conditions specified in that Section.

   If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

9. Capital gains arising to Non Resident Indians (NRIs) on sale of shares on which securities transaction tax is not paid, is governed by Chapter XII-A of the Income-tax Act, subject to fulfilling the conditions stipulated therein.

   (i) In accordance with and subject to the provisions of Section 115D read with Section 115E of the Income-tax Act, long-term capital gains arising on transfer of specified capital assets (including bank's Equity Shares) acquired out of convertible foreign exchange, are taxable at the rate of 10% (plus applicable surcharge and cess). Cost indexation benefits will not be available in such case.

   (ii) In accordance with and subject to the provisions of Section 115F of the Income-tax Act, long-term capital gains arising on sale of shares acquired by a NRI shareholder out of convertible foreign exchange shall be exempt from income tax entirely/proportionately, if the entire/part of the net consideration is invested for a period of three years in any savings certificates specified under Section 10(4B) or specified assets as defined in Section 115C(f) of the Income-tax Act, within six months from the date of transferring the shares. The amount so exempted will be chargeable to tax

under the head 'Capital Gains' if these new assets are transferred or converted (otherwise than by way of transfer) into money within three years from the date of its acquisition in accordance with the provisions of Section 115F(2) of the Income-tax Act.

(iii) Under section 115G of the Income-tax Act, a NRI would not be required to file a return of income under Section 139(1) of the Income-tax Act, where the total income consists only of investment income and/or long-term capital gains and tax deductible at source has been deducted from such income as per provisions of Chapter XVIIB of the Income-tax Act.

(iv) As per the provision of Section 115I of Income-tax Act, a NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Income-tax Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the provisions of the Income-tax Act.

10. A capital gain arising to FIIs on sale of shares on which securities transaction tax is not paid is governed by Section 115AD of the Income-tax Act. Under Section 115AD of the Income-tax Act, long-term capital gains arising on transfer of shares purchased by FIIs are taxable at the rate of 10% (plus applicable surcharge, education cess and secondary and higher education cess). Short-term capital gains are however, taxable at the rate of 30% (plus applicable surcharge, education cess and secondary and higher education cess). Cost indexation benefits will not be available. Further, the provisions of the first proviso of Section 48 of the Income-tax Act as stated above will not apply.

11. In accordance with and subject to the provisions of Section 115AD read with Section 196D(2) of the Income-tax Act, no deduction of tax at source is applicable in respect of capital gains arising from the transfer of the Equity shares payable to FIIs.

12. In the case of all non-resident shareholders, the above tax rates are subject to the benefits, if any, available under the double taxation avoidance agreements signed by India with the country of which the non-resident shareholder may be a tax resident, subject to fulfillment of conditions prescribed there under.

IV. BENEFITS AVAILABLE TO MUTUAL FUNDS

Under Section 10(23D) of the Act, any income of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, mutual funds set up by the Public Sector Banks or Public Financial Institutions and Mutual Funds authorized by the Reserve Bank of India and subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf would be exempt from income-tax.

GOODS AND SERVICE TAX

Section 2(52) of CGST Act defines . "**Goods**" as every kind of movable property other than money and securities but includes actionable claims ,growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

Section 2 (102) of CGST Act defines – "**Service"** as anything other than goods, money and securities but includes the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged

Since securities are neither goods nor services , there is no liability towards GST in acquisition and transfer / sale of Equity shares of the bank

SECURITIES TRANSACTION TAX

Purchase /sale of securities through a recognized stock exchange, being Equity share in a company or a unit of an Equity oriented fund or a derivative shall be liable for securities transaction tax and such tax shall be payable by the purchaser / seller of securities.

Notes:

(i) This statement is only intended to provide possible tax benefits under the current direct and indirect tax laws to the company or its share holders in a general and summary manner and does not purport to be a complete analysis of all provisions or possible tax implications of subscriptions, purchase, ownership, disposal of shares etc. Several of these benefits are dependent on compliance with the prescribed conditions under the relevant direct tax laws and the company or its share holders may or may not choose to comply with the prescribed conditions based on the business/investment considerations prevailing at the relevant time and in the event of non compliance the tax benefit is not available in full or part. All the above benefits are as per the current tax law and will be available only to the sole/first names holder in case the shares are held by joint holders.

(ii) In view of the individual nature of tax implications each investor is advised to consult his own tax adviser with respect to specific tax implications.

SECTION IV: ABOUT OUR BANK

INDUSTRY OVERVIEW

The information presented in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, the RBI and its publications, the Indian Banks Association, CIA World Factbook and other third-party sources as cited in this section and has not been prepared or independently verified by our Bank or the Book Running Lead Managers. The information in this section may not be consistent with other information compiled by third parties within or outside India. Industry and government publications are also prepared based on information as of specific dates, which may no longer be relevant or reflect current trends. Industry sources and publications generally state that the information stated therein have been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed. Accordingly, investment decisions should not be based on such information. Certain statements in this section that are not statements of historical fact would constitute "forward-looking statements" and such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results or outcomes to differ materially. For further details, see "Forward looking Statements", "Risk factors" and "Certain conventions, presentation of financial, industry and market data" beginning on pages 17, 23, and 15, respectively.

I. Overview on the Indian Economy & Comparison with Global Economies

India is the world's largest democracy with approximate population of 1.34 billion people with a GDP of approximately INR 190.1 trillion* in 2018-19 *(Source: RBI handbook of statistics on Indian Economy - 2018-19).* Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged nearly 7% per year from 1997 to 2017. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly less than half of the workforce is in agriculture, but services are the major source of economic growth, accounting for nearly two-thirds of India's output but employing less than one-third of its labour force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services, business outsourcing services, and software workers. India's economic growth slowed in 2011 because of a decline in investment caused by high interest rates, rising inflation, and investor pessimism about the government's commitment to further economic reforms and about slow world growth. Investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit. Growth rebounded in 2014 through 2016. The economy slowed again in 2017, due to shocks of "demonetisation" in 2016 and introduction of GST in 2017. The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy *(Source: CIA World Factbook).*

The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 % per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices *(Source: Economic Survey 2017-18, Published by Ministry of Finance,*)

The table below shows the GDP trend of the Indian economy for the last seven Fiscals:

Fiscal Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*
Current GDP (INR trillion)	99.4	112.3	124.7	137.7	153.6	171.0	190.1

(Source: RBI handbook of statistics on the Indian economy – 2018-19- https://dbie.rbi.org.in/DBIE/doc/Methodology%20for%20Back-Series.pdf)

Notes: 1. Data for 2015-16 are Third Revised Estimates, for 2016-17 are Second Revised Estimates and for 2017-18 are First Revised Estimates.

2. **Data for 2018-19 are Provisional Estimates.*

India's long-term GDP growth has become more stable, diversified, and resilient. Over the next few years, India is expected to grow at well over 7% per year, with progress being buttressed by dynamic reforms in the macroeconomic, fiscal, tax and business environments. In recent years, India has made a significant dent in poverty levels, with extreme poverty dropping from 46% to an estimated 13.4% over the two decades before 2015. *(Source: World Bank overview on the Indian Economy - https://www.worldbank.org/en/country/india/overview)*

Real GDP Growth Trends

With a population of more than 1.34 billion, India is the world's largest democracy. Over the past decade, the country's integration into the global economy has been accompanied by economic growth. India has now emerged as a global player. *(Source: World Bank overview on the Indian Economy www.worldbank.org/en/country/india/overview)*

The following table represents a comparison of Real GDP growth and GDP per Capital between India and other global economies by calendar:

Countries	**2013**		**2014**		**2015**		**2016**		**2017**		**2018**	
	GDP growth (annual %)	GDP Per Capita, Current (USD)	GDP growth (annual %)	GDP Per Capita, Current (USD)	GDP growth (annual %)	GDP Per Capita, Current (USD)	GDP growth (annual %)	GDP Per Capita, Current (USD)	GDP growth (annual %)	GDP Per Capita, Current (USD)	GDP growth (annual %)	GDP Per Capita, Current (USD)
India	**6.4**	**1,452.2**	**7.4**	**1,576.0**	**8.0**	**1,607.0**	**8.2**	**1,729.7**	**7.2**	**1,979.4**	**7.0**	**2,015.6**
USA	1.8	53,106.9	2.5	55,033.0	2.9	56,803.5	1.6	57,904.2	2.2	59,927.9	2.9	62,641.0
Japan	2.0	40,451.4	0.4	38,109.4	135.0	34,567.7	0.9	38,972.3	1.7	38,430.3	0.8	39,286.7
China	7.8	7,077.8	7.3	7,683.5	6.9	8,069.2	6.7	8,117.3	6.9	8,826.9	6.6	9770.8
Brazil	3.0	12,216.9	0.5	12,026.6	-3.5	8,750.2	-3.3	8,650.4	1.1	9,812.3	1.1	8920.8
South Africa	2.5	6,819.1	1.8	6,429.0	1.3	5,743.0	0.6	5,279.7	1.3	6,151.1	0.8	6374.0

(Source: World Bank database on World Development Indicators last updated as on 2nd October 2019)

The following table represents a comparison of forward real GDP growth by calendar year:

Economy	**2019f**	**2020f**	**2021f**
India	7.5	7.5	7.5
United States	2.5	1.7	1.6
Japan	0.8	0.7	0.6
China	6.2	6.1	6.0
Brazil	1.5	2.5	2.3
South Africa	1.1	1.5	1.7

(Source: World Bank Group Flagship report, Global Economic Prospects, June2019: GDP growth values are on a fiscal year basis; f = forecast

India today is the world's third largest economy in purchasing parity terms and it aspires to better the lives of all its citizens and become a high-middle income country by 2030, well before the centenary of its independence. Currently India is fastest growing economy amongst the top 10 economies by GDP size. By 2050, India's economy is projected to be the world's second-largest, behind only China. India is home to 1.34 billion people which accounts for 18% of the world's population. It will overtake China as the world's most populous country by 2024 with largest youth population. *(Source: World Economic Forum, Eight key facts about Indian Economy)*

Growth Trend of India's Economic Activity and GDP at Market Prices

The growth in India's gross domestic product (GDP) slumped to 5.0 per cent in Q1:2019-20, extending a sequential deceleration to the fifth consecutive quarter. Of its constituents, private final consumption expenditure (PFCE) slowed down to an 18-quarter low. Gross fixed capital formation (GFCF) improved marginally on a sequential basis but remained muted as in the preceding quarter. On the supply side, gross value added (GVA) growth decelerated to 4.9 per cent in Q1:2019-20, pulled down by manufacturing growth, moderating to 0.6 per cent. Agriculture and allied activities were lifted by higher production of wheat and oilseeds during the 2018-19 rabi season. Growth in the services sector was stalled by construction activity. Industrial activity, measured by the index of industrial production (IIP), weakened in July 2019 (y-o-y), weighed down mainly by moderation in manufacturing.

The real GDP growth for 2019-20 in the August 2019 policy was projected at 6.9 per cent – in the range of 5.8-6.6 per cent for H1:2019-20 and 7.3-7.5 per cent for H2 – with risks somewhat tilted to the downside; GDP growth for Q1:2020-21 was projected at 7.4 per cent. GDP growth for Q1:2019-20 was significantly lower than projected. Various high frequency indicators suggest that domestic demand conditions have remained weak. The business expectations index of the Reserve Bank's industrial outlook survey shows muted expansion in demand conditions in Q3. Export prospects have been impacted by slowing global growth and continuing trade tensions. On the positive side, however, the impact of monetary policy easing since February 2019 is gradually expected to feed into the real economy and boost demand. Several measures announced by the Government over the last two months are expected to revive sentiment and spur domestic demand, especially private consumption. Taking into consideration the above factors, real GDP growth for 2019-20 is revised downwards from 6.9 per cent in the August policy to 6.1 per cent – 5.3 per cent in Q2:2019-20 and in the range of 6.6-7.2 per cent for H2:2019-20 – with risks evenly balanced; GDP growth for Q1:2020-21 is also revised downwards to 7.2 per cent. (*Source - Fourth Bi-monthly Monetary Policy Statement, 2019-20 Resolution of the Monetary Policy Committee by Reserve Bank of India dated October 4, 2019.*

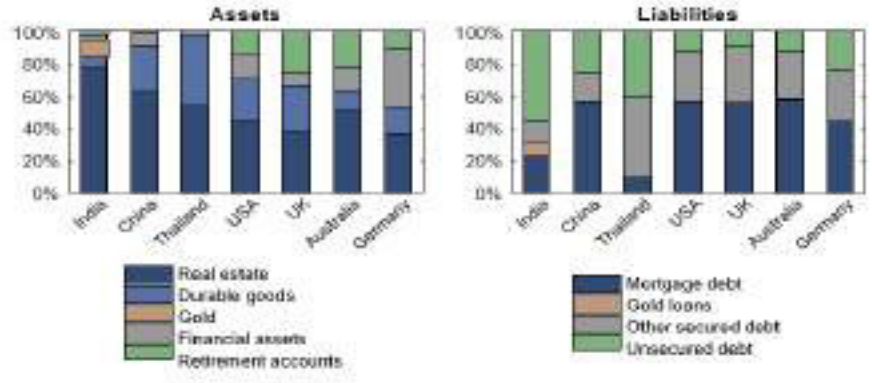
Demand Side View: Analysis of Indian Household Finance

A large fraction of the wealth of Indian households is in the form of physical assets (in particular, gold and real estate). This is unusual in the international context, and especially unusual for younger households, and for households in the bottom 40% of the wealth distribution, i.e., those with the lowest amounts of gross assets. There are significant differences across households located in different states even after controlling for households' demographic characteristics (for example, there is a particularly high demand for gold in southern Indian states). This is further evidence that traditional and cultural factors are strong determinants of observed allocations. Effective policies in Indian household finance should attempt to complement, or at least recognise, such longstanding traditional approaches to financial management in order to be effective.

-**Indian Household Finance: An International Comparative Analysis**

By comparing the average allocations of household assets across different countries, in India, the average household holds 77% of its total assets in real estate (which includes residential buildings, buildings used for farm and non-farm activities, constructions such as recreational facilities, and rural and urban land), 7% in other durable goods (such as transportation vehicles, livestock and poultry, agricultural machinery and non-farm business equipment), 11% in gold and the residual 5% in financial assets (such as deposits and savings accounts, publicly traded shares, mutual funds, life insurance and retirement accounts). Taken together, non-financial assets therefore account for 95% of the household balance sheet, which is identical with the 95% for Thai households, and only slightly higher than the corresponding 91% for Chinese households. The average Chinese household has a relatively lower share of real estate wealth (62%), a higher share of durable assets (28%), and negligible amounts of gold (0.4%). Furthermore, household allocation choices are very different in India, Thailand and China when compared with more advanced economies. On average, holdings of real estate account for low fractions of wealth in different countries such as the US (44%), and particularly Germany (37%).

Country wise Financial Assets and liabilities holding pattern



(Source: Report of the Household Finance Committee. RBI publication dated August 24, 2017)

II. Overview on Indian Banking Industry

In the recent years, India's banking sector has been facing a large overhang of balance sheet stress. During 2017-18, the persisting deterioration in asset quality necessitated sharp increases in provisions and for the first time since 1993-94, the banking system as a whole, particularly driven by public sector banks (PSBs), registered losses

1. Performance of All Scheduled Commercial Banks

Sr. No	Items	Amount Outstanding (At end-March)			Per cent Variation	
		2016	2017	2018*	2016-17	2017-18*
1	**Balance Sheet Operations**					
1.1	Total Liabilities/Assets (Rs. Billion)	131,293	141,746	152,533	8.0	7.6
1.2	Deposits (Rs. Billion)	100,927	111,114	117,940	10.1	6.1
a)	Demand Deposits (Rs. Billion)	8,986	10,534	11,255	17.2%	6.8%
b)	Savings Bank Deposits (Rs. Billion)	25,518	32,451	35,917	27.2%	10.7%
c)	Term Deposits (Rs. Billion)	66,422	68,130	70,767	2.6%	3.9%
1.3	Borrowings (Rs. Billion)	14,488	12,807	16,823	-11.6	31.4
1.4	Loans and advances (Rs. Billion)	78,965	81,161	87,460	2.8	7.8
1.5	Investments (Rs. Billion)	33,278	36,523	41,263	9.7	13.0
2	**Income and Expenditure**					
2.1	Total Income (Rs. Billion)	11,350	12,053	12,176	6.2	1.0
a)	Interest Income(Rs. Billion)	9,909	10,120	10,220	2.1	1.0
b)	Other Income(Rs. Billion)	1,441	1,933	1,956	34.2	1.2
2.2	Expenditure(Rs. Billion)	11,009	11614	12500	0.5	-2.3
a)	Interest Expended(Rs. Billion)	6,661	6,692	6,535	0.5	-2.3
b)	Other expenses (Rs. Billion)	2,254	2484	2,716	16.4	33.3
c)	Provisions and Contingencies (Rs. Billion)	2,094	2438	3249		
2.3	Operating Profit (Rs. Billion)	2,436	2,877	2,925	18.1	1.7
2.4	Net profit (Rs. Billion)	341	439	-324	28.6	-
2.5	Net Interest Margin (NIM) (Per cent)	2.6	2.5	2.5	-	-
2.6	Return on Assets (RoA) (Per cent)	0.40	0.4	-0.2	-	-
2.7	Return on Equity (RoE) (Per cent)	3.58	4.2	-2.8	-	-
3	**Capital Adequacy**					
3.1	Capital to risk weighted assets ratio (CRAR) @**	13.3	13.7	13.8	-	-
3.2	Tier I capital (as percentage of total capital) @**	81.2	82.3	84.3	-	-

Sr. No	Items	Amount Outstanding (At end-March)			Per cent Variation	
		2016	2017	2018*	2016-17	2017-18*
3.3	CRAR (tier I) (Per cent) @**	10.8	11.2	11.7	-	-
4	**Asset Quality**					
4.1	Gross NPAs(Rs. Billion)	6,119	7,918	10,397	29.4	31.3
4.2	Net NPAs (Rs. Billion)	3,498	4,331	5,207	23.8	20.2
4.3	Gross NPA ratio (Gross NPAs as %of gross advances~)	7.5	9.3	11.2	-	-
4.4	Net NPA ratio (Net NPAs as % of net advances)	4.4	5.3	6.0	-	-
4.5	Provision Coverage Ratio (Per cent)**	41.9	43.5	48.3	-	-
4.6	Slippage ratio (Per cent)**	6.3	5.9	7.6	-	-
5	**Technological Development**					
5.1	Total number of credit cards (in million)	25	30	37	19.4	23.3
5.2	Total number of debit cards (in million)	662	772	861	17.0	11.5
5.3	Number of ATMs	198,952	208,354	207,052	4.7	-0.6
6	**Consumer Protection#**					
6.1	Total number of complaints received during the year	102,894	130,987	163,590	27.3	24.9
6.2	Total number of complaints addressed	101,153	136,511	174,805	28.0	28.1
6.3	Percentage of complaints addressed	94.8	92.0	96.5	-	-
7	**Financial Inclusion**					
7.1	Credit-deposit ratio (Per cent)	78.2	73.0	74.2	-	-
7.2	Number of new bank branches opened	6,986	5,306	3,948	-41.3	-25.6
3.3	Number of banking outlets in villages (Total)	586,307	598,093	569,547	2.0	-4.8

Notes:

1. Per cent variation could be slightly different as figures have been rounded off to million/billion.
2. #: Refers to the period July-June of the respective years.
3. ^: Refers to number of banking outlets.
4. *: Provisional.
5. **: Off-site returns (domestic operations), RBI.
6. ~: Off-site returns (global operations), RBI.
7. @: Figures are as per the Basel III framework.

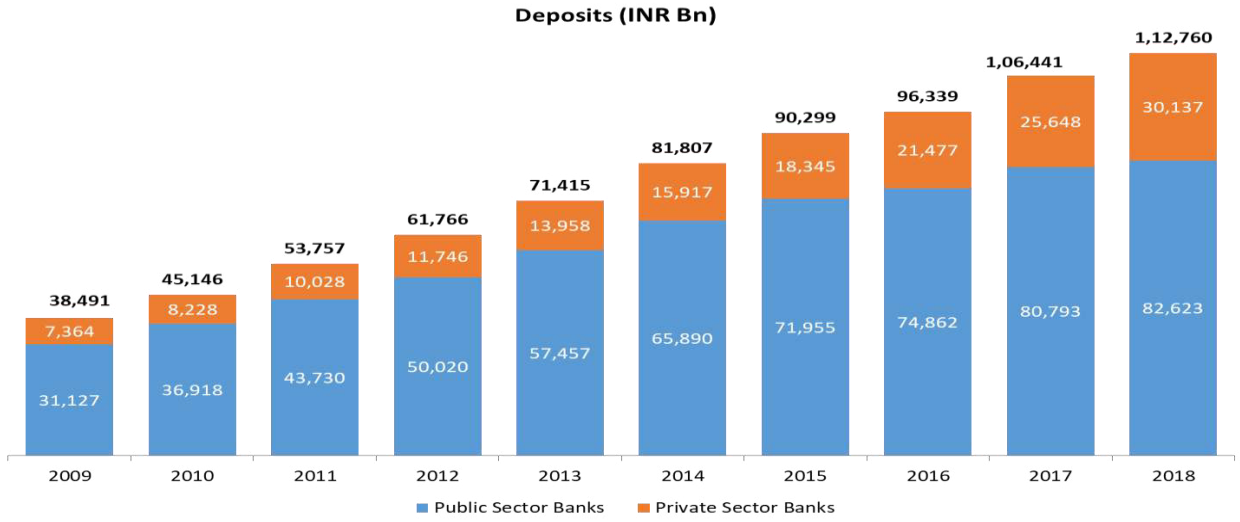
(Source: Report on Trend and Progress of Banking in India 2017-18)

Below are the key highlights:

- The overhang of stressed assets weighed down the consolidated balance sheet of the banking sector, necessitating large provisions, which adversely affected their profitability during 2017-18. Recent data for H1:2018-19, however, indicates that the non-performing assets (NPAs) have begun to stabilise, albeit at an elevated level; capital positions have been buffered and the provision coverage ratio has improved.
- The revival in credit growth in 2017-18, from the deceleration in the previous year, coupled with improving share of bank finance in the total flow of resources to the commercial sector, augurs well for the growth prospects of the banking sector. The continuing credit growth recovery in 2018-19 (up to October 2018) may further reinforce this momentum.

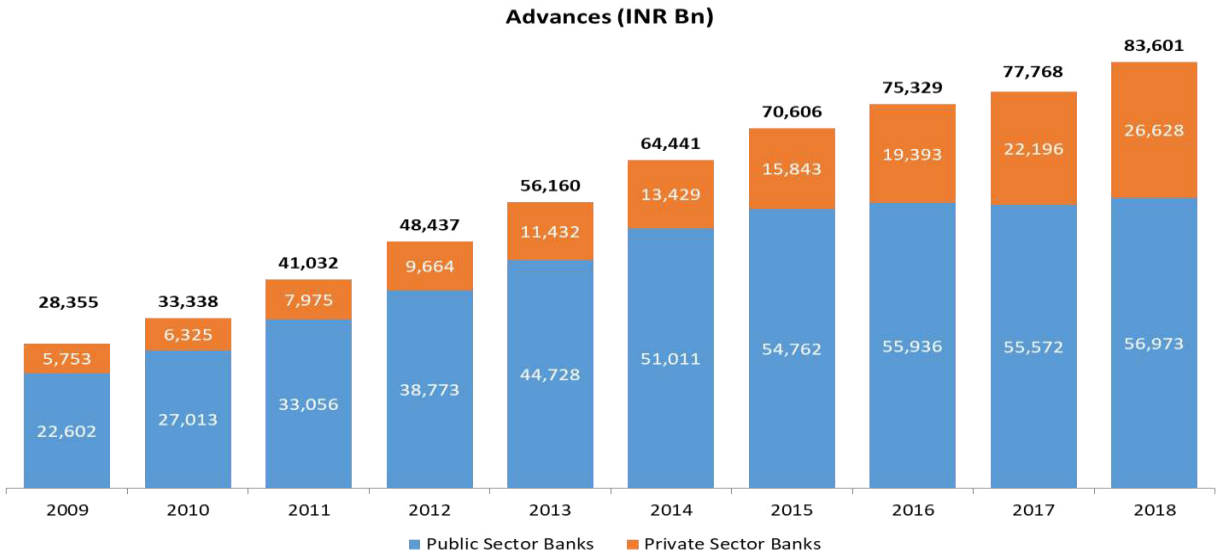
(Source: RBI press release on Report on Trend and Progress of Banking in India 2017-18 https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=45846)

Trend in Deposits for Public Sector and Private Sector Banks



Source: RBI Database

Trend in Advances for Public Sector and Private Sector Banks



Source: RBI Database

2. Facts on Financial Outreach in India

Over the last few years, the branch presence of Indian scheduled commercial banks have grown significantly across various population group-wise as mentioned below:

Population group-wise number of scheduled commercial Banks Branches

Year	Rural	Semi-urban	Urban	Metropolitan	Total
2010	31,845	21,313	16,621	15,391	85,170
2011	33,315	23,630	17,571	16,403	90,919
2012	35,931	26,392	18,811	17,478	98,612
2013	39,199	29,163	19,874	18,348	1,06,584
2014	44,676	32,216	21,515	19,589	1,17,996

Year	Rural	Semi-urban	Urban	Metropolitan	Total
2015	48,140	34,526	23,098	20,879	1,26,643
2016	50,561	36,455	24,395	22,088	1,33,499
2017	49,844	39,073	25,050	26,697	1,40,664
2018	50,824	39,652	25,351	26,641	1,42,468
2019	51,507	40,772	25,958	27,189	1,45,426

(Source: Handbook of statistics on the Indian Economy, 2018-19, Published by RBI)

Progress on Financial Inclusion

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion known as **Pradhan Mantri JanDhan Yojana (PMJDY)** was launched on 28th August, 2014 at National level by the Prime Minister. The scheme aims at increasing basic savings bank deposit accounts (BSBDAs) or no-frills accounts without any need to maintain minimum or monthly average balance.

Achievements under PMJDY:

- Approx. 32.41 crore Jan Dhan accounts have been opened with more than Rs 81,200 crore of deposit balance.
- 53% women Jan Dhan account holders and 59% Jan Dhan accounts are in rural and semi urban areas. More than 83% operative Jan Dhan accounts (except states of Assam, Meghalaya, J&K) are Aadhaar seeded, with issuance of approx 24.4 crore RuPay cards to these account holders.
- More than 7.5 crore JanDhan accounts receiving DBTs.
- Banking Correspondents (BCs) have been deployed in 1.26 lakh Sub Service Areas (rural areas), each catering to 1000-1500 households. Nearly 13.16 crore Aadhaar Enabled Payment System (AePS) transactions have taken place through BCs during the month of July, 2018.
- 13.98 crore subscribers under Pradhan Mantri Suraksha Bima Yojana (PMSBY) with 19,436 claims, involving an amount of Rs, 388.72 crore settled so far.
- Similarly, 5.47 crore subscribers under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) with 1.10 lakh claims, involving an amount of Rs. 2206.28 crore settled so far.
- 1.11 crore persons have subscribed for Atal Pension Yojana (APY)

A pipeline has been created for the implementation of PMJDY through which JanDhan accounts and mobile banking have been linked to Aadhaar (JAM). This pipeline is not only facilitating savings, disbursal of credit, social security, etc. but more importantly channelizing direct benefits of various government schemes to poor people of the country through DBT. It has been decided to continue the flagship financial inclusion program (PMJDY), with focus on opening accounts from ***"every household to every adult".*** The pipeline of JanDhan-Aadhaar-Mobile (JAM) will continue to provide the necessary backbone for coverage of these activities and thereby accelerating the pace of digitized, financially included & insured society *(Source: Press release by Press Information Bureau by Government of India dated September 05, 2018- http://pib.nic.in/PressReleseDetail.aspx?PRID=1545090)*

As per the World Bank Global Findex Report 2017, the adult bank account holders in India were 35% in 2011 and 53% in 2014. After the implementation of financial inclusion programme, adult bank account holders were 80% in 2017. India stands second for largest unbanked population with about 190 million Indian adults still do not have bank account. The total unbanked adults across the world are 1700 million. India has a share of 11% in the global unbanked adult population. And also, In India, around 4 in 10 unbanked adults are in the age group of 15 to 24 years. *(Source: Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank. doi:10.1596/978-1-4648-1259-0).*

ATMs of Scheduled Commercial Banks

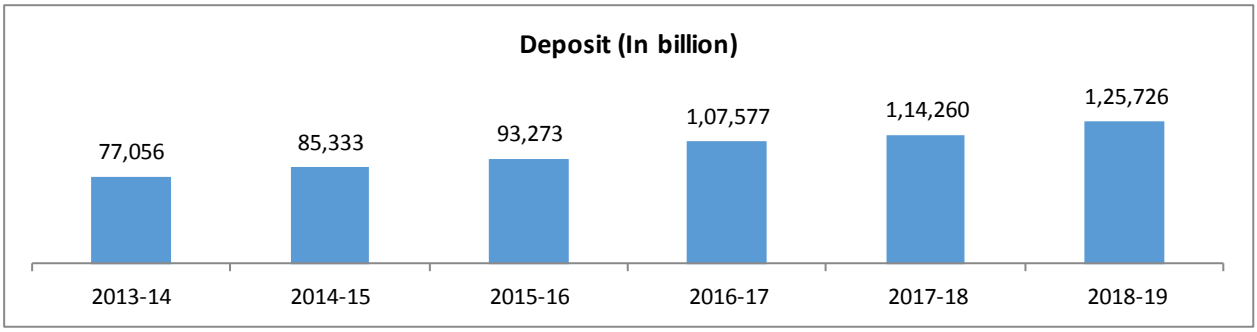
Sr. No.	Bank Group	On-site ATMs		Off-site ATMs		Total Number of ATMs	
		2017	2016	2017	2016	2017	2016
1	2	3	4	5	6	7	8
I	PSBs	86,345	82,733	62,010	63,235	148,355	145,968
II	PVBs	23,045	23,529	35,768	36,316	58,533	60,145
III	FBs	219	214	747	725	966	939
IV	All SCBs	109,809	106,776	98,545	100,276	208,354	207,052

Note: Data excludes WLAs.
Source: RBI.

The number of ATMs and in particular, on-site ATMs, declined during the year on account of rationalisation of the number of branches by a few PSBs whereas PVBs recorded an increase in the number of their ATMs. During 2018-19 (up to August), the number of ATMs (excluding SFBs and PBs) declined further to 204,285, attributable to the increasing use of electronic means of payments. The growth of White-label ATMs (WLAs) has tapered off in recent years, although the number of WLAs crossed 15,000 during 2017-18. In order to facilitate cash availability for WLA operators, sourcing of cash from retail outlets in addition to banks was allowed from December 2016. *(Source: RBI report on trend and progress of banking in India 2017-18)*

3. Deposit Growth Trends

The following graph illustrates the growth in deposits from the period of 2013-14 to 2018-19



(*Source: RBI database on aggregate deposits with Scheduled Commercial Bank for the month ending March for respective years. Note: Data are final and relate to amount outstanding as on the last reporting Friday of the month)*

Composition of Deposits According to Bank Group and Type of Deposits for March 2018								
Bank Group	**Current**		**Savings**		**Term**		**Total**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Public Sector Banks	5,404	6.9	26,227	33.7	46,223	59.4	77,854	100
Regional Rural Banks	139	3.5	1,968	49.7	1,852	46.8	3,959	100
Private Sector Banks @	4,390	14.6	8,734	29.1	16,898	56.3	30,022	100
Foreign Banks	1,434	29.0	572	11.6	2,938	59.4	4,943	100
Small Finance Banks	9	4.2	42	18.7	175	77.1	227	100
Scheduled Commercial Banks	**11,376**	**9.7**	**37,544**	**32.1**	**68,085**	**58.2**	**1,17,005**	**100**

(Source – RBI press release on Composition and Ownership Pattern of Deposits with Scheduled Commercial Banks (SCBs) - March 31, 2018)
Note: Figures in per cent column indicate percentage to total deposits
@: Private Sector Banks include both old and new private sector banks.

Non-resident deposits recorded higher growth than aggregate deposits during the year (i.e. 2017-18) after witnessing an outflow in the previous year. Private sector banks mobilised more incremental deposits (nearly 60%) than other bank groups, a unique feature characterising developments in 2017-18. Eight states which includes Maharashtra,

Delhi, Uttar Pradesh, Karnataka, West Bengal, Tamil Nadu, Gujarat and Kerala accounted for over two-thirds of total deposits. *(Source: Composition and Ownership Pattern of Deposits with Scheduled Commercial Banks: March 2018, RBI publication)*

GDP & Deposit Growth Trend:

With steady growth in India's GDP, Bank deposit for Scheduled Commercial Banks have also witnessed significant growth over last few years

Year	GDP (In billion)*	Deposit (In billion)#
2013-14	1,12,335.2	77,055.6
2014-15	1,24,679.6	85,332.9
2015-16	1,37,718.7	93,272.9
2016-17	1,53,623.9	107576.6
2017-18	1,70,950.1	114260.5
2018-19	1,90,539.7	1,25,725.9

(Source: RBI database on aggregate deposits with Scheduled Commercial Bank for the month ending March for respective years.)

**Notes: 1. Data for 2014-15 are Third Revised Estimates, for 2015-16 are Second Revised Estimates and for 2016-17 are First Revised Estimates. Base Year – 2011-12*

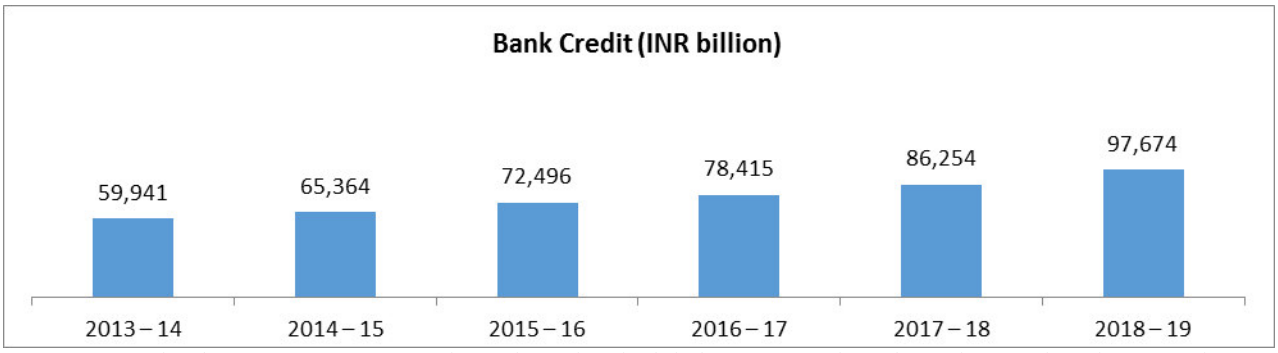
2. Data for 2017-18 are Provisional Estimates.

3. Data for 2018-19 are 1st Advance Estimates.

Data refers to deposit amount outstanding as on the last reporting Friday of the month.

4. Bank Credit Growth Trends

The following graph illustrates the growth in deposits from the period of 2013-14 to 2018-19



(Source: RBI database on aggregate Bank Credit with Scheduled Commercial Bank for the month ending March for respective years. Note: Data are final and relate to amount outstanding as on the last reporting Friday of the month)

Trend of Bank Credit across key sectors:

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Non-food Credit	**55,296**	**60,030**	**65,469**	**70,945**	**76,884**	**86,334**
Agriculture & Allied Activities	6,660	7,659	8,829	9,924	10,302	11,113
Industry (Micro & Small, Medium and Large)	25,165	26,576	27,307	26,798	26,993	28,858
Services	13,375	14,131	15,411	18,022	20,505	24,156
Personal Loans	10,097	11,663	13,922	16,200	19,085	22,207

(Source: RBI data on sectorial deployment of Bank Credit)

Bank credit has also witnessed a qualitative shift, with aggressive lending to the retail segment; accordingly, the personal loan portfolio has grown well above the industry average. Credit to industry has moderated in the recent years, registering a modest growth in 2017-18, after contracting sharply during 2016-17. While credit growth to the

agriculture sector remained somewhat volatile, flows in the form of personal loans has remained broadly constant over the years *(Source – RBI bulletin on Sectoral Deployment of Bank Credit in India - February 2019)*

GDP and Credit Growth trend:

With steady growth in India's GDP, Bank Credit for Scheduled Commercial Banks have also witnessed significant growth over last few years

Year	GDP (In billion) *	Bank Credit (In billion)#
2013-14	1,12,335.0	59,941.0
2014-15	1,24,680.0	65,364.2
2015-16	1,37,719.0	72,496.1
2016-17	1,53,624.0	78,414.7
2017-18	1,70,950.0	86,254.2
2018-19	1,90,540.0	97,674.3

(Source: RBI database on aggregate deposits with Scheduled Commercial Bank for the month ending March for respective years. Note: Data are final and relate to amount outstanding as on the last reporting Friday of the month.)

**Notes: 1. Data for 2014-15 are Third Revised Estimates, for 2015-16 are Second Revised Estimates and for 2016-17 are First Revised Estimates. Base Year – 2011-12.*

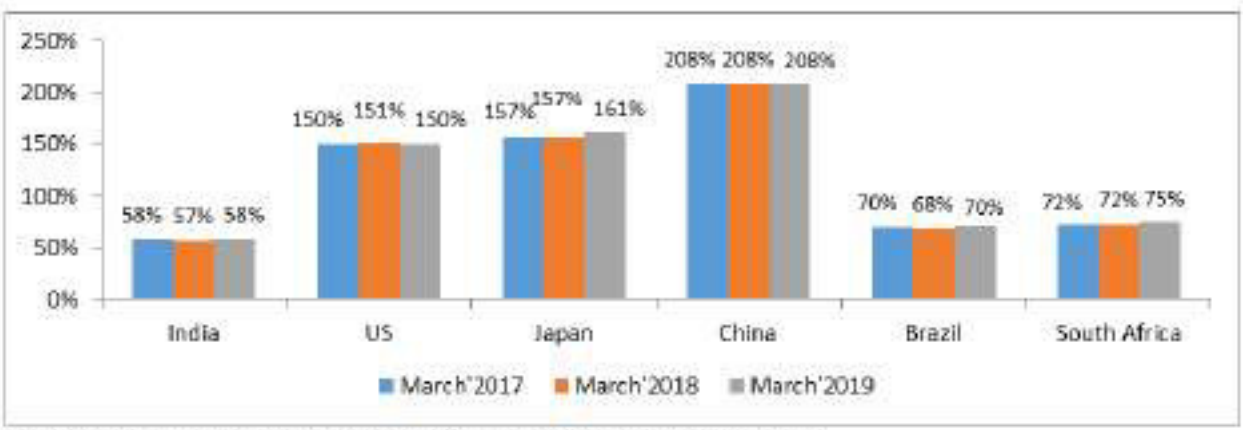
2. Data for 2017-18 are Provisional Estimates.

3. Data for 2018-19 are 1st Advance Estimates.

Data refers to bank credit amount outstanding as on the last reporting Friday of the month.

5. Under penetrated Indian Banking Sector

- **Basis of Credit to GDP Ratio**



(Source: Credit-to-GDP ratios, Published by Bank for International Settlement)

(Source: Credit-to-GDP ratios, Published by Bank for International Settlement)

- **Basis of formal source of credit**

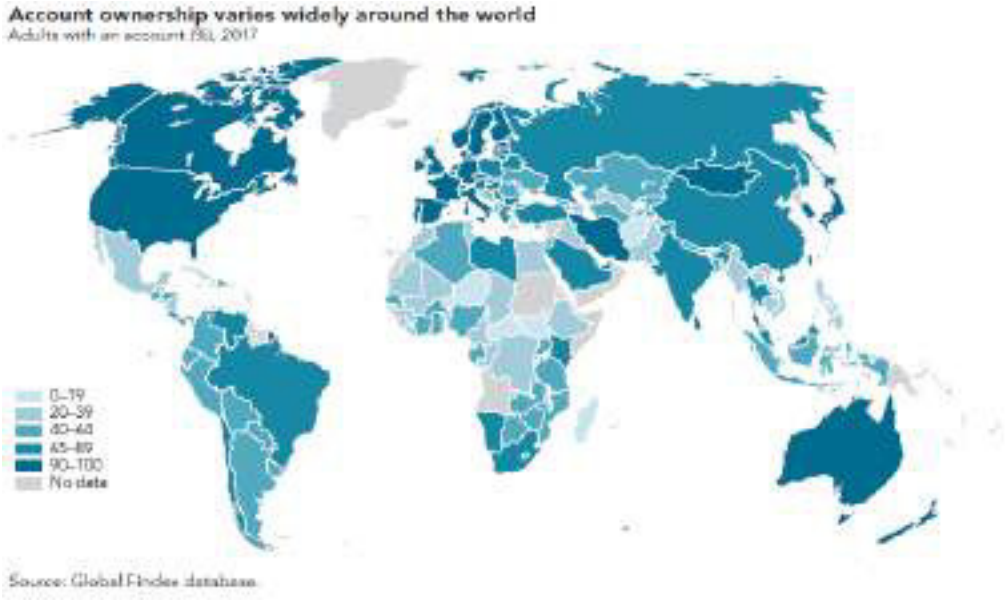
In high-income economies formal borrowing was by far the most common source of credit: almost 90% of Borrowers reported borrowing from a financial institution or through the use of a credit card. In developing economies family and friends were the most common source, reported by almost half of Borrowers. But formal borrowing was the most common source in some developing economies, including Argentina, Brazil, China, Peru, and Turkey as well as Russia and many other economies in Europe and Central Asia.



India has the low share of formal source of credit compared to other countries. As per the Global Findex report of 2017, adult borrowing from a financial institution or through the use of a credit card in India in the year 2017, is below 10% of the total borrowings in the country. *(Source: Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank. doi:10.1596/978-1-4648-1259-0).*

- **Basis of account ownership**

In India, there is 80% adult bank account holders. Financial inclusion programme adopted by the government helps to increase the count of account holders. *(Source: Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank. doi:10.1596/978-1-4648-1259-0)*



(Source: Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank. doi:10.1596/978-1-4648-1259-0)

- **Basis of Unbanked adults**

In South Asia, the share of adults with an account rose by 23 percentage points, to 70% in 2017. Progress was driven by India, where a government policy to increase financial inclusion through biometric identification pushed the share with an account up to 80 percent, with big gains among women and poor adults. Excluding India, regional account ownership still rose by 12 percentage points, but men often benefited more than women. In Bangladesh, the share with an account rose by 10 percentage points among women while nearly doubling among men. Region wide, digitizing payments for agricultural products could reduce the number of unbanked adults by roughly 40 million. *(Source: World Bank Press Release, Topic: Financial Inclusion on the Rise, But Gaps Remain, Global Findex Database Shows, Press Release No: 2018/130/Dec*)

Bank Branch density and ATM density-India V/S other economies

Economy			**2014**		**2015**		**2016**		**2017**		**2018**	
			Automated Teller Machines (ATMs) per 100,000 adults	**Branches of commercial banks per 100,000 adults**	**Automated Teller Machines (ATMs) per 100,000 adults**	**Branches of commercial banks per 100,000 adults**	**Automated Teller Machines (ATMs) per 100,000 adults**	**Branches of commercial banks per 100,000 adults**	**Automated Teller Machines (ATMs) per 100,000 adults**	**Branches of commercial banks per 100,000 adults**	**Automated Teller Machines (ATMs) per 100,000 adults**	**Branches of commercial banks per 100,000 adults**
Australia			164.9	29.1	163.6	28.7	167.4	27.7	162.0	29.6	146.0	28.2
Brazil			117.2	21.1	114.3	20.7	111.4	20.4	106.8	19.2	104.8	19.0
Canada			221.2	23.9	220.7	23.6	223.1	23.0	227.8	21.5	220.6	20.0
China			54.8	8.0	76.8	8.5	81.5	8.8	NA	NA	96.8	8.8
India			17.8	12.9	19.7	13.5	21.2	14.1	22.1	14.7	21.7	14.6
Japan			127.5	33.9	127.7	34.1	127.8	34.1	127.8	34.0	127.6	34.1
Russia			185.3	37.0	172.6	32.9	168.7	30.1	163.9	29.2	160.9	26.2
Singapore			59.5	9.3	60.0	9.3	57.8	9.0	65.2	8.5	66.5	8.4
South Africa			65.7	10.9	69.0	10.5	69.2	10.2	67.9	10.4	66.7	10.1
United States			NA	32.4	NA	33.0	NA	32.3	NA	31.5	NA	30.9

(Source: World Bank database)

Globally, 69% of adults have an account. That gives them an important financial tool. Accounts provide a safe way to store money and build savings for the future. Account ownership is nearly universal in high-income economies, where 94% of adults have an account. In developing economies, those classified by the World Bank as low or middle income the share is 63 percent. But there is wide variation in account ownership among economies. Consider the lower-middle-income group, where the share of adults with an account varies from about 20% in Cambodia, Mauritania, and Pakistan to as high as 93% in Mongolia. Among high-income economies the share with an account ranges from 64% in Uruguay to 100% in such economies as Australia, Denmark, and the Netherlands. *(Source: Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess. 2018. The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution. Washington, DC: World Bank. doi:10.1596/978-1-4648-1259-0)*

6. Retail Banking in India

Retail banking refers to the dealing of commercial banks with individual customers, both on liabilities and assets sides of the balance sheet. Fixed, current / savings accounts on the liabilities side and personal loans like Consumer Durables, Housing (Including Priority Sector Housing), Advances against Fixed, Advances to Individuals against share, bonds, etc., Credit Card Outstanding, Education, Vehicle Loans and Other Personal Loans, etc. on the assets side, are the key products offered by banks in India. Related ancillary services include credit cards, cross sell of third party financial products, depository services. Today's retail banking sector is characterized by three basic characteristics:

- Multiple products - Deposits, assets, credit cards, insurance, investments and securities
- Multiple channels of distribution - Call centre, branch, Internet and kiosk
- Multiple customer groups - Consumer, small business, and corporate).

(Source: RBI Bulletin on Retail Banking - Opportunities and Challenges)

6.1 Retail Assets

The sectoral deployment of bank credit has undergone a qualitative shift with aggressive lending to the retail segment in the form of personal loans. In the personal loans segment, credit has been growing much above the industry average, largely driven by credit card, housing, vehicle loans and other personal loans. *(Source – RBI bulletin on sectoral deployment of Bank Credit – February 2019)*

	Personal Loan Segments								
Year Wise	**Consumer Durables**	**Housing (Including Priority Sector Housing)**	**Advances against Fixed Deposits**	**Advances against share, bonds, etc.**	**Credit Card Outstanding**	**Education**	**Vehicle Loans**	**Other Personal Loans**	**Total**
2013-14	128	5,386	636	38	249	600	1,063	1,997	10,097
2014-15	153	6,285	625	54	305	633	1,246	2,362	11,663
2015-16	178	7,468	667	64	377	682	1,529	2,958	13,922
2016-17	208	8,601	661	48	521	701	1,705	3,755	16,200
2017-18	197	9,746	725	56	686	697	1,898	5,080	19,085
2018-19	63	11,601	829	63	883	680	2,022	6,068	22,207

(Source: RBI data on Sectoral Deployment of Non-Food Gross Bank Credit)

Unsecured lending has been growing at a robust pace as reflected in the high growth of other personal loans and credit cards outstanding. Housing and vehicle loans account for more than 50% of the personal loan portfolio. Credit card outstanding, though not very large in overall credit, has also shown a significant increase growing at a CAGR of 29% between 2013-14 to 2018-19. Education witnessed slower credit-offtake, while credit to consumer durables remained in the contraction zone during 2017-18. *(Source: RBI bulletin on sectoral deployment of Bank Credit – February 2019)*

6.1. A Gold Loans

India has traditionally been a leading consumer of gold in the world (*Source: https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=699#5*) with average household holding ~11% in gold assets as mentioned above in the chart on Country wise Financial Assets and liabilities holding pattern. It is known that the gold demand in India is influenced strongly by the feature of gold as an attractive investment option. The demand for gold loans is influenced by many factors. As the gold loans are granted against the gold ornaments deposited by the Borrower, the size of the stock of gold jewellery, available with the Borrowers is a crucial parameter. The needs of the Borrower coinciding with various purposes like cropping season,

academic year, festivals, Medical purposes etc, are also critical in determining the demand for gold loans. *(Source: RBI Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans by NBFCs in India.)*

Below are the figures of Gold import in India:

(US $ Million)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Gold	28,705	34,407	31,771	27,518	33,657	32,898
Total Imports	4,50,214	4,48,033	3,81,008	3,84,357	4,65,581	514,034.1

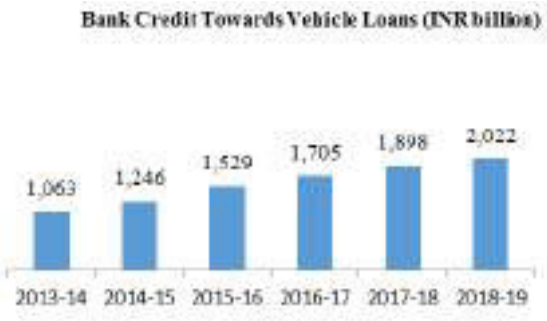
(Source: RBI handbook of statistics on the Indian Economy 2018-19.
Note: Data for 2018-19 are provisional and data for 2017-18 are revised.)

As a financial instrument, gold loans have promoted the suitability of gold as a collateral drawing upon its ability to secure loans against itself quickly to address temporary surges in consumption.

6.1. B Vehicle Finance Segment:

Indian automobiles industry is one of the largest in the world, comprising commercial vehicles, passenger vehicles, three-wheelers and two wheelers, with the latter accounting for the largest share. A growing middle class, the young population and development of the rural economy has further aided the two-wheeler segment. Vehicles loans have managed to grow by around 10% in 2017-18, despite some hiccups in the beginning of the year. The growth in vehicle loans in the recent period has moderated, reflecting lower automobile sales.





(Source: RBI Bulletin February 2019 on Sectoral Deployment of Bank Credit in India)

6.2 Micro, Small & Medium Finance Segment

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture. *(Source: MSME Annual Report 2018-19)*

As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated non-agriculture MSMEs in the country engaged in different economic activities. It is seen that 31% MSMEs were found to be engaged in Manufacturing activities, while 36% were in Trade and 33% in Other Services. Again out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) were in rural area and 309 lakh MSMEs (48.75%) were in the urban areas. *(Source: MSME Annual Report 2018-19)*

Estimated Number of MSMEs Activity Wise

Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	114.14	82.50	**196.65**	31
Trade	108.71	121.64	**230.35**	36
Other Services	102.00	104.85	**206.85**	33
Electricity*	0.03	0.01	**0.03**	0
All	**324.88**	**309.00**	**633.88**	**100**

*Non-captive electricity generation and transmission and distribution by units not registered with the Central Electricity Authority (CEA)

(Source: MSME Annual Report 2018-19)

As per the data available with Central Statistics Office (CSO), the contribution of MSME Sector in country's Gross Value Added (GVA) and Gross Domestic Product (GDP) at current prices for the last five years is as below:

Contribution of MSMEs in Country's Economy at Current Price

(Figures in Rs. Crores adjusted for FISIM at current prices)						
Year	MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	Total GDP	Share of MSME in GDP (in %)
2011-12	2622574	-	8106946	32.35	8736329	30.00
2012-13	3020528	15.17	9202692	32.82	9944013	30.40
2013-14	3389922	12.23	10363153	32.71	11233522	30.20
2014-15	3704956	9.29	11504279	32.21	12467959	29.70
2015-16	4025595	8.65	12566646	32.03	13764037	29.20
2016-17	4405753	9.44	13841591	31.83	15253714	28.90

Source: Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation

(Source – MSME Annual Report 2018-19)

As per National Sample Survey (NSS) 73rd round conducted during the period 2015-16, MSME sector has been creating 11.10 crore jobs (360.41 lakh in Manufacturing, 387.18 lakh in Trade and 362.82 lakh in Other Services and 0.07 lakh in Non-captive Electricity Generation and Transmission) in the rural and the urban areas across the country. (*Source: MSME Annual Report 2017-18*)

Steady Increase in MSME Finance

MSME sector plays an important role in the overall growth of Indian Economy. MSMEs primarily rely on bank finance for their operations and ensuring timely and adequate flow of credit to the sector has been an overriding public policy objective. Over the years there has been a significant increase in credit extended to this sector by the banks. *(Source – MSME Annual Report 2017-18)*

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
MSME Loans^	8,318.8	9,248.8	9,624.1	10,067.8	11,000.4	11,735.7
Non-Food Bank Credit	55,296.0	60,029.5	65,469.0	70,944.9	76,884.2	86,334.2

(Source: RBI data on Sectoral Deployment of Non-Food Gross Bank Credit for period ending month of March for respective years)
Note: ^Loans to MSME qualifies Micro & Small Enterprises under priority sector and loans to medium industry enterprises.

The access to finance and cost of credit have been a concern for the MSME sector. To address this issue, the government of India, on November 2, 2018, announced 2 per cent interest subvention for the MSME sector, applicable for 2018-19 and 2019-20. All fresh or incremental amount of working capital or new term loan to the extent of only ₹10 million in the sector would be eligible for interest subvention during the period of the scheme. All

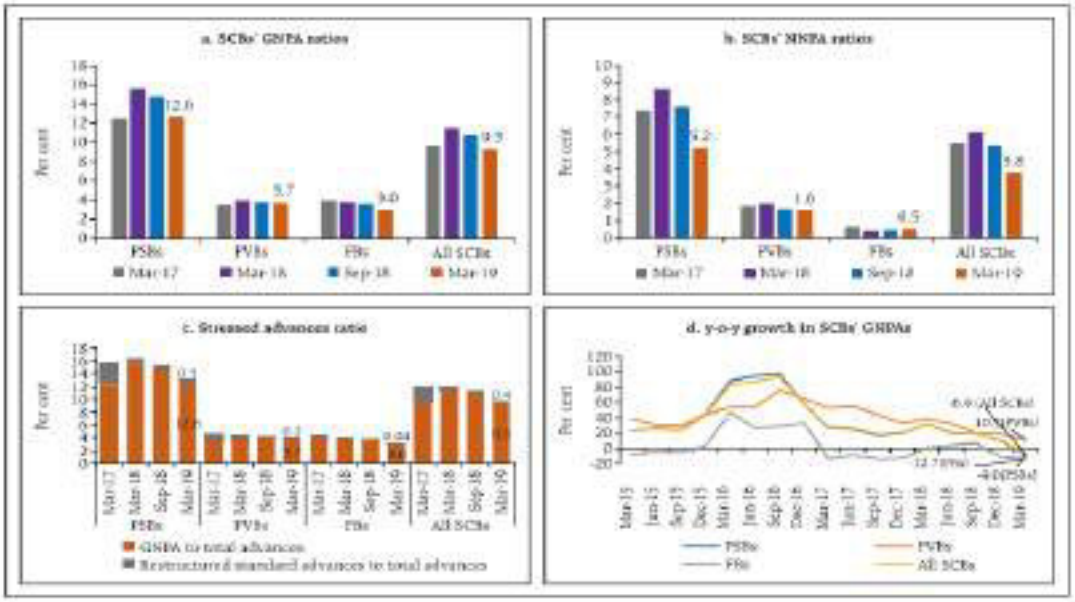
MSMEs which have a valid Udyog Aadhaar Number (UAN) and GSTN Number are eligible under the scheme. Further, the loan accounts of the eligible beneficiaries under the scheme, on the date of filing claim, should not have been declared as NPA as per the extant guidelines in this regard. No interest subvention shall be admissible to the eligible beneficiaries for any period during which their loan accounts remain under NPA category. Small Industries Development Bank of India (SIDBI) is the nodal national level implementing agency for the scheme. Regarding implementation of the scheme, the Reserve Bank has issued the operational guidelines to SCBs in February 2019. *(Source – RBI Annual Report 2018-19)*

7. Asset Quality Trends

The deterioration in asset quality of Indian banks, especially PSBs, can be traced to the credit boom of 2006-2011 when bank lending grew at an average rate of over 20%. Other factors that contributed to the deterioration in asset quality were lax credit appraisal and post sanction monitoring standards; project delays and cost overruns; and absence of a strong bankruptcy regime until May 2016.

During 2017-18, the GNPA ratio reached 14.6% for PSBs due to restructured advances slipping into NPAs and better NPA recognition. For PVBs, it remained at a much lower level but rose during the year. The asset quality of FBs improved marginally as shown in the below chart on GNPA Ratios. Supervisory data suggest that during H1:2018-19, the resolution of some large NPA accounts resulted in an improvement in asset quality of SCBs. The increased pace at which NPAs were recognised led to the NPA cycle peaking in March 2018. With most of the NPAs already recognised, the NPA cycle turned around with GNPA ratio declining to 9.3 per cent in March 2019. There was convergence of stressed advances ratio with GNPA ratio across all bank groups. The y-o-y growth in GNPAs also decelerated across all bank groups. The provision coverage ratio (PCR) of all SCBs increased sharply from 52.4 per cent in September 2018 to 60.6 per cent in March 2019. Y-o-Y growth in NPA provisions of SCBs was, however, lower in March 2019 at 14.7 per cent as compared to 40 per cent in September 2018 due to the base effect of March 2018.

Trends in Non-performing Assets -Bank Group-wise



Bank-wise distribution of asset quality shows that the number of banks having very high GNPA ratio (more than 20 per cent) came down in March 2019 as compared to September 2018. This implies a broader improvement in asset quality. (Source: *RBI financial stability report June 2019)*

Resolute efforts on the part of PVBs to clean up their balance sheets through higher write-offs and better recoveries

also contributed to low GNPA ratios. Data from supervisory returns suggest a decline in the ratio of write-offs to GNPAs during H1:2018-19 across bank groups and an improvement in actual recoveries. In terms of the net NPA ratio, PSBs experienced significant deterioration during 2017-18. During the year, the share of doubtful advances in total GNPAs increased sizably, driven up by PSBs. The share of sub-standard and loss assets in GNPAs of PVBs declined under the impact of aggressive write-offs. During H1:2018-19, the share of sub-standard and doubtful advances of SCBs declined, while that of loss assets increased marginally.
(Source: Report on Trend and Progress of Banking in India 2017-17, and 2017-18)

Supervisory returns suggest that on top of the elevated level of stressed assets, fresh slippages rose during 2017-18 in respect of PSBs as against a decline in the previous year. This is largely attributable to restructured advances slipping into NPAs and a decline in standard advances. Slippages in respect of PVBs moderated. Quarterly data from supervisory returns suggest a significant decline in fresh slippages across bank groups during H1:2018-19.

Sector-wise, industrial sector receives 37.3% of total loans and advances, but it contributes about three-fourth of total NPAs. Asset quality in the industrial sector deteriorated during 2017-18, mainly with better recognition. The agricultural sector posted an uptick in the GNPA ratio possibly reflecting debt waiver by several states. During H1:2018-19,some moderation in industrial NPAs occurred due to resolution of certain large accounts. At the same time, the asset quality of loans to the agricultural sector worsened further. Loan defaults in retail loans remained at a low level. Size-wise, one-fourth of loans to large industries turned into NPAs by the end of March 2018. Medium sized industries underwent improvement in loan quality during 2017-18, although in H1:2018-19, these industries were faced with an uptick in the GNPA ratio.

Apart from recovery through various resolution mechanisms, banks are also cleaning up balance sheets through sale of doubtful/loss assets to assets reconstruction companies (ARCs) and other banks /NBFCs /financial institutions by taking haircuts.
(*Source: RBI Report on Report on Trend And Progress of Banking In India 2017-18)*

8. Strengthening The Legal Framework for Recovering Stressed Assets

a. The Insolvency and Bankruptcy Code, 2016

The enactment of the Insolvency and Bankruptcy Code, 2016 (IBC) is a watershed towards improving the credit culture in our country. Prior to the IBC, India had multiple laws that governed various facets of a corporate rescue and/or insolvency process, without having a comprehensive legal framework that envisages a holistic process applicable to troubled or defaulting companies. The IBC provides for a single window, time-bound process for resolution of an asset with an explicit emphasis on promotion of entrepreneurship, maximisation of value of assets, and balancing the interests of all stakeholders.

For a creditor, an asset, in most cases, is more valuable when it is a going concern and generates adequate cash flow, as compared to an asset under liquidation. IBC puts a time limit of 180 days (extendable by a further 90 days) within which creditors have to agree to a resolution plan, failing which the adjudicating authority under the law will pass a liquidation order on the insolvent company. So the threat of liquidation, which could potentially result in larger losses for the creditors as a whole, should be sufficient incentive for them to ensure efficient coordination during the insolvency resolution period so as to quickly arrive at a decision.

b. Follow-up action by the Reserve Bank

Pursuant to the promulgation of The Banking Regulation (Amendment) Ordinance, 2017, the Reserve Bank identified a set of accounts to be referred for resolution under IBC, based on the recommendations of an Internal Advisory Committee ("**IAC**"). The process adopted for identifying the entities was consistent with the object of making quickest recovery of economic value. The classification criteria recommended by the IAC was based on an intelligible differentia (quantum, materiality, as well as age as of the NPA) and had close nexus with the underlying object of the IBC and the Ordinance.

c. Institutional Measures

i. Central Repository of Information on Large Credits (CRILC)

Setting up of CRILC by the Reserve Bank in 2014 filled a critical gap in addressing the information asymmetry regarding NPAs at the system level by facilitating collection of data on all Borrowers' credit exposures across the banking system. Having the aggregate view of Borrower-wise and bank-wise exposures provided the requisite tool for supervisors as well as lenders to track the incipient stress in a particular account in a timely manner. In fact, without CRILC the AQR would not have been possible.

ii. Overseeing Committee

In order to strengthen the role of the Overseeing Committee ("**OC**"), the Reserve Bank, in exercise of powers vested under Section 35 AB of the Ordinance, brought the OC under its aegis with an expanded membership to review the process followed by banks for restructuring outside the IBC. This was necessary to reinforce the statute-backed authority of the OC to review the processes and provide requisite comfort to the lenders, particularly public sector banks, to agree to a market-determined haircut as part of restructuring. *(Source: Speech delivered by Urjit R. Patel, Former Governor of the Reserve Bank of India at Inaugural Session of the "National Conference on Insolvency and Bankruptcy: Changing Paradigm". Topic: Resolution of Stressed Assets: Towards the Endgame*)

9. Constituents of the Indian Banking Industry

- **The Reserve Bank of India**

The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Preamble of the Reserve Bank of India describes the basic functions of the Reserve Bank as "to regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, to maintain price stability while keeping in mind the objective of growth." The Reserve Bank of India performs the supervisory function under the guidance of the Board for Financial Supervision (BFS). The Board was constituted in November 1994 as a committee of the Central Board of Directors of the Reserve Bank of India under the Reserve Bank of India (Board for Financial Supervision) Regulations, 1994. The primary objective of BFS is to undertake consolidated supervision of the financial sector comprising Scheduled Commercial and Co-operative Banks, All India Financial Institutions, Local Area Banks, Small Finance Banks, Payments Banks, Credit Information Companies, Non-Banking Finance Companies and Primary Dealers.
(*Source: RBI website - https://www.rbi.org.in/CommonPerson/english/scripts/Organisation.aspx*)

Some of the initiatives taken by the Board for Financial Supervision include:

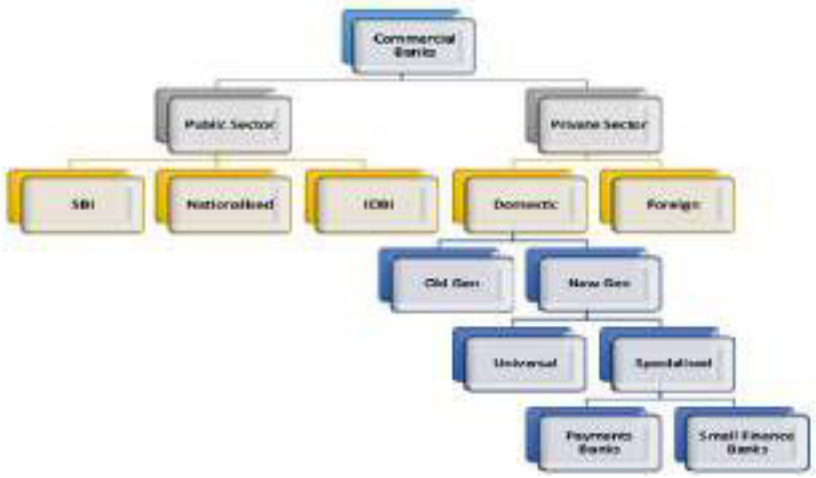
i. Fine-tuning the supervisory processes adopted by the Bank for regulated entities;
ii. Introduction of off-site surveillance system to complement the on-site supervision of regulated entities;
iii. Strengthening the statutory audit processes of banks and enlarging the role of auditors in the supervisory process;
iv. Strengthening the internal defences within supervised institutions such as corporate governance, internal control and audit functions, management information and risk control systems, review of housekeeping in banks;
v. Introduction of supervisory rating system for banks and financial institutions;
vi. Supervision of overseas operations of Indian banks, consolidated supervision of banks;
vii. Technical assistance programme for cooperative banks;
viii. Introduction of scheme of Prompt Corrective Action Framework for weak banks;
ix. Guidance regarding fraud risk management framework in banks;
x. Introduction of risk based supervision of banks;
xi. Introduction of an enforcement framework in respect of banks;

xii. Establishment of a credit registry in respect of large Borrowers of supervised institutions; and
xiii. Setting up a subsidiary of RBI to take care of the IT requirements, including the cyber security needs of the Reserve Bank and its regulated entities, etc.

(Source: RBI website- https://www.rbi.org.in/CommonPerson/english/scripts/Organisation.aspx)

- **Indian Banking System – Commercial Banks**

The commercial banking sector in Indian is quite diverse. Based on the ownership pattern, banks can be broadly categorised into public sector banks, private sector banks and foreign banks. While the State Bank of India, nationalised banks and Regional Rural Banks (RRBs) are constituted under respective enactments of the Parliament, the private sector banks and foreign banks are considered banking companies as defined in the Banking Regulation Act, 1949. Till 2015, only universal banking licenses were being issued in India. However, since 2015, licenses for differentiated banks (niche banks) are also being issued alongside licenses for universal banks. *(Source: RBI Functions & working report Jan 15, 2018).*



Regional Rural Banks:
Regional Rural Banks (RRBs) were setup with a view to developing the rural economy by providing credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. Being local level institutions, RRBs together with commercial and co-operative banks, were assigned a critical role to play in the delivery of agriculture and rural credit. The equity of the RRBs was contributed by the Central Government, concerned State Government and the sponsor bank in the proportion of 50:15:35. The function of financial regulation over RRBs is exercised by Reserve Bank and the supervisory powers have been vested with NABARD. *(Source: RBI Functions & working report Jan 15, 2018)*

Foreign Banks:
Foreign banks have been operating in India for more than a century and a half. Foreign banks are permitted to operate in India either as branches or Wholly Owned Subsidiaries ("**WOS**"). Permission for opening of branches by foreign banks in India is guided by India's commitment to WTO. *(Source: RBI Functions & working report Jan 15, 2018)*

Payments Banks:
The Reserve Bank has issued payments bank ("**PBs**") licences to seven entities, out of which five PBs were operational by End-March 2018 and the remaining two were also operational at end-November 2018. The primary objective of establishing PBs is to harness technology so as to increase financial inclusion by opening small savings accounts and providing payments/ remittance services to migrant labourers, small businesses, low income households and other entities in the unorganised sector, by using the digital medium. *(Source: Report on Trend and Progress of Banking in India 2017-18)*

Small Finance Banks:

Small Finance Banks (SFBs) have been set up to deepen financial inclusion by catering to clientele such as migrant labourers, low income households, small businesses and other unorganised sector entities. Since nine out of ten SFBs were earlier operating as NBFCs, their legacy reliance on borrowings continued. SFBs are, however, subject to a regulatory ceiling on inter-bank borrowings. Given their MFI background, loans and advances constituted 67% of total assets, which was much higher than that of other SCBs, and the share of investments in total assets was correspondingly lower. *(Source: Report on Trend and Progress of Banking in India 2017-18)*

10. Sectoral Deployment of Non-Food Gross Banks credit

Sr. No.	Sector	Outstanding as on last reporting Friday in March (INR Billion)					
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	Non-food Credit (1 to 4)	**55,296**	**60,030**	**65,469**	**70,945**	**76,884**	**86,334**
1	**Agriculture & Allied Activities**	**6,660**	**7,659**	**8,829**	**9,924**	**10,302**	**11,113**
2	**Industry (Micro & Small, Medium and Large)**	**25,165**	**26,576**	**27,307**	**26,798**	**26,993**	**28,858**
2.1	Micro & Small	3,482	3,800	3,715	3,697	3,730	3,755
2.2	Medium	1,241	1,245	1,148	1,048	1,037	1,064
2.3	Large	20,442	21,531	22,444	22,053	22,226	24,039
3	**Services**	**13,375**	**14,131**	**15,411**	**18,022**	**20,505**	**24,156**
3.1	Transport Operators	923	916	997	1,104	1,213	1,385
3.2	Computer Software	186	172	191	179	186	185
3.3	Tourism, Hotels & Restaurants	399	370	371	375	365	390
3.4	Shipping	102	101	104	84	63	77
3.5	Professional Services	796	844	1,046	1,377	1,554	1,715
3.6	Trade	3,258	3,657	3,811	4,279	4,669	5,282
3.6.1	Wholesale Trade (other than food procurement)	1,676	1,801	1,686	1,932	2,052	2,505
3.6.2	Retail Trade	1,582	1,856	2,125	2,347	2,618	2,776
3.7	Commercial Real Estate	1,532	1,665	1,776	1,856	1,858	2,023
3.8	Non-Banking Financial Companies (NBFCs)	2,938	3,117	3,527	3,910	4,964	6,412
3.9	Other Services	3,240	3,289	3,587	4,859	5,633	6,686
4	**Personal Loans**	**10,097**	**11,663**	**13,922**	**16,200**	**19,085**	**22,207**
4.1	Consumer Durables	128	153	178	208	197	63
4.2	Housing (Including Priority Sector Housing)	5,386	6,285	7,468	8,601	9,746	11,601
4.3	Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	636	625	667	661	725	829
4.4	Advances to Individuals against share, bonds, etc.	38	54	64	48	56	63
4.5	Credit Card Outstanding	249	305	377	521	686	883
4.6	Education	600	633	682	701	697	680
4.7	Vehicle Loans	1,063	1,246	1,529	1,705	1,898	2,022
4.8	Other Personal Loans	1,997	2,362	2,958	3,755	5,080	6,068
5	**Priority Sector**	**18,297**	**20,103**	**22,259**	**24,356**	**25,532**	**27,390**
	Memo:						

Sr. No.	Sector	Outstanding as on last reporting Friday in March (INR Billion)					
5.1	Agriculture & Allied Activities	6,660	7,659	8,826	9,909	10,216	11,050
5.2	Micro & Small Enterprises	7,078	8,003	8,476	9,020	9,964	10,672
5.2(a)	Manufacturing	3,482	3,800	3,715	3,697	3,730	3,755
5.2(b)	Services	3,596	4,203	4,761	5,322	6,234	6,917
5.3	Housing	3,020	3,224	3,423	3,683	3,756	4,327
5.4	Micro-Credit	172	177	188	189	264	241
5.5	Education Loans	579	592	601	604	607	540
5.6	State-Sponsored Orgs. for SC/ST	3	3	5	6	3	4
5.7	Weaker Sections	3,860	4,049	4,774	5,546	5,690	6,626
5.8	Export Credit	483	426	424	425	283	156

(Source: RBI data on sectoral deployment of Bank Credit)
Note: Outstanding are as on last reporting Friday in month of March for respective years

11. Industry wise deployment of fund

(₹ Billion)						
Industry	**Outstanding as on**				**Growth (%)**	
	Mar. 30, 2018	**2018**	**2019**		**Financial year so far**	**Y-o-Y**
		Feb. 16	**Jan. 18**	**Feb. 15**	**2018-19**	**2019**
	1	**2**	**3**	**4**	**5**	**6**
1 Industry	**26,993**	**26,272**	**27,500**	**27,743**	**2.8**	**5.6**
1.1 Mining & Quarrying (incl. Coal)	**413**	**388**	**417**	**415**	**0.5**	**6.9**
1.2 Food Processing	**1,554**	**1,480**	**1,506**	**1,547**	**–0.4**	**4.5**
1.2.1 Sugar	290	273	266	284	–2.0	3.7
1.2.2 Edible Oils & Vanaspati	211	199	216	214	1.5	7.8
1.2.3 Tea	45	47	51	50	12.1	7.2
1.2.4 Others	1,008	961	974	999	–0.9	4.0
1.3 Beverage & Tobacco	**156**	**161**	**146**	**146**	**–6.4**	**–9.5**
1.4 Textiles	**2,099**	**2,054**	**1,983**	**2,013**	**–4.1**	**–2.0**
1.4.1 Cotton Textiles	1,057	1,033	963	963	–8.9	–6.7
1.4.2 Jute Textiles	22	22	21	21	–2.7	–3.8
1.4.3 Man-Made Textiles	243	241	244	266	9.3	10.4
1.4.4 Other Textiles	776	758	756	762	–1.8	0.5
1.5 Leather & Leather Products	**113**	**110**	**110**	**110**	**–3.0**	**–0.2**
1.6 Wood & Wood Products	**109**	**106**	**117**	**118**	**8.2**	**11.2**
1.7 Paper & Paper Products	**306**	**298**	**300**	**302**	**–1.4**	**1.4**
1.8 Petroleum, Coal Products &	**651**	**497**	**571**	**557**	**–14.5**	**12.1**
1.9 Chemicals & Chemical Products	**1,630**	**1,607**	**1,794**	**1,830**	**12.3**	**13.9**
1.9.1 Fertilizer	306	270	275	283	–7.6	4.7
1.9.2 Drugs & Pharmaceuticals	484	483	512	507	4.9	5.1
1.9.3 Petro Chemicals	387	409	480	509	31.6	24.6

(₹ Billion)						
Industry	**Outstanding as on**				**Growth (%)**	
	Mar. 30, 2018	**2018**	**2019**		**Financial year so far**	**Y-o-Y**
		Feb. 16	**Jan. 18**	**Feb. 15**	**2018-19**	**2019**
	1	**2**	**3**	**4**	**5**	**6**
1.9.4 Others	453	445	528	531	17.1	19.2
1.10 Rubber, Plastic & their Products	**424**	**412**	**453**	**452**	**6.7**	**9.8**
1.11 Glass & Glassware	**85**	**84**	**99**	**100**	**18.0**	**19.0**
1.12 Cement & Cement Products	**526**	**510**	**554**	**550**	**4.7**	**7.9**
1.13 Basic Metal & Metal Product	**4,160**	**4,106**	**3,694**	**3,707**	**–10.9**	**–9.7**
1.13.1 Iron & Steel	3,262	3,210	2,833	2,851	–12.6	–11.2
1.13.2 Other Metal & Metal Product	898	896	861	856	–4.8	–4.5
1.14 All Engineering	**1,553**	**1,511**	**1,611**	**1,632**	**5.1**	**8.0**
1.14.1 Electronics	344	346	376	375	9.2	8.5
1.14.2 Others	1,210	1,165	1,235	1,257	3.9	7.9
1.15 Vehicles, Vehicle Parts &	**787**	**733**	**802**	**799**	**1.5**	**9.0**
1.16 Gems & Jewellery	**727**	**692**	**681**	**711**	**–2.2**	**2.6**
1.17 Construction	**901**	**857**	**951**	**959**	**6.5**	**11.9**
1.18 Infrastructure	**8,909**	**8,816**	**9,868**	**9,866**	**10.7**	**11.9**
1.18.1 Power	5,196	5,172	5,542	5,544	6.7	7.2
1.18.2 Telecommunications	846	821	928	915	8.2	11.4
1.18.3 Roads	1,665	1,692	1,882	1,892	13.6	11.8
1.18.4 Other Infrastructure	1,202	1,131	1,516	1,515	26.0	34.0
1.19 Other Industries	**1,890**	**1,850**	**1,843**	**1,930**	**2.1**	**4.3**
Note: Data are provisional and relate to select 41 scheduled commercial banks, accounting for about 90% of total non-food credit extended by all scheduled commercial banks (excludes ING Vysya which has been merged with Kotak Mahindra since April 2015).						
Export credit under priority sector relates to foreign banks only.						
Micro & small under item 2.1 includes credit to micro & small industries in manufacturing sector.						
Micro & small enterprises under item 5.2 includes credit to micro & small enterprises in manufacturing as well as services sector.						
Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015.						

(Source: Monthly Bulletin of RBI for April 2019)

12. Recent Regulatory Initiatives and their Rationale

Some of the recent regulatory initiatives, along with the rationale thereof, are given below.

Important regulatory initiatives (June 2018 - November 2018)

Date	Measure	Rationale/purpose
September 21, 2018	Co-origination of Loans by Banks and NBFCs for lending to Priority Sector: All scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) may engage with Non-Banking Financial Companies - Non-Deposit	To augment the flow of funds to Priority sector.

Date	Measure	Rationale/purpose
	taking - Systemically Important (NBFC-ND-Sis) to co-originate loans for the creation of priority sector assets. The bank can claim priority sector status without recourse to the NBFC. Minimum 20% of the credit risk by way of direct exposure will be on NBFC's books till maturity and the balance will be on the bank's books.	
September 27, 2018	Basel III framework on Liquidity Standards: Banks have been allowed to use additional share of their Statutory Liquidity Reserves so as to meet Liquidity Coverage Ratio (LCR) requirement. Hence, the carve-out from SLR, under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) will now be 13%, taking the total carve out from SLR available to banks to 15% of their NDTL.	To infuse more liquidity into the system.
November 26, 2018	External Commercial Borrowing (ECBs) mandatory hedging provision was reduced to 70% from 100% by Reserve Bank for eligible Borrowers raising ECBs under Track I, having an average maturity between 3 and 5 years. ECBs falling within the scope but raised earlier will be required to mandatorily roll over their existing hedge(s) only to the extent of 70% of outstanding ECBs exposure.	To provide greater flexibility for managing exchange rate risks.
July 4, 2018	Amendments to the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016.11	The revised norms provide clarity on procedural requirements for various classes of creditors, details about timelines to be followed by resolution professionals and procedure for withdrawal of insolvency application.
August 10, 2018	Direction by circular to resolution professional to mention in the notice about representation in Committee of Creditors (CoC).	This relates to representation of Financial Creditors as members of the CoC,
August 17, 2018	The Insolvency and Bankruptcy Code (Second Amendment) Act, 2018. Some important provisions include: providing relief to home buyers by recognising their status as financial creditors, laying down a strict procedure for withdrawing a case after its admission under IBC 2016. It would be permissible only with the approval of the Committee of Creditors with 90% of the voting share, permissible before publication of notice inviting Expressions of Interest (EoI). voting threshold brought down to 66% from 75% for all major decisions such as approval of resolution plan, extension of CIRP period, etc. and 51% for routine decisions to ensure that the CD continues as going concern. providing for a minimum one-year grace period for the successful resolution applicant to fulfil various statutory obligations required under	To balance the interests of various stakeholders, especially the home buyers and Micro, Small and Medium Enterprises (MSMEs), promoting resolution over liquidation of corporate debtor by lowering the voting threshold of CoC and streamlining provisions relating to eligibility of resolution applicants.

Date	Measure	Rationale/purpose
	different laws.	
October 11, 2018	Amendment to the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016, the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, and the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.	The amendment relates to a few procedural issues with regards to insolvency proceedings.
October 22, 2018	Amendment to the IBBI (Liquidation Process) Regulations 2016.	The amendments, inter-alia, enable a liquidator to sell the business of the corporate debtor as a going concern. The amendments also provide that the valuation of the assets or business sold may be considered as that under the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 or the IBBI (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017, as the case may be.
October 22, 2018	Insolvency and Bankruptcy Board of India (Mechanism for Issuing Regulations) Regulations, 2018.	The regulations provide for the manner in which regulations may be framed by IBBI providing, inter-alia, for effective engagement with the stakeholders, for making regulations.

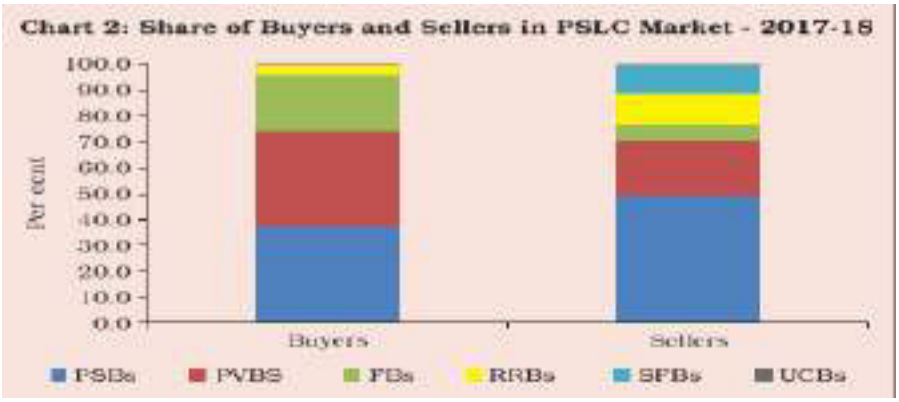
(Source: RBI report 'Chapter III: Financial Sector: Regulation and Developments')

Priority Sector Lending Certificates (PSLCs) Trading

PSLCs trading were introduced in April 2016 on the lines of carbon credits to drive priority sector lending by leveraging the comparative strength of different banks. Under this arrangement, the overachievers sell excess priority sector obligations, while underachievers buy the same with no transfer of risks or loan assets. Trading in PSLCs takes place through the Reserve Bank's e-Kuber portal. Four kinds of PSLCs, viz., PSLC – Agriculture (PSLC-A); PSLC – Small and Marginal Farmers (PSLC- SM); PSLC – Micro Enterprises (PSLC-ME); and PSLC– General (PSLC-G), can be bought and sold via the platform in order to meet the applicable priority sector targets and sub-targets.

Trading volumes: During 2017-18, the PSLCs trading volume increased by 270% to ₹1,842 billion from ₹498 billion in the previous year. In H1:2018-19, trading volume more than doubled from the level a year ago. Trading volumes tend to spike at the end of each quarter as buyers vie with each other to meet quarterly priority sector targets. The e-Kuber portal has participation from all eligible bank categories – SCBs (including RRBs); urban co-operative banks (UCBs) and the recently operational small finance banks (SFBs).

PSBs and PVBs are major buyers and sellers of PSLCs; however, if buying and selling is netted, PVBs and FBs emerge as major buyers and PSBs, RRBs and SFBs as major sellers.



(Source: Report on Trend and Progress of Banking in India 2017-18)

Public Credit Registry

The PCR aims to be an extensive database of credit information for all credit products in the country, from point of origination of credit to its termination (repayments, restructuring, default, resolution, etc.), eventually covering all lender-Borrower accounts without a size threshold. As of today, information on borrowings from banks, non-banking financial companies (NBFCs), corporate bonds or debentures from the market, external commercial borrowings (ECBs), foreign currency convertible bonds (FCCBs), Masala bonds, and inter-corporate borrowings are not available in a single data repository. The main objective of the PCR is to fill this lacuna and capture all the relevant information about a Borrower, across different borrowing products, in one place. The significant parts of this registry of borrowing contracts and repayment history will be accessible to all stakeholders provided they too share their data with the PCR.

The PCR increases the efficiency of lending institutions by reducing information asymmetry using a PCR, the lender can get a 360-degree view of the Borrower's other outstanding credits and past performance, allowing better screening at time of credit origination and superior monitoring during the life of the credit. This is a well-studied phenomenon and has been recorded in many research studies. The introduction of public registries and private bureaus has been found to raise the ratio of private credit to GDP in many countries by 7 to 8 percentage points over a five-year horizon. Importantly, credit registries and bureaus do not just increase the amount of borrowing; they are also responsible for improving the quality of borrowing.

India currently has a robust and unique digital identification for every citizen in the form of Aadhaar. Similarly, the Corporate Identification Number (CIN) as well as GSTN provide identities to businesses. Moreover, India is one of the few countries to provide an authentication service atop these identity services. These identities can be used in a PCR to aggregate data about Borrowers from across multiple institutions with a high degree of confidence in the accuracy of merging and referencing of data. The PCR will be a single source of information that has veracity. It will make reporting for small financial institutions easier and also remove the inconsistencies that come from aggregation across different reporting formats of multiple financial institutions.

(*Source: Speech by Dr. Viral V. Acharya, Deputy Governor, Reserve Bank of India, August 20, 2018 - at the Annual Global Banking Conference – FIBAC 2018 organised by Federation of Indian Chambers of Commerce and Industry (FICCI) and Indian Banks' Association (IBA), Mumbai*).

13. Overall Assessment of Indian Banking Sector

In an environment of worsening asset quality of banks, resolution of stressed assets and ensuring adequate provisions as well as capital ascended the hierarchy of priorities for the Reserve Bank in 2017-18 and these concerns persisted in H1:2018-19, although some improvement was visible. Provisions for mark-to-market losses on account of hardening of yields on government securities added to these pressures, and in this context, the Reserve Bank allowed banks to spread the losses across four quarters, providing some relief. That banks managed to improve their capital positions and maintained other soundness indicators such as the leverage ratio and the LCR well above the minimum regulatory requirements testifies to the gradually building resilience of the banking sector. *(Source: Report on Trend and Progress of Banking in India 2017-18)*

Bank credit is recovering from the risk aversion of recent years and bank intermediation in the flow of resources to the commercial sector is regaining lost ground. There are shifts underway, though, with a renewed focus on lending to less stressed sectors such as retail loans. Lending to the agricultural sector is getting adversely impacted possibly reflecting deteriorating asset quality in the sector. Policy initiatives such as expanding the ambit of PMJDY—from every household to every adult— and the ongoing third phase of the financial inclusion plan is expected to deepen formal financialisaton of disadvantaged sections of society. Furthermore, capital infusion in weak RRBs and operationalisation of an increased number of SFBs and PBs is expected to enable the expansion of the geographical penetration of banking services. On the consumer protection front, improvements in grievance redressal, introduction of innovative products for digital payments, and measures to improve cyber security in banking are all expected to leverage on the progress made so far to expand financial inclusion to encompass all Indians and to provide financial services efficiently and cost effectively. *(Source: Report on Trend and Progress of Banking in India 2017-18)*

Going forward, the IBC and the evolving framework for resolution of stressed assets is expected to address the bad loan problem and improve debtor-creditor relationships even as competition from NBFCs, bond market and fintech companies intensifies. In this environment, banks need to augment their capital base to guard against future balance sheet stress, and improve their credit monitoring and risk management strategies in order to support inclusive growth in the evolving financial landscape. *(Source: Report on Trend and Progress of Banking in India 2017-18).*

During 2019-20, the banking sector is poised to build upon the consolidation achieved in the year gone by. Stress tests for credit risk conducted by the Reserve Bank indicate that under the baseline scenario, SCBs' gross NPA ratio may decline further to 9.0 per cent by end-March 2020 (9.1 per cent as at end-March 2019). This would release headroom for provisioning efforts, a turnaround in financial performance and for energising and broadening the flow of credit to the productive sectors of the economy. Concomitantly, several regulatory and supervisory measures are underway to strengthen the soundness of the banking system. The Reserve Bank will issue draft guidelines on (a) corporate governance in banks; and (b) revised standardised approach for calculating minimum capital requirement for operational risk in order to align the current regulatory framework with global best practices. Further, draft revised guidelines will be issued on capital charge for credit risk as well as on securitisation. The regulatory framework for Interest Rate Risk in Banking Book will be finalised. These measures will work in conjunction with the revised prudential framework for resolution of stressed assets framed in June 2019 and the large exposures framework, effective April 1, 2019 to incentivise a prudent credit culture. *(Source: RBI Annual Report 2018-2019)*

Reviving consumption demand and private investment has assumed the highest priority in 2019-20. This may involve strengthening the banking and non-banking sectors, a big push for spending on infrastructure and implementation of much needed structural reforms in the areas of labour laws, taxation, and other legal reforms, which will also enhance ease of doing business in pursuit of fulfilling the vision of India becoming a US$ 5 trillion economy by 2024-25. *(Source: RBI Annual Report 2018-2019).*

OUR BUSINESS

In this section, references to "we" or "us" or "Bank" or "our Bank" mean CSB Bank Limited. Some of the information contained in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" on page 17 of this Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included various operational and financial performance indicators in this Prospectus, some of which may not be derived from our Restated Financial Information or otherwise subjected to an examination, audit or review by our Statutory Auditors or any other expert. The manner in which some of the operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other banks in India and other jurisdictions. Our fiscal year ends on March 31 of every year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" on pages 23, 115, 403, and 237, respectively.

Certain information in this section includes extracts from publicly available information, data, and statistics, and has been derived from various publications and industry sources, including from the RBI. Neither our Bank, nor the Book Running Lead Managers, nor any other person connected with the Offer has independently verified such information.

Overview

We are one of the oldest private sector banks in India with a history of over 98 years and have a strong base in Kerala along with significant presence in Tamil Nadu, Karnataka, and Maharashtra. We offer a wide range of products and services to our overall customer base of 1.3 million as on September 30, 2019, with particular focus on SME, Retail, and NRI customers. We deliver our products and services through multiple channels, including 412 branches (excluding three service branches and three asset recovery branches) and 290 ATMs spread across 16 states and four union territories as on September 30, 2019, and various alternate channels such as micro ATMs, debit cards, internet banking, mobile banking, point of sale services and UPI. We believe with our focus on quality of service and nurturing long term relationship with our customers, we have developed a well-recognized and trusted brand in south India, particularly in the states of Kerala and Tamil Nadu.

While our Bank has a long operating history as a traditional bank, we are currently focusing on implementation of strategic changes in our business model to function efficiently as a full service new age private sector bank backed by our new marquee investor - FIHM, our Promoter. To this end, we are re-aligning our organizational set-up for efficiently driving our operations and business strategy, wherein branches will be responsible only for deposits, cross-selling and customer servicing and all loan products will be driven by dedicated teams, with each business team operating as a profit centre. We are in the process of rebranding ourselves to "CSB Bank Limited" to address region and community related perceptional issues associated with our previous brand name. We are engaged in lateral hiring along with hiring of new recruits by offering market based compensation with a performance linked variable pay component, including employee stock option plans, which will align our employees' interest with the performance of our Bank. In Fiscal 2019, we have also introduced a mechanism for review of performance by a special committee of all officer employees of our Bank on completion of 50 years of age, and thereafter on yearly basis after 53 years of age. Further, our Bank may on review by special committee, in its discretion, retire an officer employee any time after completion of 50 years of age and continuance in service up to age of 58 years is subject to suitable service performance. We have also relocated our staff department and credit hub to Chennai, which we believe, will attract best talent and improve our productivity. We are also adopting a partnership based approach for sourcing business for certain products and for select operational functions instead of developing in-house capabilities for each function, which will help us to scale up in a more efficient manner. We are also expanding our products suite, services, and digital banking platform, with investments in technology aimed at

improving our customers' experience, making it easier for them to interact with us, and offering them a range of products tailored to their financial needs.

We have four principal business areas, namely, (a) SME banking, (b) retail banking, (c) wholesale banking, and (d) treasury operations.

Under our SME banking business, we cater to financial institutions, agriculture and allied businesses, and vendors and dealers of corporates. We offer a wide range of products including term loans, working capital loans, invoice/bill discounting, letters of credit and bank guarantees. We believe that lending to SME customers enables us to diversify our credit risk due to relatively smaller individual exposures. SME business compared to other businesses offers higher yields, cross-selling, and associated business opportunities. All of our SME loans are given based on our assessment of borrowers' business, cash-flows, repayment capacity and are further secured with significant tangible security. Our agriculture finance portfolio helps us to meet our priority sector lending obligations, where we are required to lend 40% of our ANBC or credit equivalent amount of off balance sheet exposure, whichever is higher, towards priority sectors, out of which 18% of our ANBC or credit equivalent amount of off balance sheet exposure, whichever is higher, is required to be directed towards agriculture. As on September 30, 2019, our Bank had 412 branches (excluding three service branches and three asset recovery branches) in metro, urban, semi urban, and rural locations, which we believe are conveniently located in close proximity to a large proportion of our existing and target SME customer base. As a percentage of our total advances, loans to SME customers accounted for 43%, 37%, 32% and 29.47% as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. The SME loan book of our Bank has increased from ₹ 35,384 million as on March 31, 2017 to ₹ 35,989 million as on March 31, 2018 and decreased to ₹ 34,733 million as on March 31, 2019. Further, as on September 30, 2019, the SME loan book of our Bank was ₹ 33,605 million. We believe that the SME growth was impacted due to our cautious lending approach in difficult macro environment post demonetization and GST implementation and our focus was on low risk weighted products due to capital constraint and improving quality of SME exposures by lending to SMEs with higher credit rating.

Under our retail banking business, we offer a wide range of loan and deposit products to our retail and NRI customers. Our retail lending products include gold loans, vehicle loans including two wheeler loans, loans against properties, personal loans, housing loans, agricultural loans, and education loans. Our deposit products include current accounts, savings accounts, fixed deposits, recurring deposits, and corporate salary accounts. Our retail loans (including gold loans) constituted approximately 44%, 42%, and 45% and 46.23% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. Our Gold loans advances (including agriculture gold loans) have increased from ₹ 20,263 million as on March 31, 2017 to ₹ 33,331 million as on March 31, 2019 growing at CAGR of 28.3%. Further, our gold loans advances (including agriculture gold loans) as on September 30, 2019 was ₹ 37,818 million. Gold loan advances constituted 24%, 26%, 31% and 33.17% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively, and thus, remain a mainstay product for our Bank on the retail advances side. On the deposits side, CASA banking business constituted 24.78%, 27.03%, and 27.84% of our total deposits as on March 31, 2017, March 31, 2018, and March 31, 2019, respectively, and has grown at a CAGR of 7% during the last three Fiscals. Further, our CASA banking business constituted 28.19% of our total deposits as on September 30, 2019. As of March 31, 2019, our CASA ratio was standing at 27.84% and our retail deposits constituted 93.73% of our total term deposits, and these deposits have consistently exhibited renewal patterns of above 90%. Further, as of September 30, 2019, our CASA ratio was standing at 28.19% and our retail deposits constituted 92.93% of our total term deposits, and these deposits have consistently exhibited renewal patterns of above 97.86%. Further, NRI deposits have been a stable source of funding for our Bank constituting 23.98%, 25.74%, and 24.87% of our total deposits as on March 31, 2017, March 31, 2018, and March 31, 2019, respectively, and have grown at a CAGR of 3% during the last three Fiscals. Our NRI deposits constituted 24.59% of our total deposits as on September 30, 2019. For facilitating fund transfer services required by our NRI customers, we have remittance and rupee drawing arrangements with major exchange houses in the Middle East and also have tie ups with major money transfer agents, which enhances our capability to provide inward remittance services to our customers and strengthens our NRI business.

Under our wholesale banking business, we cater to large and mid-size corporates and other business entities (with credit requirement of ₹ 250 million and above). As a percentage of our total gross advances, wholesale banking advances accounted for 13%, 21%, 23% and 24.30% as on March 31, 2017, March 31, 2018, March 31, 2019, and

September 30, 2019, respectively.

Our treasury operations primarily consist of statutory reserves management, asset liability management, liquidity management, investment and trading of securities, and money market and foreign exchange activities. Our treasury operations are aimed at maintaining an optimum level of liquidity, while complying with the RBI mandated CRR and SLR. We maintain SLR through a portfolio of dated securities and treasury bills of the Government of India, state development loans, and other securities as may be permitted by the RBI from time to time, which we actively manage to optimize yield and benefit from price movements. We are also involved in the trading of securities and foreign exchange, and investment in sovereign debt instruments, commercial papers, mutual funds, certificates of deposits, bonds, and debentures to manage short-term surplus liquidity and to further optimize yield and generate profits thereon. The profits generated from the sale of investments (net) were ₹ 1,959.06 million, ₹ 27.25 million, ₹ 80.06 million and ₹ 129.58 million as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively.

We also distribute life insurance products of Edelweiss Tokio Life Insurance Company Limited, HDFC Life Insurance Company, and ICICI Prudential Life Insurance Company Limited, and general insurance products of ICICI Lombard General Insurance Company Limited and Reliance General Insurance Company Limited under contractual arrangements entered into with them, which increases our product portfolio and helps us to generate fee income. Our income from bancassurance was ₹ 51 million, ₹ 69 million, and ₹ 96 million for Fiscals 2017, 2018, and 2019, respectively and has grown at a CAGR of 37% during the last three Fiscals. Further, our income from bancassurance was ₹ 46.5 million as on September 30, 2019.

As on September 30, 2019, we had a network of 412 branches (excluding three service and three asset recovery branches) and 290 ATMs. Out of these 412 branches, 64 branches are in metropolitan areas, 86 branches are in urban areas, 220 branches are in semi-urban areas, and 42 branches are in rural areas. We have wide presence in India, with 267, 56, 30, 17, and 42 of these 412 branches located in the states of Kerala, Tamil Nadu, Maharashtra, Karnataka, and others, respectively. Further, as on September 30, 2019, we had organized all our branches under eight zonal offices.

In recent years, our growth was constrained by low capital adequacy and higher operating costs, which adversely impacted our financial performance. However, in last three Fiscals from Fiscal 2017 to Fiscal 2019, our Bank has improved its growth by focusing on better yield loan products with low risk and therefore, the surplus funds parked in investments were re-deployed to advances with particular focus on gold loans and corporate advances to entities with high credit ratings which have low risk weights to minimize capital consumption. We also launched new retail products like two wheeler finance in Fiscal 2019. Within deposits, we focused more on increasing CASA by deploying a dedicated team to mobilize CASA from institutional customers which helped us to reduce cost of deposits. Further we adopted a conscious strategy of repricing term deposits to manage its share in overall deposits given our low credit to deposit ratio in Fiscal 2017 and to further reduce cost of deposits. Further, we focused on upgrading technology platform to enhance customer servicing and experience by introducing various features like account portability, that is, flexibility for customizing account features, and upgradation of existing system for debit cards, addition of features like IMPS, E-Deposits, etc. for increasing ease in internet banking. We also focused on taking steps like up-skilling of existing employees by organizing training programmes to improve employee productivity and selective hiring of lateral talent along with hiring of new recruits in order to improve operating efficiency, we focused on rationalizing our branch infrastructure by closing down unprofitable branches and focused on increasing our reach via alternate channels such as ATMs, and digital channels, instead of additional branches. Further, we also started centralization and digitization of various operating processes to bring more efficiency. The revamped operating strategy resulted in revival of growth with gradual improvement in profitability despite our low capital adequacy and lead to turnaround in our core operating profit (profit before provisioning and tax, excluding profit on sale of investments) from ₹ -441.93 million in Fiscal 2017 to ₹ 53.52 million in Fiscal 2019. Our core operating profit (profit before provisioning and tax, excluding profit on sale of investments) was ₹ 906.15 million for the six month period ended September 30, 2019. The major performance highlights for the last three Fiscals and for the six month period ended September 30, 2019 are as follows:

Our total assets (gross) increased from ₹ 161,276 million as on March 31, 2017 to ₹ 169,112 million as on March 31, 2019. Further, our total assets (gross) were ₹ 177,555 million as on September 30, 2019.

On the deposits side, while our overall deposits grew at a slower pace from ₹ 149,116 million in Fiscal 2017 to ₹ 151,239 million in Fiscal 2019 due to our conscious strategy of reducing term deposits and focusing more on CASA, our CASA deposits increased from ₹ 36,946 million as on March 31, 2017 to ₹ 42,106 million as on March 31, 2019 and our CASA ratio improved from 24.78% in Fiscal 2017 to 27.84% in Fiscal 2019, leading to a significant reduction in our cost of deposits from 6.89% in Fiscal 2017 to 5.87% in Fiscal 2019.

Further, our overall deposits were ₹ 155,098 million for the six month period ended September 30, 2019. Our CASA deposits was ₹ 43,719 million as on September 30, 2019 and our CASA ratio was 28.19% for the six month period ended September 30, 2019, leading to a reduction in our cost of deposits to 5.91 % for the six month period ended September 30, 2019.

Our advances started growing again from Fiscal 2017. Our advances (net) increased from ₹ 80,008 million in Fiscal 2017 to ₹ 106,152 million in Fiscal 2019. Further, our advances were ₹ 112,978 million for the six month period ended September 30, 2019. Our yield on advances decreased from 11.10% as on March 31, 2017 to 9.85% as on March 31, 2019. Further, our yield on advances was 10.22% as on September 30, 2019.

Our credit to deposit ratio increased from 53.65% in Fiscal 2017 to 70.19% in Fiscal 2019. Further, our credit to deposit ratio was 72.84% for the six month period ended September 30, 2019.

Our effective risk weight of standard advances decreased from 52.63% as on March 31, 2017 to 41.57% as on March 31, 2019. Further, our effective risk weight of standard advances was 39.97% as on September 30, 2019.

Our gross NPAs decreased to 4.87% as of March 31, 2019 from 7.25% as of March 31, 2017. Further, our gross NPAs was 2.86% as on September 30, 2019. The net NPAs decreased to 2.27% as of March 31, 2019 from 4.12% as of March 31, 2017. Further, our net NPAs was 1.96% as on September 30, 2019, while our provisioning coverage ratio was 65.50%, 75.83%, 78.16% and 79.45 % in respect of NPAs (including technical write-offs) as of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. We made total NPA provisioning of ₹ 6,871.1 million and total Write-offs including technical/prudential write offs of ₹ 4,437.9 million together amounting for ₹ 11,309 million from Fiscal 2017 to Fiscal 2019. The total NPA provisioning of the Bank was ₹ 556.3 million and total write-offs including technical/prudential write offs was ₹ 2,148.8 million, together amounting for ₹ 2,705.1 million for the six month period ended September 30, 2019. Our restated credit cost (total provisions other than tax divided by average total assets) was 1.57% in Fiscal 2017, 1.66% in Fiscal 2018 and declined to 0.65% in Fiscal 2019 led by provisioning & write offs in previous Fiscals in terms of our Restated Financial Information. Our restated credit cost was 0.38% (annualized) for the six month period ended September 30, 2019.

The net interest margin increased from 2.11% in Fiscal 2017 to 2.80% in Fiscal 2019 primarily on account of reduction in our cost of funds and increase in credit to deposit ratio. Further, our net interest margin was 3.43% for the six month period ended September 30, 2019. Our net interest income increased from ₹ 3,136.01 million in Fiscal 2017 to ₹ 4,399.55 million in Fiscal 2019. Further our net interest income was ₹ 2,795.20 million for the six month period ended September 30, 2019. Our non-interest income decreased from ₹ 2,812.01 million in Fiscal 2017 to ₹ 1,359.18 million in Fiscal 2019; however, excluding profit on sale of investments our non-interest income increased from ₹ 853 million in Fiscal 2017 to ₹ 1,279 million in Fiscal 2019. Our non-interest income was ₹ 844.15 million for the six month period ended September 30, 2019; however, excluding profit on sale of investments our non-interest income was ₹ 714.58 million for the six month period ended September 30, 2019.

Our cost to income ratio increased from 74.49% in Fiscal 2017 to 97.68% in Fiscal 2019. Further, cost to income ratio was 71.54% for the six month period ended September 30, 2019. However, excluding our treasury profits and extraordinary provision under AS15 of ₹ 873.2 million, cost to income ratio improved from 111% in Fiscal 2017 to 83.7% in Fiscal 2019.

Pursuant to a preferential allotment of Equity Shares and warrants to FIHM, we received ₹ 7,207.53 million in Fiscal 2019 and the balance amount of ₹ 4,869.29 million in second quarter of Fiscal 2020, which made us well capitalized and improved our capital adequacy ratio (including capital conservation buffer), as per Basel III Norms, from 10.93% as of March 31, 2017 to 16.70% as of March 31, 2019. Our Tier I capital ratio has been further augmented post capital infusion in second quarter of Fiscal 2020. Further, as per the Basel III Norms, the CRAR,

as assessed by our Bank as on September 30, 2019 was 22.77% (including capital conservation buffer). For further details, please see "*History and Certain Corporate Matters*" on page 197 of this Prospectus. We believe that this acquisition by FIHM in our Bank is first of a kind in the banking space in the country.

OUR COMPETITIVE STRENGTHS:

Strong channel network and trusted brand in South India

We provide our products and services primarily through an extensive physical network of branches and ATMs. We operate in 16 States and four Union Territories in India, reaching 1.3 million customers through 412 branches (excluding three service branches and three asset recovery branches) and 290 ATMs, as on September 30, 2019. In addition to our physical network, we have made investments in development of alternate channels from time to time. We formed a dedicated alternate delivery channels unit in the year 2014 for enhancing our online banking capabilities and digital payment solutions for providing services to our customers via non-branch outlets to improve their banking experience.

Our alternate channel network comprises of ATM debit cards, internet banking, mobile banking, point of sales ("**POS**"), QR payments, UPI, 24*7 phone banking, ePassbook, micro ATMs, prepaid (co-branded) cards, and payment gateway services through tie ups, (collectively "**Alternate Channel Network**"). The number of transactions undertaken through Alternate Channel Network has increased from 42.10% in March 31, 2017 to 56.57% in March 31, 2019 and was 64.18% for the six month period ended September 30, 2019, against the branch manual transaction which includes cash, clearing, transfer, RTGS, NEFT done from branches of our Bank ("**Branch Manual Transaction**").

With over 98 years of history, we believe we have developed a well-recognized and trusted brand in south India, particularly in the states of Kerala and Tamil Nadu, where we have built strong relationships with many of our customers, which has been one of our key growth drivers. We believe that we are known for our consistent approach to developing long-term relationships with our customers, based on our local knowledge and experience, amongst other things. We believe that our neighborhood centric focus has played a significant role in maintaining customer loyalty and our strong gold loan portfolio is a testimonial to the trust placed in our brand by our customers.

We believe that the trust reposed in our brand has enabled us in developing and maintaining a robust and loyal deposit franchise, consisting of a distinctive clientele, including numerous churches, charitable trusts, welfare boards, temple trusts, educational institutions, and local government institutions. Our deposit renewal rate has increased from 88.01% as of March 31, 2017 to 93.00% as of March 31, 2018 and to 97.24% as of March 31, 2019. Further, our deposit renewal rate was 97.86% as on September 30, 2019.

Strong capital base for growth

Our capital position has been significantly strengthened post FIHMs investment in our Bank. Pursuant to a preferential allotment of Equity Shares and warrants to FIHM, for which we received ₹ 7,207.53 million in Fiscal 2019 and the balance amount of ₹ 4,869.29 million in Fiscal 2020, we have a strong capital base for growth acceleration, something which we were not able to accomplish in past due to paucity of capital. As per the Basel III Norms, the CRAR, as assessed by our Bank as on March 31, 2019 and September 30, 2019, was 16.70% and 22.77% (including capital conservation buffer), respectively. This is above the minimum prescribed CRAR of 10.875% (including capital conservation buffer of 1.875%) stipulated by the RBI in the Basel III Norms. Capital augmentation post infusion of funds by FIHM helped vitalize our Bank's growth engine.

As on March 31, 2019, our Tier 1 CRAR (including capital conservation buffer) and common equity Tier 1 CRAR (including capital conservation buffer) stood at 16.03% and 16.03%, respectively. Further, as on September 30, 2019, our Tier 1 CRAR (including capital conservation buffer) and common equity Tier 1 CRAR (including capital conservation buffer) stood at 22.11% and 22.11%, respectively, well above the minimum prescribed requirements of 7% and 5.5%, respectively, which would enable our long term growth. Our bank currently does not have any Tier 2 bonds as we have redeemed ₹ 418 million worth of unsecured redeemable non-convertible subordinated lower Tier II bonds on March 30, 2019. As on March 31, 2019 and September 30, 2019, our Tier 2 CRAR stood at

0.67% and 0.66%, respectively and therefore our bank has significant head room available to raise Tier 2 capital to supplement our strong Tier 1 capital base.

Well established SME business

We believe that SMEs are more often confronted with challenges such as availability of adequate and timely financial resources than large corporates. We focus on meeting the funding and banking requirements of these SME customers. As a percentage of our total advances, loans to SME customers accounted for 43%, 37%, 32% and 29.47% as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019, respectively.

We believe that lending to SMEs enables us to diversify our credit risk profile due to relatively smaller individual exposures. As on March 31, 2019 and September 30, 2019, our advances to SME customers aggregated to ₹ 34,733 million and ₹ 33,605 million, respectively, spread across 7,529 accounts and 7,534 accounts, respectively, implying an average ticket size of approximately ₹ 4.61 million and ₹ 4.46 million, respectively. Further, as on March 31, 2019 and September 30, 2019, working capital advances such as cash credit and overdraft facilities to our SME customers constituted 14% and 11.11% of our total advances, respectively, while terms loans to our SME customers constituted 18% and 18.36% of our total advances, respectively.

SME business offers comparatively higher yields, cross-selling and associated business opportunities, and higher degree of secured and collateralized loans. As on March 31, 2019 and September 30, 2019, 99.26% and 96.11% of our SME loan portfolio was secured by tangible collateral, respectively. Lending to SMEs also helps us to meet our priority sector lending targets.

As on September 30, 2019, out of the total 388 SME cluster areas identified by United Nations Industrial Development Organization ("**UNIDO**") spread across India, we have presence in 166 such clusters and we intend to expand our SME business in the remaining clusters, specifically in the states of Tamil Nadu, Andhra Pradesh, Telangana, and Gujarat. We believe we have in-depth knowledge and local experience of banking requirements of SMEs to grow in sectors that we believe have good growth potential for us, such as cotton textiles and food processing including dairy and animal feed, and to formulate specific products, services, processes, and delivery capabilities to cater to the requirements of SME customers. Our local experience and understanding of such sectors also provides us the expertise to give loans to SME customers based on our assessment of their business cash-flows and repayment capability. Further, our SME loans are secured against some tangible security from our SME Borrowers. We have strategically decided to reduce our exposure to certain sectors like commercial real estate, jewellery, steel, cashew, and spinning mills on the basis of our assessment and forecast of difficult business conditions in these sectors.

To enhance our sales and marketing efforts, we have established a separate team focusing on SME business with credit analysts, relationship managers, and cluster heads assisting the branches in sourcing additional business and achieving deeper penetration. We synergistically leverage our branch network and the expertise of our branch managers and the SME team to create a customer-centric culture, where the emphasis is on satisfying the complete banking and financial needs of our SME customers by offering them a portfolio of products and services including term loans, working capital loans, export finance, import finance, and letters of credit, customized and tailor-made to their specific requirements.

Retail offering driven by strong gold loan portfolio

Gold loans constituted a major portion of our advances, contributing 24%, 26%, 31% and 33.17% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. As on March 31, 2019 and September 30, 2019, we had 522,248 and 595,121 gold loan accounts, with advances aggregating to ₹ 33,331 million and ₹ 37,818 million, implying an average ticket size of approximately ₹ 0.06 million and ₹ 0.06 million, respectively.

Apart from liquidity of the security and low probability of credit losses, gold loan advances offer benefits of hassle-free lending and lower operational costs. Our gold loan book has grown by 23% from ₹ 20,263 million as on March 31, 2017 to ₹ 24,836 million as on March 31, 2018 and by 34% to ₹ 33,331 million as on March 31, 2019. Further, our gold loan book accounted for ₹ 37,818 million as on September 30, 2019.

We have a dedicated team within our retail banking business to focus on our gold loan product offerings and have established internal processes towards origination, valuation of gold being pledged as security, and subsequent monitoring and collection from customers towards loan repayment, including timely disposal of pledged gold to realize our receivables in the event of default. In addition to our internal procedures, we also engage professional appraisers to determine the purity and value of the gold pledged.

Stable and granular deposit base

Our deposit base has remained stable. During last three Fiscals, despite a decline in term deposits due to our conscious strategy of not focusing on such deposits, our overall deposits base has remained intact and has increased from ₹ 149,116 million in Fiscal 2017 to ₹ 151,239 million in Fiscal 2019, owing to an increase in CASA deposits. Our overall deposits base was ₹ 155,098 million for the six month period ended September 30, 2019.

Our CASA deposits increased from ₹ 36,946 million as on March 31, 2017 to ₹ 42,106 million as on March 31, 2019. Further, our CASA deposits was ₹ 43,719 million as on September 30, 2019. Our CASA ratio improved from 24.78% in Fiscal 2017 to 27.84% in Fiscal 2019, which has led to reduced cost of borrowings for our Bank and improvement in net interest margin of our Bank in Fiscal 2019. Further, our CASA ratio was 28.19% for the six month period ended September 30, 2019

As on March 31, 2019, retail deposits constitute 93.73% of our total term deposits and these deposits have consistently exhibited renewal patterns of above 90%. Further, as of September 30, 2019, our CASA ratio was standing at 28.19% and our retail deposits constituted 92.93% of our total term deposits, and these deposits have consistently exhibited renewal patterns of above 90%. Our deposit renewal rate has increased from 88.01% as of March 31, 2017 to 93% as of March 31, 2018 and to 97.24% as of March 31, 2019. Further, our deposit renewal rate was 97.86% as on September 30, 2019.

Our NRI deposits have been a stable source of funding for our Bank, constituting 23.98%, 25.74%, and 24.87% of our total deposits as on March 31, 2017, March 31, 2018, and March 31, 2019, respectively, and have grown at a CAGR of 3% during the last three Fiscals. Further, NRI deposits constituted 24.59% of our total deposits as on September 30, 2019.

For facilitating fund transfer services required by our NRI customers, we have remittance and rupee drawing arrangements with exchange houses in the Middle East. We also have tie ups with major money transfer agents, which enhances our capability to provide inward remittance services to our customers and strengthens our NRI business.

Professional and experienced management with strong and independent Board.

Our Key Managerial Personnel bring substantial experience and in-depth knowledge of banking operations and management. While some of our Key Managerial Personnel have been with our Bank for more than 35 years, we have also brought in other experienced professionals from the banking industry. We believe that our management's capabilities, strong reputation, extensive network of industry relationships, and wide-ranging experience in the finance and banking industry will continue to help us to grow, modernize, and develop further.

The members of our Board have significant finance and banking experience, including in the RBI, NABARD, Small Industries Development Bank of India ("**SIDBI**"), KPMG, Thomas Cook (India) Limited, and Fairbridge Capital Private Limited, and include chartered accountants and associates of the Indian Institute of Banking & Finance. The Part-time Chairman of our Bank, Mr. Madhavan Karunakaran Menon, has over 30 years of experience in the financial sector and holds a bachelor's degree and a master's degree in business administration from the George Washington University. Several of our Directors are also on the board of other reputed companies. Our Board of Directors and the Key Managerial Personnel have been responsible for undertaking a number of initiatives to enhance the business focus of our Bank by upgrading processes, technology, and human resources.

For further details, please see "*Our Management*" beginning on page 206 of this Prospectus.

Streamlined risk management controls, policies and procedures

We have instituted prudent risk management controls, policies, and procedures that are critical for the long-term sustainable development of our business. We have implemented risk management procedures for our credit exposures, including credit evaluation, credit scoring, risk based pricing models, and risk monitoring and control mechanisms. We have developed our own credit risk rating framework in terms of which all exposures of ₹ 2.5 million and above are brought within a rating mechanism. The rating framework incorporates, *inter-alia*, financial analysis and sensitivity and industrial and management risks. A separate risk management department formulates and implements credit risk evaluation, approves risk management framework and policies, oversees the credit approval process, and periodically reviews the same so as to ensure that the business conducted is consistent with our risk appetite, with a focus on maintaining and enhancing asset quality. Further, retail lending is parameterized based on an internally developed framework. We periodically conduct audits/inspections to ensure that the risks on our portfolios are within acceptable parameters. We continuously monitor our portfolios through our internal control system, which includes macro level portfolio analysis, migration of credit rating analysis, and stress testing analysis. We have also implemented some of the recommendations provided in Fiscal 2016 by CRISIL Risk Solutions, a division of CRISIL Risk and Infrastructure Solutions Limited, to revamp our credit assessment framework.

Our credit risk policy is periodically reviewed and updated to incorporate changes in the environment, market, and regulatory guidelines. We have an asset liability management committee for managing market risk; a credit risk management committee for managing credit risk; and an operations risk management committee for managing operations risk. We are focused on maintaining high standards of asset quality through risk management and mitigation practices.

We also manage risk by ensuring that our advances are adequately secured. As on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, 95.09% (i.e. ₹ 78,659 million), 96.01% (i.e. ₹ 92,985 million), 95.95% (i.e. ₹ 104,637 million), and 94.85% (i.e. ₹ 108,155 million) respectively, of our advances were secured.

We believe that our efforts in strengthening risk management have improved our asset quality. Our gross NPAs decreased to 4.87% as of March 31, 2019 from 7.25% as of March 31, 2017. Further, our gross NPAs was 2.86% as on September 30, 2019. The net NPAs decreased to 2.27% as of March 31, 2019 from 4.12% as of March 31, 2017. Further, our net NPAs was 1.96% as on September 30, 2019, while our provisioning coverage ratio was 65.50%, 75.83%, 78.16% and 79.45% in respect of NPAs (including technical write-offs) as of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively.

BUSINESS STRATEGIES:

1. Accelerate transformation as new age private bank.

Re-align our organizational set-up for efficiently driving our operations and business strategy

We have designed a new organizational set up which we believe makes us more capable of attaining the long-term targets for our business growth and successfully evolve into a new age private sector bank.

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In the past, our organizational set-up was branch centric, wherein our branches were main drivers of our business, taking care of everything from deposits to lending and customer servicing. Within lending operations too, everything from origination to processing, credit assessment, collections, and monitoring was being undertaken at branch level. This typically had inherent conflict of interest as origination and sanction of loans were with the same branch and branch head. Also, in the event of any investigation pursuant to fraud or asset quality issues, typically the decision making for all products and operations was getting impacted pending such investigation, leading to a slowdown in business. However, we are now moving to a business segment wise organizational set-up, wherein branches will be responsible for origination of deposits, cross selling, and customer servicing, and advances will be driven by a dedicated team for each loan product, i.e. retail, SME, and corporate loans, with respective business strategy, standardized policy framework, clear separation of credit assessment and sanction of loans from the origination team within each business segment to ensure independent analysis and appraisal of loan proposals. Further, we will have specialized loan product teams

within retail banking to focus on specific products like gold loans, two wheeler loans, etc. based on our priorities. We believe that such systematic product driven approach, customized for each business segment and product, will help us to concentrate better on business growth based on our strategy and focus from time to time and to improve our decision making process for approval of credit worthy loan proposals, resulting in quicker turnaround time.

Pursuant to our new organizational set-up and infusion of capital by FIHM, which has given us a strong balance sheet to focus on growth, we will continue to recruit, retain, motivate, and develop talented and experienced professionals, and introduce variable pay, including employee stock option plans, to align compensation with employee performance. We intend to revamp our employee base by hiring new employees completely on market based compensation packages, which will not be under IBA wage settlement system. As on September 30, 2019, out of 3,250 employees of our Bank, 1,309 employees were outside IBA package which constituted approximately 40.28% of our total employees. The corresponding percentage was close to zero as on March 31, 2017. We believe with our focus on market based compensation packages for new recruits and systematic performance based variable pay components (including employee stock option plans), our employees' performance will be better aligned with our business performance and our long term growth strategy, and it will also increase our ability to recruit the right talent for our Bank.

We will support and complement our business operations with greater adoption of right technology at various operational and functional levels to improve operational scalability and efficiency.

Rebranding with new name to address region and community related perceptional issues.

Despite being in existence for nearly ten decades, our previous brand name 'The Catholic Syrian Bank Limited' had limited reach and was recognized only in Kerala and other nearby states, even though we have branches in 16 states and four union territories of India. Additionally, we believe that there is a perceived misconception among the general public that a part of our previous brand name either reflects interference by a religious community or represents a foreign country.

Considering the above mentioned limitations, our Bank believes that a new name which is more appropriate to dispel such un-warranted perceptions would be better for our Bank, especially in the context of transformation initiatives being undertaken by our Bank in the areas of products, people, processes, and geography. In this context, we have changed the name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. For further details, see "*History and Certain Corporate Matters – Brief history of our Bank*" beginning on page 197.

Business approach considering latest developments in banking sector

While we have a long operating history, our previous branch centric structure had created multiple business and decision making centres which worked independent of each other without any coordination, thereby, adversely impacting our ability to develop and adopt a coherent uniform approach in line with latest developments in the banking sector and to implement available technology solutions for our banking operations across various business segments, operations, etc.

With our revamped organizational structure and decision making process, we believe we will have greater ability to evolve, introduce, and implement better operational strategies, business approach, and procedures uniformly across our Bank. We intend to adopt and implement such strategies based on latest developments in the banking sector and the practices followed by various other banks operating in India as well as overseas to put in place an operational architecture which is more efficient, cost effective, and facilitates superior customer servicing. We will focus on partnership driven model in certain aspects of our operations including credit and risk assessment. For example, we have entered into an agreement with Perfios Software Solutions Private Limited to assist us in digitalizing the analysis of bank account statements as part of credit appraisal process, both for retail banking and corporate banking. We also intend to enter into similar business partnerships and alliances to create more value for our various business segments. We will also focus on building a digital franchise by introducing the right technology to enhance the scope of digital banking for our customers which will provide them with a choice to minimize their physical engagement with our Bank if they so desire and to

transact digitally instead. Similarly, we will focus on increasing our geographical reach to service our and other banks' customers by installing micro ATM across urban as well as rural locations to make cash available to our customers at their neighborhood petrol pump, along with normal ATM or POS machines.

Similarly, on the basis of our market experience and latest trends in payments space in India, we have launched a mobile application *BHIM CSB Pay*, based on UPI platform. We will continue to focus more on the UPI platform instead of developing our own branded payments wallet. We believe that we will be able to continually discard outdated technologies and adopt more efficient modern technologies, thereby enhancing our competitiveness.

Focus on enhancing customer experience

Our strategy for ensuring superior customer experience encompasses a mix of physical touch points in form of our branches, ATMs, micro ATMs, and door step services provided by dedicated relationship managers for certain products and services, and creating a technology platform which gives choice to our customers to interact and transact with us based on their preference.

We believe the increased availability of internet access and broadband connectivity across India requires a comprehensive digital strategy to proactively develop new methods of reaching our customers and running our businesses. In the past, due to several reasons including paucity of capital, we were not able to focus on our digital strategy. However, currently with an infusion of additional capital in our Bank, we are focused on investing in technology as a means of improving our customers' experience, making it easier for them to interact with us and offering them a range of products and services tailored to their financial needs. We believe additional investments in our technology infrastructure to further develop our digital strategy will allow us to cross-sell a wider range of products and services on our digital platform in response to our customers' needs and thereby expand our relationship with our customers across a range of customer segments. We believe a comprehensive digital strategy will provide benefits in developing long-term customer relationships by allowing customers to interact with us and access their accounts wherever and whenever they desire.

Expand our products suite, services, and customer interface as a full service Bank

We intend to introduce new products to widen our service offering as a full service Bank, while continuing to remain focused on SME customers by providing them support through the life cycle of their business, and to also capitalize on the opportunity presented by retail banking by enhancing our product and service offerings and customer delivery capabilities. In furtherance of this strategy, we intend to introduce wealth management services (which can be cross sold to our existing NRI and high net worth customers as well as to new customers), trade finance products, foreign exchange products, supply chain finance products, and cash management products. We are also in the process of setting up a separate team for promotion of capital market products to prospective customers, for which we have already appointed a relationship manager at our zonal office in Mumbai. We believe offering a wider range of products as mentioned above will enhance our customer retention capabilities.

We also intend to launch credit cards for our customers in the near future. We will evaluate a co-branded card with an existing non competing issuer as well as launching full fledged card services on our own.

2. Grow our asset business with focus on SME, agricultural and retail customers by leveraging our capital position.

SME business

We have established a specialized SME team to strengthen our marketing in order to source additional SME business and drive further penetration. As of September 30, 2019, out of the total 388 SME cluster areas spread across India, as identified by UNIDO, we have presence in 166 such clusters and we intend to expand our SME business in the remaining clusters, specifically in the states of Tamil Nadu, Andhra Pradesh, Telangana, and Gujarat. Further, for high value SME loans, we have dedicated relationship managers to engage with customers on a continuous basis, enabling us to cater to their financial needs in a customized manner. We are also in the

process of penetrating into MSME sector by establishing a dedicated MSME team for offering better services to the customers in that segment. In order to maintain better asset quality as well as optimize operating costs, we intend to follow differentiated credit approach for SME and MSME loans. SME loans, being higher ticket in nature, will be appraised by dedicated SME credit team on the basis of business cash-flow profile of the respective SME and its repayment capability. Further, our SME loans will also be secured by way of charge against some tangible assets of the concerned SME or its promoters. We also intend to adopt consistently monitored portfolio approach for SME loans to maintain balance between various industrial and services sectors our SME customers are engaged in. For MSME loans, being smaller ticket loans, we will adopt policy based template credit approach to systematically identify credible MSME proposals, optimize operating costs, and reduce turnaround time for customers. With stronger capital base, we plan to leverage SME business to diversify credit risk and generate higher yields.

To support our SME and Wholesale banking businesses, we also plan to launch capital market linked products including lending products linked to capital market instruments.

Agriculture business

We have also established a separate vertical for our agriculture based business to provide a variety of agriculture based banking products such as (i) pre-harvest products (farm finance, land development irrigation loans, and farm equipment loans), (ii) post-harvest products (commodity finance and warehouse finance), (iii) agri-infrastructure products (loans for construction of ware houses and cold storages, tissue culture, water shed programs, soil conservation, etc.), (iv) allied activities products (loans for fisheries, dairy, poultry, piggery, bee-keeping, etc.), and (v) financing for agri-ancillary units (agriculture processing units and agri-enterprises). We also intend to grow our agriculture based business by focusing on lending to customer service units, Primary Agricultural Credit Societies ("**PACS**"), Farmer's Service Societies ("**FSS**"), and Large-sized Adivasi Multi-Purpose Societies ("**LAMPS**"), thereby mitigating the risk of lending directly to farmers.

Retail business

In order to further grow our retail loan portfolio and diversify our loan portfolio mix, we intend to mainly focus on gold loans, two wheeler loans, loans against property, and personal loans. We have dedicated verticals for gold loans and two wheeler loans and intend to create similar verticals for other focused retail loans going forward. Each of these products will operate as an independent profit centre, supported by a defined strategy and policy framework for each product and technology solutions to improve turnaround time and efficiency in overall processes of sales, credit, sanction, collections, etc. Apart from our own loan origination, we also intend to enter into various strategic partnerships and alliances with fintech companies and NBFCs to originate retail loans in focused product categories. We are also preferred financiers of reputed automobile companies, which enables us to enhance our sales and competitiveness. We believe additional investments in our technology infrastructure to further develop our digital strategy will allow us to cross-sell a wider range of products on our digital platform in response to our customers' needs and thereby expand our relationship with our customers across a range of customer segments.

For our two wheeler loans, we have already started sourcing business in Kerala and will be gradually expanding to other states, starting with Tamil Nadu. We also intend to explore opportunities for buyout of portfolios of two wheeler loans and other auto loans. For our loans against property and personal loans, we will initially focus only on key top markets for these loans in India.

Traditionally, gold loan business has run on a branch based model for our Bank due to the physical collateral involved which requires customers to visit branches for valuation and paperwork. However, with technology interventions, there is an opportunity to make a lot of business processes associated with gold loans efficient and paper free. We also intend to increase our gold loan origination by entering into business partnerships based on business correspondence model and by enrolling direct selling agents. We intend to increase our branch presence in the states of Karnataka, Andhra Pradesh, Telangana, Maharashtra, and Gujarat to achieve a good geographical spread and to attract new customers.

We also intend to increase our gold loan portfolio by targeting customers who are traditionally served by various NBFCs focused on gold loans. We intend to explore new product offerings based on digital business acquisition channels in the coming years.

3. Continue to leverage strong deposits franchise.

The share of CASA deposits in our total deposits increased from 24.78% in Fiscal 2017 to 27.84% in Fiscal 2019. Further, the share of CASA deposits in our total deposits was 28.19% for the six month period ended September 30, 2019. Though our CASA ratio has improved, it remains our endeavor to further increase CASA ratio so as to reduce our overall cost of deposits. In the past, our focus was not on growing deposits due to lower growth in advances, constrained by low Tier 1 capital adequacy; however, now with the additional capital infusion in our Bank, we intend to grow our deposits to support our growth strategy for advances, particularly by providing attractive interest rates, using pricing as a tool to attract new customers, and by cross selling our products and services.

To improve our wholesale deposit base, we intend to leverage our relationships with various institutions like educational institutions, temple trusts, and churches. We also intend to leverage our corporate and SME relationships by cross selling salary accounts for their employees. Also, our focus on growing SME customers and increasing product offerings for them like supply chain finance and cash management services will help us generate more current account deposits.

For individual deposits, we aim to offer products and services based on customer segmentation, provide wealth management advisory services and differentiated products to high net worth customers, and appoint dedicated relationship managers.

Our NRI deposits have grown from ₹ 35,748 million in Fiscal 2017 to ₹ 37,814 million in Fiscal 2018 and decreased to ₹ 37,610 million in Fiscal 2019. For the six month period ended September 30, 2019, our NRI deposits were ₹ 38,151 million. As on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019, our total NRI deposits constituted 23.98%, 25.74%, 24.87%, and 24.59%, respectively, of our total deposits.

We intend to continue to focus on increasing our NRI deposit base, which has been one of our key growth engines on the deposits side and has also proved to be a stable source of funding for our Bank. We intend to create a separate NRI product, sales and relationship team and are focused on augmenting our NRI business from our branches, all of which are equipped to offer specialized services to our NRI customers. The NRI team shall extend comprehensive support to our branches in all NRI related matters and drive the growth of our NRI business, with special emphasis on increasing our share of inward remittances and deposits from the Middle East, by leveraging our customer base and distribution network in Kerala. We also intend to expand our distribution network in other NRI corridors such as Gujarat and Punjab to tap the NRI customer base. We have remittance and rupee drawing arrangements with exchange houses and tie ups with major money transfer agents, which we plan to expand further. We also intend to enter into strategic partnerships to acquire, engage, and service NRI customers in the Middle East.

We also intend to provide convenient banking experience to customers by improving our branch ambience and access and by offering differentiated products and solutions to meet the specific needs of particular customer demographics.

4. Grow and diversify our distribution infrastructure in key geographical locations.

Apart from developing our home market in Kerala, we intend to increase our presence in the rest of India. Towards this objective, we plan to open 425 branches in next five years, subject to regulatory approvals.

We aim to focus on maintaining the significant advantage we enjoy in the Kerala sub-market by way of our branch reach. We aim to strengthen our presence in key locations in states such as Maharashtra, Gujarat, Andhra Pradesh, Punjab, Karnataka and Telangana in addition to our home state, Kerala. In rural locations, we will focus on expanding our presence largely through business correspondence model. In our SME business, as

on September 30, 2019, out of the total 388 SME cluster areas spread across India, as identified by UNIDO, we have presence in 166 such clusters, and we intend to expand our SME business in the remaining clusters, specifically in the states of Tamil Nadu, Andhra Pradesh, Telangana, and Gujarat.

This expansion would be through a slew of measures, including opening of new branches selectively in the chosen geographies, increasing our digital reach, increasing the strength of employees recruited from respective states in which the branches are located, and focusing on fresh customer acquisition and retention. We believe we will tap into various retail channels, tie-ups for allied products, digital offerings, and strategic partnerships and alliances to create more value for our various business segments.

5. Maximizing non-interest income by widening products and services for corporates as well as retail customers.

Besides our focus on increasing interest income, we also intend to focus on increasing our non-interest income from various conventional and non-conventional sources. Our fee and non-fund based revenues constituted 4.37%, 6.01%, 6.12% and 5.57% of our total revenue for Fiscals 2017, 2018, 2019, and for the six month period ended September 30, 2019, respectively. In order to grow our non-interest income, we distribute third-party investment products, such as life insurance and general insurance products. We also intend to foray into sale of forex, derivatives, and trade products, and provision of wealth management services. Further, having achieved our overall priority sector lending ("**PSL**") targets, we have also sold (net of purchase) surplus priority sector lending assets through PSL certificates for net premium aggregating to ₹ 56.45 million in Fiscal 2019. We have not sold any PSL Certificate for the six month period ended September 30, 2019. We intend to continue trading in PSL certificates in order to enhance our non-interest income. Further, we also intend to grow our income from locker fee by increasing the number of lockers through better utilization of space within our branches. We believe that these measures will provide a steady income flow and will improve our cost to income ratio.

6. Invest in technology to improve operational efficiency, scalability and customer experience.

We believe the increased availability of internet access and broadband connectivity across India requires a comprehensive digital strategy to proactively develop new methods of reaching our customers and running our businesses. Our digital strategy therefore focuses on (i) acquiring customers, (ii) enhancing our customer experience, and (iii) making our internal business operations more efficient. We intend to enhance the capabilities of our core banking platform to meet our growing business needs. We currently provide a range of options for customers to access their accounts, including internet banking and mobile banking and we have also launched a mobile application *BHIM CSB Pay* based on UPI platform. We intend to invest in technology platforms which provide early warning signals for stressed asset, and in customer relationship management systems, peripheral systems which integrate our systems with that of our various business partners for origination and other operational functions, and alternate channels such as corporate internet banking, POS facility, and payment system interfaces. We have recently re-organized our IT team structure and segregated the team members into (i) members who will look after the day-to-day functioning of our Bank, and (ii) members who will aid in transformation of our Bank. We intend to create a separate data analytics team and believe that additional investments in our technology infrastructure will allow us to cross-sell a wider range of products on our digital platform in response to our customers' needs, and thereby expand our relationship with our customers across a range of customer segments. We believe a comprehensive digital strategy will enhance our loan approval capabilities, reduce overall turnaround time, and also provide benefits in developing long-term customer relationships by allowing our customers to interact with us and access their accounts wherever and whenever they desire.

On the operations side, we believe that investments in internal systems and security technology lead to enhanced customer satisfaction, and therefore enhance our competitiveness. Accordingly, we intend to invest in technology in order to improve our banking operations and efficiency and to reduce errors arising out of manual intervention.

7. Strengthening risk management.

We believe that effective risk management is essential for our growth, strategic planning, and long-term sustainable development. We plan to continuously focus on strengthening our risk management and internal control capabilities by improving our policies and procedures and introducing advanced risk management tools. We have also implemented some of the recommendations provided in Fiscal 2016 by CRISIL Risk Solutions, a division of CRISIL Risk and Infrastructure Solutions Limited, to revamp our credit framework. We aim to continue to enhance our credit risk management systems and processes in line with the growth of our business. In terms of business operations, we are implementing an important change wherein loan approval function is separated from loan origination function to put in place a maker and checker approach and ensure independence of credit appraisal process. We also intend to implement latest technology/ analytical tools for effective implementation of operational and process controls and credit evaluation, and thereby continue to focus on containment of our NPA levels. We also intend to develop a technology platform for identifying early warning signals of stress across various industries, sectors and segments.

On the operations side, we have implemented vulnerability assessment penetration testing ("**VAPT**") which is a stringent IT security system. We are also using technology to enhance our collection capabilities to follow up (through SMS, emails, etc.) and enable recovery in a timely and efficient manner.

8. Focus on NPA recovery and improve asset quality.

We intend to establish separate teams for retail, SME, and corporate segments dedicated towards recovery of provisioned portfolio and also managing and monitoring of ongoing stressed portfolios. We believe that our efforts in strengthening risk management have improved our asset quality. Our gross NPAs decreased to 4.87% as of March 31, 2019 from 7.25% as of March 31, 2017. Further, our gross NPAs was 2.86% as on September 30, 2019. The net NPAs decreased to 2.27% as of March 31, 2019 from 4.12% as of March 31, 2017. Further, our net NPAs was 1.96% as on September 30, 2019, while our provisioning coverage ratio was 65.50%, 75.83%, 78.16% and 79.45% in respect of NPAs (including technical write-offs) as of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively.

OUR BUSINESSES

Our business is principally organized as: (a) SME banking, (b) retail banking, (c) wholesale banking, and (d) treasury operations.

SME, RETAIL, AND WHOLESALE BANKING

The following table sets forth the composition of our total advances by different businesses as on March 31, 2017, 2018, 2019 and September 30, 2019:

(In ₹ million)

Businesses	**As on March 31,**				**As on September 30, 2019**
	2017	**2018**	**2019**	**CAGR**	
SME advances	35,384	35,989	34,733	-0.92	33,605
Retail advances	36,378	40,354	48,953	16.00	52,719
Wholesale advances	10,954	20,509	25,369	52.18	27,704
Total Gross Advances	**82,716**	**96,852**	**1,09,055**	**14.82**	114,028

The following table sets forth the composition of our total deposits by different category of deposits as on March 31, 2017, 2018, 2019, and September 30, 2019:

(In ₹ million)

Particulars	As on March 31,			As on September 30, 2019
	2017	2018	2019	
Corporate (A)	5,698	3,515	6,847	7,876
Retail (B)	106,472	103,685	102,286	103,503
Total term deposits (C=A+B)	**112,170**	**107,200**	**109,133**	**111,379**
Current account (D)	6,078	6,281	6,171	6,594
Savings account (E)	30,868	33,425	35,935	37,125
Total CASA (F=D+E)	**36,946**	**39,706**	**42,106**	43,719
Total Deposits (C) + (F)	**149,116**	**146,906**	**151,239**	**155,098**

The products and services that we offer to our customers can be classified into five categories, namely,

(i) Deposit products;

(ii) SME products;

(iii) Retail asset products;

(iv) Corporate products; and

(v) Other products and services.

Please see below a summary of the products and services offered by us.

Deposit products	SME products	Retail asset products	Corporate products	Other products/ services
• Current account • Savings bank account • Corporate Salary savings accounts for employee groups • Term deposit accounts for domestic customers • Cumulative deposit accounts • Products for NRI customers • Other deposit products	• Term loans • Working capital loans • Export Finance • Import Finance • Letter of Credit • Buyers'/ Suppliers' Credit • Bank Guarantee • Commercial Vehicle loans • Inland bill discounting • TReDS bill discounting	• Home loans • Personal loans • Vehicle loans • Loans against property • Agricultural loans • Gold loans • Education Loans	• Working capital finance • Corporate loans • Term loans • Bill Finance • Export/ Import Finance • Buyers'/ Suppliers' Credit • Letter of Credit • Bank Guarantee • Bills discounted under domestic letters of credit • Cash management services • Treasury Products	• Money transfers and remittances • RTGS/ NEFT • Utility and bill payments • Internet banking • Mobile banking • Foreign exchange • Distribution of insurance products • Safe Deposit Locker facility • Cash management • Institutional Fee Collection Portal – CSB INSTA pay

Liabilities/ Deposits

Our deposit products can broadly be categorized as current accounts, savings accounts, and term deposits. The current and savings account have graded product variants with differentiated value added features to cater to different customer segments. Details of various types of deposit products currently offered by us are as mentioned below:

Current account products

- *Orange Current Account*: This is the basic product variant that offers facilities such as unlimited withdrawal facility at home branch, multi city payable at par cheque books, any branch banking services, ATM/debit card, internet banking, and RTGS/ NEFT facility.

- *Platinum/Gold/Silver Current Accounts*: These three higher variants offer various value added features and freebies on par with the industry standards, over and above the basic facilities offered in the Orange variant of the current account, based on the stipulated average minimum balance. The value added features include unlimited free access to any bank ATM, discount on safe deposit locker rent, higher free limits on cash remittances, higher transaction limits on alternate channels, etc.

- *Smart Current Account*: This is an entry level zero balance current account with no monthly charges for non-maintenance of average minimum balance.

Savings account products

- *Orange Savings Account*: This is the base variant in the savings account product range. The account can be

opened and operated by both individuals (singly or jointly) and eligible organizations/institutions. We offer multi city cheque book facility, ATM/debit cards, internet banking, and mobile banking facilities to all our orange savings bank account holders. Orange savings bank account holders earn interest on daily float funds, based on an interest rate structure that varies with the quantum of daily balances above ₹ 0.10 million, paid quarterly. All our saving bank customers are enabled to bank seamlessly with any branch of our Bank across the country.

- *Platinum/Gold/Silver Savings Accounts*: These three higher variants offer various value added facilities and freebies on par with the industry standards, over and above the basic facilities offered in the Orange variant of the savings account, based on the stipulated average minimum balance.

- *CSB Social Support Savings Account***:** This is a zero balance, no frills/basic savings bank deposit ("**BSBD**") account without any minimum balance stipulations aimed at financial inclusion. Further, there are no service/ maintenance charges and the ATM/ debit card facility is also free of charge. There is an option to upgrade to regular savings bank account on request. In addition, we also offer a BSBD small account with limited KYC requirements as stipulated by the RBI for comprehensive financial inclusion.

- *CSB Student Support Savings Account***:** Students of age 12 years and above can open and operate these accounts in their individual capacity. It is a zero charge account without any stipulation on minimum balance and the debit card facility is also provided free of charge.

Corporate Salary savings account for employee groups

- *CSB Suvidha Salary Savings Scheme*: This is a corporate employee group salary savings scheme with many value added features such as family account concept, complimentary personal accident insurance cover, discount on annual locker rent, debit card with unlimited free access to any bank ATM, and net banking and mobile banking facility. Under this scheme, we offer savings accounts to salaried employees, with no stipulation on minimum balance requirements or charges for non-maintenance of minimum balance and annual account maintenance charges. This scheme is classified into four product variants based on monthly take home salary of the employees.

    - Suvidha Exclusive - Salary accounts for the top management
    - Suvidha Privilege - Salary accounts for the middle management
    - Suvidha Advantage - Salary accounts for the lower salary segment
    - Suvidha (base variant) - Salary accounts for last grade employees of an organization

- *SPARK Suvidha Savings Account for Kerala Government Employees:*

  CSB SPARK Suvidha Savings Account is a zero balance, zero charge savings account, provided exclusively for Kerala Government Employees. Under this product, we offer savings account facility with additional features such as complimentary group policy for accident insurance cover, platinum debit card, multi city payable at par cheque books, any branch banking services, and net banking and mobile banking facility. Also, we offer an overdraft facility in the salary savings account under this scheme, upper ceiling of which is capped according to the net salary band of the account holder.

Term deposit accounts for domestic customers

- *Fixed Deposits*: This is an income scheme wherein deposits are accepted for a minimum period of seven days and up to a maximum period of 10 years. Interest on such deposits is payable either on monthly or quarterly basis.

- *Family Welfare Deposits*: This is a reinvestment deposit scheme in which interest accumulates along with principal on quarterly basis. Deposits are accepted for a minimum period of six months and for a maximum period of 10 years. Interest is paid along with the principal on maturity.

Cumulative deposit accounts

- This is a recurring deposit scheme that enables the depositor to build up a sizeable corpus with regular monthly instalments for a fixed term in a systematic manner. Such accounts can be opened for a minimum period of six months and for a maximum period of up to 10 years, in multiples of three months.

Products for NRI customers

- *NRE Savings Bank Accounts:* Under this scheme deposits are held in convertible Rupees and the principal and interest amounts are repatriable without any restrictions. This account can be opened and operated by NRIs, singly or jointly with other NRIs or jointly with close resident relatives, subject to certain conditions.

- *NRO Savings Bank Accounts:* Under this scheme, deposits are held in non-repatriable Rupees. However, certain current income of NRIs such as dividend, rent, pension, and interest credited to the account can be repatriated. This account can be opened and operated by NRIs singly or jointly with other NRIs or jointly with close resident relatives. The account can be used for local payments in rupees including payment for passage from India of the account holder or his/ her dependents.

- *NRE Current Accounts:* All the features of NRE Savings Bank accounts are applicable to these accounts. However, interest is not payable for this account.

- *NRO Current Account*: All the features of NRO Savings Bank accounts are applicable to these accounts. However, interest is not payable for this account.

- *NRE Fixed Deposits:* This is an income scheme for NRIs wherein deposits are accepted for periods of 12 months and up to 10 years. The deposits are held in convertible Rupees and the principal and interest amounts are repatriable without any restrictions.

- *NRO Fixed Deposits:* This is an income scheme for NRIs wherein deposits are accepted for periods of seven days and up to 10 years.

- *NRE Family Welfare Deposits*: This is a reinvestment deposit scheme meant for NRIs. All other features are similar to the NRE Fixed deposits described above.

- *NRO Family Welfare Deposits*: This is a reinvestment deposit scheme meant for NRIs. Deposits are accepted for a minimum period of six months and for a maximum period of 10 years.

- *NRE Cumulative Deposit Accounts*: This is a recurring deposit scheme meant for NRIs that enables the depositor to build up a sizeable corpus in a regular/ systematic manner. These accounts can be opened for a minimum period of 12 months and for a maximum period of up to 10 years. Deposits from this scheme are held in convertible Rupees and the principal and interest amounts are repatriable without any restrictions.

- *NRO Cumulative Deposit Accounts*: This is a recurring deposit scheme meant for NRIs that enables the depositor to build up a sizeable corpus in a regular/ systematic manner. These accounts can be opened for a minimum period of six months and in multiples of three months for up to 10 years.

- *FCNR (B) Deposit Schemes*: Under these schemes, deposits are accepted in USD, GBP, EUR, JPY, CAD, AUD and CHF currencies. Deposits can be held as fixed deposit (FCNR-FD) or reinvestment (FCNR-FWD), NRE Plus (FCNR (B) FD for 366 days) and for periods from 12 months to 60 months.

Other deposit products

- *RFC Deposit Scheme*: In this scheme, accounts can be opened by returning NRIs for permanent settlement in India. These accounts can be opened and maintained out of foreign exchange received as pension,

conversion of assets held abroad, and can be held as current/ savings/ term deposit accounts.

The following table sets forth the details of contribution by domestic and non-resident deposits to our total deposits as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019:

(In ₹ million)

Particulars	Total Deposits as on			
	March 31, 2017	**March 31, 2018**	**March 31, 2019**	**September 30, 2019**
NRI deposits	35,748	37,814	37,610	38,151
Domestic	113,368	109,092	113,629	116,947
Total deposits	**149,116**	**146,906**	**151,239**	155,098

The regional distribution of our deposits as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019 is set forth below:

(In ₹ million)

Region	States and union territories	As on March 31,			As on September 30, 2019
		2017	**2018**	**2019**	
Central	Madhya Pradesh and Uttar Pradesh	824	862	941	1,024
Eastern	Odisha and West Bengal	1,077	913	839	817
Northern	Haryana, Himachal Pradesh, Punjab, Rajasthan, Chandigarh, and Delhi	6,792	6,446	6,050	5,978
Southern	Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, and Puducherry	123,395	122,674	127,735	130,995
Western	Goa, Gujarat, Maharashtra, and Dadra and Nagar Haveli	17,028	16,011	15,674	16,284
Total		**149,116**	**146,906**	**151,239**	**155,098**

Our distribution of deposits geographically share was as follows for Fiscal 2019 and for the six month period ended September 30, 2019:

Geographical Distribution of Deposits	Share of Deposits (%) for the Fiscal 2019	Share of Deposits (%) for the six month period ended September 30, 2019
Kerala	66.97%	66.69
Tamil Nadu	11.70%	11.82
Maharashtra	9.03%	9.22
Karnataka	4.03%	4.13
Others	8.27%	8.14

SME Products

In the SME business, we cater to small and medium industries, emerging corporates, financial institutions, agricultural SMEs, suppliers, and dealers. Our Bank has established branches which we believe are conveniently located in close proximity to a large portion of our target SME customer base. Our Bank has also designated employees for sourcing SME business and has appointed SME team leaders in every zone who support the branches. Various facilities offered by us under the SME business are as follows:

- *Term Loans*: These are provided to customers who need funds to acquire and enhance fixed assets.

- *Working capital loans*: These are given in the form of cash credit/ overdraft for purchase of raw materials and for meeting working capital gaps.

- *Export finance*: Export finance is available in the form of both pre-shipment and post shipment credit. Pre-shipment credit is generally availed by customers against letters of credit or against firm orders from their buyers. Packing credit is allowed in both local currency and foreign currency. Post-shipment credit is availed in the form of discounting of bills after the shipment happens and could be supported by both letters of credit or firm orders.

- *Import Finance*: Import finance is available to importers of goods - raw materials and capital goods.

- *Letter of Credit*: Letter of credit facility is provided to meet trade purchases from domestic/overseas suppliers. These are typically provided for three to six months depending upon the trade cycle and specific agreements between buyers and suppliers.

- *Buyers'/ Suppliers' Credit*: Our Bank arranges buyers'/suppliers' credit through overseas banks/ correspondents to help reduce cost for importers as per the RBI guidelines.

- *Bank Guarantee*: Our Bank provides bank guarantee facilities to our customers favouring government, quasi government bodies, and corporates to support business needs such as performance bonds, customary bonds, and bid- bonds.

- *Commercial Vehicle Loans*: Commercial vehicle loans are provided for purchasing and upgrading business related transportation of our SME customers.

- *Inland bill discounting*: This facility offers a quick and low cost funding option for domestic traders. Discounting of credit worthy bills or receivables drawn against letters of credit or firm orders can be provided for a period of three to six months based on the tenor of the bill.

- *TReDs Bill Discounting:* The Trade Receivables Discounting System (TReDS) was set up in 2017 under the aegis of the RBI to help MSMEs to more easily convert their trade receivables into funding. TReDs enables MSMEs to discount invoices as well as bills of exchange in return for early payment.

In addition to the above, our Bank undertakes structured financing in discussion with customers. Facilities are tailor made to suit customers' specific needs and are adjusted based on customers' performance vis-à-vis projections.

Our outstanding SME loan advances were ₹ 34,733 million and ₹ 33,606 million as on March 31, 2019 and September 30, 2019, representing 32% and 29.47% of our total gross advances as on that date, respectively. As on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019 we had outstanding SME loan advances of ₹ 35,384 million, ₹ 35,989 million, ₹ 34,733 million, and ₹ 33,606 million, representing 43%, 37%, 32% and 29.47% of our total gross advances as on such dates, respectively. We were not entertaining fresh exposures in some of our traditional SME sectors like cashew industry and jewellery industry due to stress in these sectors and this has contributed to the decrease in SME loans.

Retail Asset Products

Our retail banking business offers wide range of services and products to individuals. Our products under our retail business can broadly be classified into (i) loans and advances, (ii) third-party products, and (iii) financial inclusion.

Loans and Advances

We have introduced various retail loan products over the years to cater to the needs of our customers and to provide quick and easy access to our Bank. Details of the various retail loan products currently offered by our Bank are given below:

Loans Against Property (LAP)	Personal loans	Home Loans	Vehicle Loans	Education Loans	Agriculture Loans	Gold Loans
• CSB Property Encash • Casy Mithra • CSB Vyapar	• CSB Salary Plus • CSB Easy Cash • Casy Cash • CSB Women support • Profession Plus • Medi Cash • Personal loan scheme to retired employees of the Bank • CSB Senior Citizens Personal Support Scheme	• Housing loans for resident Indians • Housing loan for NRIs • CSB Nivas loan • CSB Home Plus Support	• Vehicle loans (Private) • VIP Car loan • Two wheeler loan	• CSB Vidhya • CSB Study Abroad • CSB Excellence	• CSB Kisan Raksha Scheme • Casy Bank Krishi Kard • CSB Farmers Support	• Gold loan-General • CSB Double Power Gold Loan • Agriculture gold • Gold loan scheme for retail traders • CSB Kanakadhara Gold Overdraft • CSB Cashless gold loan

Loan against Property

Our Bank has the following variants of loans against property to suit the requirement of different customers:

• *CSB Property Encash* is a term loan facility given against residential or commercial property. This loan is targeted at both salaried and self-employed customers. We have also introduced a new overdraft feature under this product. Minimum loan amount sanctioned under this variant is ₹ 0.5 million.
• *Casy Mithra* is a personal loan scheme for customers where the sanctioned amount is a multiple of their salary/income. It is offered for a short tenure of up to five years and loan amounts sanctioned under this variant range from ₹ 0.05 million to ₹ 2.5 million.
• *CSB Vyapar* is a property loan designed to cater the needs of self-employed individuals engaged in trading, manufacturing, and small business & services. There are three different schemes under this variant - (a) banking, (b) repayment track record, and (c) gross turnover program. Minimum loan amount that can be sanctioned under this variant is ₹ 0.5 million.

Personal Loans

Our Bank has a wide range of personal loan products catering to different needs of customers:

- *CSB Salary Plus and CSB Easy Cash* personal loans are provided to employees of reputed organizations.
- *Casy Cash* for small retail individual customers.

- *Profession Plus* targets engineers, chartered accountants, company secretaries, lawyers, and other professionals with at least three years of professional standing.
- *Medi Cash* targets graduates in medicine, dentistry, ayurveda, homeopathy, and siddha.
- *Personal loan scheme* to retired employees of the Bank.
- *CSB Women Support* scheme loans are targeted at working women.
- *CSB Senior Citizens Personal Support* scheme loans are for senior citizens.

Home loans

Our Bank offers housing loans to resident Indians and NRIs at a competitive interest rates and easy EMI schemes. There are three variants of home loans:

- *Housing loans for resident Indians* for construction or purchase of a house/flat for residential purpose and for renovation or extension of an existing residential building.
- *Housing loans for NRIs* for predominantly salaried NRI customers.
- *CSB Nivas loan* for purchase of land and further construction within three years.
- *CSB Home Plus Support* is a personal loan product which is offered to home loan customers.

Vehicle loans

We offer the following products under our vehicle loans portfolio:

- *Vehicle Loans (Private)* offer financing of up to 80% of the 'on the road' value of the vehicle including road taxes, registration charges, etc. for purchase of non-commercial motor vehicles for private use.
- *VIP Car loan* is a specially designed scheme for high value customers where our Bank offers 100% finance on the invoice value of the vehicle (excluding taxes, insurance, etc.).
- *Two wheeler loan* has differential pricing for different models / manufacturers based on market acceptability and resale value of each model.

Education Loans

We offer the following products under our education loans portfolio:

- *CSB – Vidhya* for students pursuing studies in domestic institutions. Maximum loan amount that can be sanctioned under this variant is ₹ 1 million. The repayment tenor is 15 years (excluding moratorium).
- *CSB – Study Abroad* for students pursuing studies abroad. Maximum loan amount that can be sanctioned under this variant is ₹ 3 million. The repayment tenor is 10 years (excluding moratorium).
- *CSB- Excellence* for students pursuing studies in top rated institutions. Maximum loan amount that can be sanctioned under this variant is ₹ 2 million. The repayment tenor is 15 years (excluding moratorium).

Agricultural Loans

Our agriculture loan products and services primarily include pre and post-harvest financing, loans for farm mechanization, land development, and allied activities such as fisheries, dairy, and poultry. We have two specialized products, i.e., CSB Kisan Raksha Scheme and Casy Bank Krishi Kard as mentioned below:

- *CSB Kisan Raksha Scheme* provides financial assistance to farmers for meeting their farming needs including repaying high cost loans availed from non-institutional lenders. All individuals who undertake agriculture/ allied activities (such as dairy, poultry, goat rearing, etc.) are eligible to avail this loan. Typically secured through hypothecation of crops and other farm assets, and/or mortgage of land and personal guarantees, CSB Kisan Raksha Scheme loans are given up to a limit of 50% of the value of the security property provided or five times of the net annual farm income of the borrower, whichever is lower, less outstanding amount if any, in agricultural term loan account(s), subject to a maximum of ₹ 0.50 million. Such loans also provide free accident insurance for the principal borrower in the first year of availing the loan.

- *Casy Bank Krishi Kard* facility is designed to meet the short term credit requirements for cultivation of crops, post-harvest expenses, produce marketing, household consumption requirements, working capital for maintenance of farm assets and activities allied to agriculture, such as dairy animals and inland fishery, and investment credit requirement for agriculture and allied activities such as pump sets, sprayers, dairy animals, etc. This loan is available to all farmers (individuals or joint borrowers), self-help groups, joint liability groups of farmers including tenant farmers and share croppers. Typically secured through hypothecation of crops and other agricultural implements/ assets, mortgage of agricultural land or building, and third party guarantees, Casy Bank Krishi Kard loans are typically valid for five years.

- *CSB Farmers Support* is a term loan facility for individuals engaged in agriculture provided for purposes such as purchasing agricultural implements, tractors, two wheelers, etc. The maximum loan amount sanctioned under this variant is up to ₹ 1 million and the tenure is between five to seven years.

Gold loans

Gold loans constituted 24%, 26%, 31% and 33.19% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019, respectively and continue to be a mainstay for our Bank on the advances side. Our Bank has various gold loan products in line with the needs and requirements of our customers.

- *Gold loan - General* is a demand loan for customers for various personal needs. This loan has a tenure of 12 months.
- *CSB Double Power Gold Loan* is a demand loan for customers with tenure of up to five months.
- *Agriculture gold loan* is a demand loan available for agriculture and allied activities. The tenure of the loan is fixed on the basis of duration of the relevant crop/ activity financed. This loan is available both with and without interest subvention. These loans are eligible for priority sector lending classification.
- *Gold loan scheme for retail trade* is a demand loan for retail traders classified under priority sectors. The tenure of the loan is up to 12 months.
- *CSB Kanakadhara* is an overdraft facility available for a tenure of up to 12 months. The account needs to be renewed every year for continuation of the facility.
- *CSB Cashless gold loan* is an overdraft facility for retail customers with 24 hours transaction facility. The tenure of the loan is up to 12 months.
- *Prompt Payers Gold Loan (PPGL)* is a short tenor loan for any legally permitted purpose except for or purchase of gold or bullion. This loan has tenure of 3 months.

The growth of loans and advances to the retail sector is a priority for our Bank. As on March 31, 2019, and September 30, 2019 we had total gross outstanding retail loans (including gold loans) of ₹ 48,953 million and ₹ 52,719 million, which represented 45% and 46.23% of our total gross outstanding loans and advances as on that date, respectively. The following table classifies our outstanding retail loans and advances as on March 31, 2017, March 31, 2018, March 31, 2019 and for the six month period ended September 30, 2019:

(In ₹ million)

Category	**As on March 31, 2017**		**As on March 31, 2018**		**As on March 31, 2019**		**As on September 30, 2019**	
	Amount outstanding	**% of total outstanding**	**Amount outstanding**	**% of total outstanding**	**Amount outstanding**	**% of total outstanding**	**Amount outstanding**	**% of total outstanding**
Gold loan (including agriculture gold loan)	20,263	55.70	24,836	61.55	33,331	68.09	37,818	71.74
Agriculture Gold Loan	9,643	26.51	12,699	31.47	15,358	31.37	18,253	34.62
Home loan	3,443	9.46	3,148	7.80	3,030	6.19	2,936	5.57

Category	As on March 31, 2017		As on March 31, 2018		As on March 31, 2019		As on September 30, 2019	
	Amount outstanding	% of total outstanding	Amount outstanding	% of total outstanding	Amount outstanding	% of total outstanding	Amount outstanding	% of total outstanding
Loan Against Property	4,765	13.10	4,786	11.86	4,137	8.45	3,890	7.38
Personal loan	6,225	17.11	6,121	15.17	5,548	11.33	5,501	10.43
Agriculture Loan (Excluding agriculture gold loan)	388	1.07	352	0.87	295	0.60	338	0.64
Others	1,294	3.56	1,111	2.75	2,612	5.34	2,236	4.24
Total	**36,378**	**100.00**	**40,354**	**100.00**	**48,953**	**100.00**	**52,719**	**100**

Third Party Products

We have identified bancassurance as an important business line. We have accordingly entered into tie up with Edelweiss Tokio Life Insurance Company Limited, HDFC Life Insurance Company, and ICICI Prudential Life Insurance Company Limited to market their life insurance policies, and ICICI Lombard General Insurance Company Limited and Reliance General Insurance Company Limited for distributing their general insurance products.

As on September 30, 2019, we have over 550 employees involved in selling these insurance products who have been authorized by the IRDAI to act as specified persons for selling insurance products. Our income from bancassurance was ₹ 51 million, ₹ 69 million, and ₹ 96 million for Fiscals 2017, 2018, and 2019, respectively and has grown at a CAGR of 37% during the last three Fiscals. Further, our income from bancassurance was ₹ 46.5 million as on September 30, 2019.

Financial Inclusion

We have set up seven financial literacy and credit counselling centres. As on September 30, 2019, we have 42 rural branches (as defined by the RBI) and are in the process of strengthening our financial literacy activities through each of these branches. The activities carried out by the financial literacy centres and the rural branches include conducting financial literacy camps, credit counselling, counselling/advise on education loans, and counselling on entrepreneurship/ agricultural loan.

Our Bank is also promoting social security schemes such as Pradhan Mantri Jeevan Jyothi Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, and Atal Pension Yojana. We have also commenced sourcing asset products through business correspondent partnerships.

Corporate Products

In corporate banking portfolio, we focus on large-sized corporations which have a credit requirement of ₹ 250 million and above. We have a wide range of loan products which include term loans, working capital facilities, import and export financing, bill discounting, participation in syndication financing, foreign currency loans, and non-fund based services such as letters of credit, forward covers for hedging exposure, foreign currency conversion, and guarantees. Our Bank has set up a centralized corporate banking team to work with other banks that arrange syndicated loans. Our branches originate deals and ensure close supervision of the risks associated with such deals and manage the relationship of our Bank with our corporate customers. The key commercial banking products and services offered to our corporate customers include the following:

Products	Product details
Working capital finance	Over draft and cash credit limits are provided against stocks/inventory and receivables.
Corporate loans	To meet balance sheet funding/ cash flow requirements/ immediate funding requirements.
Term loans	For investment in fixed assets, such as plant and machinery, sheds, buildings, and furniture payable in installments.
Bill Finance	Purchase/ sale bill discounting
Export/ Import Finance	Pre and post-shipment financing, forward covers, buyer's credit and finance in foreign currency.
Buyers'/ Suppliers' Credit	Arrangement of buyers'/ suppliers' credit through overseas banks/ correspondents to help reduce cost for importers as per RBI guidelines.
Letter of Credit	Letter of credit service for importers
Bank Guarantee	Bank guarantees favouring government, quasi government bodies, and corporates to support business needs such as performance bonds, customary bonds, and bid-bonds.
Bills discounted under domestic letters of credit	Customers who supply goods against domestic letters of credit opened by their buyers are allowed to discount bills drawn under letters of credit opened by banks in India.
Cash management services	Cash management products/services are offered to clients as added services for collecting receivables, managing payables, and managing cash, as well as using it for short-term investing.
Treasury Products	Forex hedging solutions and advisory services.

Our revenue from corporate advances business was ₹ 770 million for Fiscal 2017, ₹ 2,090 million for Fiscal 2018, ₹ 2,790 million for Fiscal 2019 and ₹ 1,319 million for the six month period ended September 30, 2019.

TREASURY OPERATIONS

Treasury operations are our interface with the financial markets. Our treasury department undertakes fund management and maintains the statutory reserve requirements of our Bank. The treasury department invests in sovereign and corporate debt instruments, undertakes proprietary trading in equity and fixed income securities and foreign exchange, and invests in certificate of deposits and mutual funds as part of management of short-term surplus liquidity within the framework of our Bank's investment policy.

We have been licensed by the RBI to deal in foreign exchange (Authorised Dealer Licence) and our Bank has established an integrated treasury located at Mumbai, which conducts the foreign exchange operations of our Bank. Integrated treasury located at Mumbai is an A category – Branch of our Bank and maintains independent foreign exchange position and Nostro accounts in all major currencies. We undertake foreign exchange transactions for our customers through 23 B- category branches spread across India. All B-category branches are equipped with trained staff and SWIFT terminals to facilitate foreign exchange operations. We have drawing arrangements with exchange houses for facilitating the transfer of funds for the NRIs.

Centralized back office improves productivity and minimizes turnaround time, and thus yields higher customer satisfaction leading to hike in business volumes and income, as branches focus more on business development and non-customer facing activities are shifted to such back office. Therefore, a Centralized Trade Processing Cell ("**CTPC**") has been set up by our Bank as a part of our business process re-engineering initiative to improve our foreign exchange operations. CTPC aims automation and centralization of all standard processes being handled by the branches, which shall mitigate operational risks and ensure strict compliance with regulatory requirements as all the said processes and operations will be carried out on a single platform. Centralization of operations has been taken up in a phased manner and will be extended to the whole Bank gradually. Processing of transactions by CTPC is done on the basis of scanned images of documents received from the branches through document management system, which also aims at any time availability of digitized documents for audit and verification.

Our turnover from foreign exchange operations through our customers in Fiscals 2017, 2018, 2019, and for the six month period ended September 30, 2019 was ₹ 28,890 million, ₹ 25,950 million, ₹ 29,142 million, and ₹ 11,433.3 million, respectively.

The following table sets forth, as on the dates indicated, the allocation of our gross investment portfolio:

(In ₹ million)

Securities	**As on March 31,**						**As on September 30,**	
	2017		**2018**		**2019**		**2019**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
PSU Bonds	809.34	1.40%	890.96	2.14%	1,159.03	2.82%	614.58	1.40%
Securities issued by ARC'S	2,767.38	4.79%	2,678.71	6.43%	2,110.21	5.13%	1,969.27	4.48%
Share	38.70	0.07%	47.36	0.11%	47.36	0.12%	47.36	0.11%
Treasury Bills	20,009.37	34.64%	-	0.00%	1,504.06	3.66%	277.71	0.63%
Central Govt. Securities	24,887.24	43.08%	22,612.40	54.32%	21,746.33	52.89%	25,734.21	58.52%
State Govt. Securities	5,664.53	9.81%	11,316.97	27.18%	10,434.94	25.38%	10,348.06	23.53%
Bank Certificate of Deposits	2,374.41	4.11%	2,888.13	6.94%	2,328.49	5.66%	2,669.68	6.07%
All Others	1,220.14	2.11%	1,194.99	2.87%	1787.72	4.35%	2,311.48	5.26%
Total	**57,771.11**	**100%**	**41,629.52**	**100%**	**41,118.14**	**100%**	**43,972.35**	**100%**

The following table sets forth, as on the dates indicated, the category wise allocation of our investment portfolio:

(In ₹ million)

Security	**As on March 31, 2017**	**As on March 31, 2018**	**As on March 31, 2019**	**As on September 30, 2019**
Held to Maturity ("**HTM**")	30,851.91	29,556.76	28,830.97	29,814.16
Available for Sale	26,919.20	12,072.76	12,287.17	13,426.97
Held for Trading	-	-	-	731.22
Total	**57,771.11**	**41,629.52**	**41,118.14**	**43,972.35**
Yield (including treasury profits)	9.83	6.38	6.58	6.92
Modified duration HFT	-	-	-	6.29
Modified duration HTM	6.65	6.76	6.36	6.18
Modified duration AFS	0.40	3.17	2.76	3.66

OUR PERFORMANCE UNDER PRIORITY SECTOR LENDING TARGETS

In line with guidelines issued by the RBI, we are required to lend at least 40% of our ANBC or credit equivalent to off-balance sheet exposure, whichever is higher, to the priority sectors, including at least 18% to the agricultural sector. Our priority sector lending includes loans for agriculture, social infrastructure, renewable energy, loans to

MSMEs and economically weaker sections of the community, education loans, housing loans, and others. To support this, we have approximately 63.59% of our branches located in rural and semi-urban areas as on September 30, 2019.

The following table presents data on our outstanding priority sector lending, including as a percentage of our ANBC as on March 31, 2017, 2018, 2019 and September 30, 2019.

(In ₹ million)

Business	**Balance outstanding as on**			
	March 31, 2017	**March 31, 2018**	**March 31, 2019**	**September 30, 2019**
Total priority sector advances	37,845.1	38,671.1	38,627.6	38,770.07
Eligible investments in RIDF etc.	5,502.4	5,848.2	5,393.3	5,160.48
Less PSLC sold	5,650.0	9,000.0	5,980.0	0
Total priority sector attainment	**37,697.5**	**35,519.3**	**38,040.9**	**43,930.55**
Total priority sector attainment (net) as a % of our ANBC	**44.22%**	**42.96%**	**40.71%**	**45.86%**

CERTAIN KEY OPERATING PARAMETERS

Loan concentration

We have an internal credit policy on portfolio diversification. Our total financing exposure in a particular business is evaluated in accordance with business wise growth. Our credit/credit monitoring department monitors sector wise exposure. Major changes in the industrial segments are closely monitored and corrective actions are initiated.

Capital Adequacy

Our capital adequacy details as per the Basel III Norms are as follows:

CRAR (including capital conservation buffer) as on			
March 31, 2017	**March 31, 2018**	**March 31, 2019**	**September 30, 2019**
10.93%	8.33%	16.70%	22.77%

Asset Classification

The RBI has issued guidelines on income recognition, asset classification, provisioning standards and the valuation of investments applicable to banks, which are revised from time to time. The principal features of the RBI guidelines are set forth below.

An asset, including a leased asset, becomes non-performing once it ceases to generate income for the bank. The RBI guidelines stipulate the criteria for determining and classifying an asset as NPA.

A NPA is a loan or an advance where:

- interest and/or an installment of principal remains "overdue" (as defined below) for a period of more than 90 days in respect of a term loan;

- the account remains "out-of-order" (as defined below) in respect of an overdraft or cash credit for more than 90 days;

- the bill remains "overdue" for a period of more than 90 days in the case of bills purchased and discounted;

- in the case of a loan granted for short duration crops, the installments of principal or interest thereon remain "overdue" for two crop seasons;

- in the case of a loan granted for long duration crops, the installments of principal or interest thereon remain overdue for one crop season;

- the amount of a liquidity facility remains outstanding for more than 90 days, in respect of securitization transactions undertaken in accordance with the RBI guidelines on securitization dated February 1, 2006; or

- in respect of derivative transactions, the overdue receivables representing the positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

Banks should classify an account as NPA if the interest charged during any quarter is not fully repaid within ninety days from the end of the relevant quarter.

"*Overdue*"

Any amount due to the bank under any credit facility is "overdue" if it is not paid on the due date fixed by the bank.

"*Out-of-Order*"

An account should be treated as "out-of-order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days. In circumstances where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but (i) there are no credits continuously for a period of 90 days as on the date of the balance sheet of the bank, or (ii) the credits are not sufficient to cover the interest debited during the same period, these accounts should be treated as "out-of-order".

Based on the existing guidelines issued by the RBI for asset classification, details of the classification of our gross loans and other data in respect of NPAs as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019 are as follows:

Particulars	**Asset Classification**			
	Fiscal 2017	**Fiscal 2018**	**Fiscal 2019**	**September 30, 2019**
Gross NPA (₹ in Million)	6,000.99	7,641.33	5,306.17	3262
Gross NPA%	7.25%	7.89%	4.87%	2.86%
Net NPA (₹ in Million)	3,294.84	2,637.84	2,406.76	2215
Net NPA%	4.12%	2.87%	2.27%	1.96%

NPA Recovery Strategy

We follow the RBI guidelines and Board approved recovery policy for one time settlements and out of court settlement of debts. Our recovery policy deals with treatment of impaired assets in various businesses. We rely on the provisions of the IBC and the SARFAESI Act for NPA recovery.

The SARFAESI Act has strengthened the ability of lenders to resolve NPAs by granting them greater rights to enforce the security and recover dues from borrowers. Banks can now accelerate recovery process through enforcement of the SARFAESI Act.

Going forward, the up-tick in credit growth is likely to be supported by the progress being made under the aegis of the IBC in addressing stress on balance sheets of both corporates and banks, recapitalisation of PSBs, and a positive outlook on the economy. *(Source: RBI Annual Report 2017-18 available on www.rbi.org.in).*

In order to avoid fresh slippages into NPAs, we actively monitor our loans through early warning signal mechanisms, special mentioned accounts (credit labelling) systems, and assess credit ratings periodically. In addition, we maintain internal policy guidelines concerning exposure to individual industries and concentration of credit.

As part of recovery management, we have established asset recovery branches for monitoring and constant follow ups of NPA accounts of ₹ 1 million and above.

Credit ratings

We have put in place an internal credit rating mechanism for our corporate and SME segment which uses various models depending on the type of borrower, such as, NBFCs, educational institutions etc. In addition to internal ratings, we also refer to external ratings from rating agencies in case of certain loan accounts. The following tables set forth the details of external and internal credit ratings for our SME and corporate borrowers in Fiscals 2017, 2018, 2019 and for the six months period ended September 30, 2019.

External credit rating	For the six month period ended September 30, 2019	
	₹ 250 million & above (Corporate)	Below ₹ 250 million (SME)
	Total Exposure	Total Exposure
AAA	7,244.00	0.00
AA	8,881.12	1,331.17
A	4,753.28	1,349.54
BBB	5,129.71	1,835.32
BB	2,410.81	1,429.64
B	304.00	63.17
D	0.00	249.00
Total	28,722.92	6,257.86

External credit rating	Fiscal 2019	
	₹ 250 million & above (Corporate)	Below ₹ 250 million (SME)
	Total Exposure	Total Exposure
AAA	72,77.65	0.00
AA	8,934.42	650.69
A	4,348.15	1,780.06
BBB	4,432.90	1,746.65
BB	1,706.99	1,242.44
B	0.00	25.13
D	0.00	53.57
Total	**26,700.12**	**5,498.55**

External credit rating	Fiscal 2018	
	₹ 250 million & above (Corporate)	Below ₹ 250 million (SME)
	Total Exposure	Total Exposure
AAA	2,000.0	0.00
AA	8,772.81	249.36
A	4,462.37	441.94

External credit rating	Fiscal 2018	
	₹ 250 million & above (Corporate)	Below ₹ 250 million (SME)
	Total Exposure	Total Exposure
BBB	3,106.34	1,587.47
BB	820.79	981.55
B	0.00	223.52
D	0.00	65.60
Total	**19,162.28**	**3,549.44**

External credit rating	Fiscal 2017	
	₹ 250 million & above (Corporate)	Below ₹ 250 million (SME)
	Total Exposure	Total Exposure
AA	1,000.07	0.00
A	2,114.67	200.00
BBB	5,263.92	368.20
BB	581.54	967.69
B	0.00	408.20
D	0.00	77.38
Total	**8,960.19**	**2,021.50**

Internal credit rating*	For the six month period ended September 30, 2019	
	₹ 250 million & above (Corporate)	Below Rs.250 million (SME)
	Total Exposure	Total Exposure
OR-1	770.26	251.22
OR-2	12,750.39	3,967.06
OR-3	8,367.45	6,862.53
OR-4	6,029.40	4,976.63
OR-5	1,026.51	4,245.85
OR-6	888.04	2,716.47
OR-7	0.00	6,42.92
OR-8	0	750.11
OR-9	0	310.26
OR-10	0	3.04
Total	29,832.04	24,726.09

Internal credit rating*	Fiscal 2019	
	₹ 250 million & above (Corporate)	Below Rs.250 million (SME)
	Total Exposure	Total Exposure
OR-1	772.85	347.08

Internal credit rating*	Fiscal 2019	
	₹ 250 million & above (Corporate)	Below Rs.250 million (SME)
	Total Exposure	Total Exposure
OR-2	12,059.23	3,733.13
OR-3	9,684.01	6,619.35
OR-4	4,378.54	5,508.85
OR-5	1,564.65	4,272.18
OR-6	640.76	2,835.38
OR-7	0.00	838.40
OR-8	0.00	797.52
OR-9	0.00	284.60
OR-10	0.00	0.00
Total	**29,100.03**	**25,236.50**

Internal credit rating*	Fiscal 2018	
	₹ 250 million & above (Corporate)	Below Rs.250 million (SME)
	Total Exposure	Total Exposure
OR-1	1,500.00	1,578.51
OR-2	6,971.59	3,727.45
OR-3	7,460.41	7,822.69
OR-4	3,738.81	4,419.38
OR-5	1,962.08	5,371.01
OR-6	0.00	2,861.15
OR-7	0.00	1,325.34
OR-8	0.00	1,039.92
OR-9	267.30	349.15
OR-10	0.00	67.53
Total	**21,900.18**	**28,562.13**

Internal credit rating*	Fiscal 2017	
	₹ 250 million & above (Corporate)	Below Rs.250 million (SME)
	Total Exposure	Total Exposure
CSB-1	1,719.93	5,611.48
CSB-2	4,842.62	9,447.82
CSB-3	3,588.32	9,030.68
CSB-4	2,603.05	2,416.57
CSB-5	1,081.11	1,209.00
CSB-6	1,138.11	1,289.75
CSB-7	0.00	566.64
CSB-8	0.00	1,014.26
Total	**14,973.13**	**30,586.21**

** The internal rating includes both fund based and non-fund based exposure. The internal ratings have been derived as part of our credit risk management process. Further, due to change in our rating model post Fiscal 2017, our internal ratings for Fiscal 2019 and Fiscal 2018, cannot be compared with the Fiscal 2017.*

Applicability of rating:

Pursuant to our credit risk management process, all individual borrowers with a fund and non-fund based exposure of ₹ 2.50 million and above (excluding retail loans) are rated based on the audited balance sheet submitted by the borrower. This, however, does not apply to new borrowers with projected financials. In the case of new borrowers who submit projected financials, rating is carried out after commencement of commercial operations and submission of audited balance sheet. Hurdle rate is the minimum level of rating to be achieved in order to be eligible for a new borrower to be considered for a credit exposure ("**Hurdle Rate**"). In Fiscal 2018, our Bank increased the borrowing rating grades to ten (OR-1 to OR-10) from the level of eight with a current Hurdle Rate of OR-6. Hurdle Rate of the borrower was fixed as CSB -4 till Fiscal 2017 and was revised to OR-6 from Fiscal 2018 onwards. Borrowers with ratings below the Hurdle Rate (i.e. rating of OR-7 to OR-10 for Fiscal 2018 and 2019, and CSB-5 to CSB 8 for Fiscal 2017) indicate high and very high risk level, whereas the borrowers with ratings at or above the Hurdle Rate (i.e. rating of OR-1 to OR-6 for Fiscal 2018 and 2019, and CSB-1 to CSB 4 for Fiscal 2017) indicate low and medium risk level. The following table sets forth the details of our SME and corporate exposure above the Hurdle Rate in the Fiscals 2017, 2018, 2019 and for the six month period ended September 30, 2019.

Particulars*	Corporate	SME
For the six month period ended September 30, 2019		
Amount of exposure above Hurdle Rate (₹ in million)	29,832.04	23,019.76
% of exposure above Hurdle Rate of OR 6	100	93.10
Fiscal 2019		
Amount of exposure above Hurdle Rate (₹ in million)	29,100.03	23,315.97
% of exposure above Hurdle Rate of OR 6	100	92.39
Fiscal 2018		
Amount of exposure above Hurdle Rate (₹ in million)	21,632.89	25,780.19
% of exposure above Hurdle Rate of OR 6	98.78	90.26
Fiscal 2017		
Amount of exposure above Hurdle Rate (₹ in million)	12,753.92	26,506.55
% of exposure above Hurdle Rate of CSB 4	85.18	86.66

***Due to change in our rating model post Fiscal 2017, our internal ratings for Fiscal 2019 and Fiscal 2018, cannot be compared with the Fiscal 2017.*

Credit Exposure

Credit exposure limits are prudential measures mandated by the RBI, aimed at improving risk management and avoiding concentration of credit risk. Credit exposure limits are set in relation to individual industries and sectors, single and group borrowers, unsecured borrowers, and country-wise. As per the RBI's directives, the credit exposure ceiling is fixed in relation to our capital funds under capital adequacy standards (Tier 1 and Tier 2 capital).

Industry Exposure

Our Bank's industry exposure as on September 30, 2019 is set forth below:

(In ₹ million)

Industry Breakup (Domestic Operations)			
Industry Name	**Advances (Outstanding) - Funded**	**Total Advances (Outstanding) - Funded**	**Advance as% of Total Advance (Outstanding) – Funded**
(a). Mining and Quarrying		**107.846**	**0.09**
1 Coal	0		
2 Others	107.846		
(b). Food Processing		**1521.04**	**1.33**
1 Sugar	0		
2 Edible Oils and Vanaspati	58.244		
3 Tea	51.2		
4 Coffee	3.522		
5 Others	1408.07		
(c). Beverages (excluding Tea & Coffee) and Tobacco		**365.39**	**0.32**
1 Tobacco and tobacco products	0		
2 Others	365.39		
(d). Textiles		**4360.41**	**3.82**
1 Cotton	3680.54		
2 Jute	0.00		
3 Man-made	12.32		
4 Others	667.54		
(e). Leather and Leather products		**71.576**	**0.06**
(f). Wood and Wood Products		**293.687**	**0.26**
(g). Paper and Paper Products		**396.37**	**0.35**
(h). Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels		**1.011**	**0.00**
(i). Chemicals and Chemical Products (Dyes, Paints, etc.)		**1265.48**	**1.11**
1 Fertilizers	14.188		
2 Drugs and Pharmaceuticals	1222.45		
3 Petro-chemicals (excluding under Infrastructure)	0		
4 Others	28.844		
(j). Rubber, Plastic and their Products		**299.528**	**0.26**
(k). Glass & Glassware		**39.406**	**0.03**
(l). Cement and Cement Products		**38.777**	**0.03**
(m). Basic Metal and Metal Products		**425.573**	**0.37**
1 Iron and Steel	205.777		
2 Other Metal and Metal Products	219.796		
(n). All Engineering		**580.977**	**0.51**
1 Electronics	0		
2 Others	580.977		
(o). Vehicles, Vehicle Parts and Transport Equipment's		**71.532**	**0.06**

Industry Breakup (Domestic Operations)			
Industry Name	**Advances (Outstanding) - Funded**	**Total Advances (Outstanding) - Funded**	**Advance as% of Total Advance (Outstanding) – Funded**
(p). Gems and Jewellery		**119.242**	**0.10**
(q). Construction		**1,260.507**	**1.11**
(r). Infrastructure		**3,287.12**	**2.88**
1.Transport (Roads and Bridges)	580.45		
2. Energy (b.1 to b.6)	1,092.691		
3. Water and Sanitation (c.1 to c.7)	102.244		
4. Communication 4. Social and Commercial Infrastructure(Education Institutions (capital stock)	1,510.846 0.888		
(s). Other Industries		**358.557**	**0.31**
A. All Industries (a to s)		**14,864.03**	**13.04**
B. Agriculture and Allied Activities		**19,163.65**	**16.81**
C. Services (3.1 to 3.10 equals 3.a to 3.d)		**41.429.96**	**36.33**
1. Transport Operators	743.857		
2. Computer Software	186.421		
3. Tourism, Hotel and Restaurants	1,710.12		
4. Shipping	1.662		
5 Professional Services	519.749		
6. Wholesale Trade (other than Food Procurement)	1,491.73		
7. Retail Trade	7,461.58		
8. Commercial Real Estate	2,555.42		
9. NBFCs	20,701.71		
10. Aviation	0.03		
11. Other Services	6,057.67		
D. Retail Loans (4.1 to 4.8)		**30,489.74**	**26.74**
1. Housing Loans (incl. priority sector Housing)	35,38.67		
2. Consumer Durables	0.316		
3. Credit Card Receivables	0		
4. Vehicle/Auto Loans	1,704.54		
5. Education Loans	746.28		
6. Advances against Fixed Deposits (incl. FCNR(B), etc.)	1,270.46		
7. Advances to Individuals against Shares, Bonds, etc.	0		
8. Other Retail Loans	23,229.47		
E. Other Non-food Credit, if any, please specify - LCBD		**8,080.94**	**7.09**

Industry Breakup (Domestic Operations)			
Industry Name	**Advances (Outstanding) - Funded**	**Total Advances (Outstanding) - Funded**	**Advance as% of Total Advance (Outstanding) – Funded**
Total Advance (A+B+C+D+E)		**11,4028.30**	**100.00**

Borrower Exposure

The details of our outstanding exposure to our 10 largest single borrowers as on September 30, 2019 are set forth below:

(In ₹ million)

Customer	Exposure (Fund + Non Fund Based)
	As on September 30, 2019
Customer 1	2,400.0
Customer 2	1,510.85
Customer 3	1,063.13
Customer 4	1,050.0
Customer 5	1.000.25
Customer 6	999.98
Customer 7	999.97
Customer 8	999.97
Customer 9	999.44
Customer 10	998.70

The names of the Borrowers are not disclosed above in order to comply with the restrictions imposed by the RBI that require such information to be confidential.

Unsecured Exposure

Unsecured credit exposure is defined by the RBI as an exposure where the realizable value of the security is not more than 10% of the outstanding exposure when the advance is made. Our policy is to limit our total unsecured advances to a maximum of 12% of our total outstanding advances. Our unsecured advances as on March 31, 2019 and September 30, 2019 were ₹ 4,418 million and or ₹ 5,773.65 million, which constituted 4.05% and 5.15% of our total advances for such period respectively.

Distribution Network

We have a distribution network comprising of branches, ATMs, and alternate channels such as ATM debit cards, internet banking, mobile banking, POS, QR payments, UPI, and 24*7 phone banking. The composition of our distribution network as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019 is set out in the table below:

Distribution point	As on March 31, 2017	As on March 31, 2018	As on March 31, 2019	As on September 30, 2019
Branches (excluding asset recovery branches and service branches)	423	418	414	412*
Asset recovery branches	Nil	Nil	2	3
Service branches	3	3	3	3
ATMs	257	254	277	290

** During the period from April 1, 2019 to September 30, 2019, our Bank merged 5 of our existing branches with*

other 5 existing branches and opened 3 new branches.

Branches

As on September 30, 2019, we had 412 branches (excluding three service branches and three asset recovery branches), of which 64 branches are located in metropolitan areas, 86 branches are located in urban areas, 220 branches are located in semi-urban areas, and 42 branches are located in rural areas. . The following is our state-wise distribution of branches (excluding service branches and asset recovery branches) in the last three Fiscals and for the six month period ended September 30, 2019:

State	As on March 31, 2017	As on March 31, 2018	As on March 31, 2019	As on September 30, 2019
Andhra Pradesh	6	6	6	6
Chandigarh	1	1	1	1
Dadra and Nagar Haveli	2	1	1	1
Delhi	4	4	4	4
Goa	2	2	2	2
Gujarat	6	6	6	6
Haryana	2	2	2	2
Himachal Pradesh	1	1	1	1
Karnataka	16	16	16	17
Kerala	279	276	272	267
Madhya Pradesh	1	1	1	1
Maharashtra	28	28	28	30
Odisha	1	1	1	1
Puducherry	1	1	1	1
Punjab	3	3	3	3
Rajasthan	4	4	4	4
Tamil Nadu	57	56	56	56
Telangana	3	3	3	3
Uttar Pradesh	4	4	4	4
West Bengal	2	2	2	2
Grand Total	**423**	**418**	**414**	**412**

All of our branches are fully networked and connected to a central database in Chennai on a real-time basis with a disaster recovery facility in Bengaluru and a specific disaster recovery facility for RTGS transactions in Chennai.

Non-branch delivery channel

ATMs: As on September 30, 2019, we had 290 ATMs, which include 240 on-site and 50 off-site ATMs.

Internet banking: We offer internet banking services to our retail and corporate customers.

Mobile banking: We offer mobile banking services to our retail customers.

Customer Service

We are a member of Banking Codes and Standards Board of India and are actively implementing its codes, namely

Code of Bank's Commitment to Customers and Code of Bank's Commitment to Micro and Small Enterprises. We have also constituted customer service committees at branch and corporate level to monitor customer complaints, queries, and concerns relating to our Bank. We review our customer service measures at regular intervals and a report on the same is presented to the Board level customer service committee on a quarterly basis.

In Fiscals 2017, 2018, 2019, and for the six month period ended September 30, 2019 we received 392, 432, 445 and 2,396 customer complaints (other than ATM complaints), respectively. During this period, we have managed to resolve most of these customer complaints (including certain complaints from the previous Fiscals) and as on September 30, 2019, 56 such customer complaints were outstanding against our Bank. There are no outstanding ATM complaints as on September 30, 2019.

Credit Policy and Process

The main objectives of our credit policy are to maintain the quality of our loan assets, ensure reasonable return on assets, maintain an acceptable risk profile, achieve proper sectoral and geographical risk profile, and ensure compliance with all the regulatory norms in respect of exposure caps, pricing, income recognition and asset classification guidelines, and targeted credits.

To attain these objectives, we have a well-defined process starting from credit sourcing to monitoring of accounts, once credit is granted. Our credit process primarily includes credit sourcing, credit appraisal and assessment, credit sanction, and credit monitoring and administration. The credit sourcing is done by the respective branches with support from specialist business teams. The credit appraisal process involves collection of detailed data, assessment of the requirements, financial analysis, verification of credentials, rating of the applicant and the proposal, risk analysis and mitigation, and compliance with the exposure norms, KYC and AML guidelines, and other regulatory requirements. Our Bank has also entered into an agreement with Perfios Software Solutions Private Limited to assist us in digitalizing the analysis of bank account statements as part of credit appraisal process, both for retail banking and corporate banking. We also have a comprehensive risk rating system that serves as a single point indicator of diverse risk factors of a borrower for taking credit decisions in a consistent manner. Subsequent to the appraisal process, every credit proposal is submitted to the appropriate internal authorities for sanction.

Our credit risk management structure has been established with the objective of achieving compatibility in risk and business policies and ensuring their simultaneous implementation in a consistent manner. It involves setting risk limits based on economic measures of risk and simultaneously ensuring best risk adjusted return keeping in mind capital constraint.

The credit risk management structure of our Bank consists of:

- The Board of Directors
- The Risk Management Committee
- Credit Risk Management Committee
- Credit Risk Management Department

We have also established a Centralised Processing Cell ("**CPC**"). Credit appraisal of all loans under specialized schemes is now done by CPC.

For improving the post lending monitoring of advances, with specific focus on follow up with the parties for timely remittance of installments/interest and operations in working capital limit, a dedicated monitoring team has been set up. The monitoring team supplements the efforts of the branches and zones in monitoring the accounts.

Anti-Money Laundering ("AML")

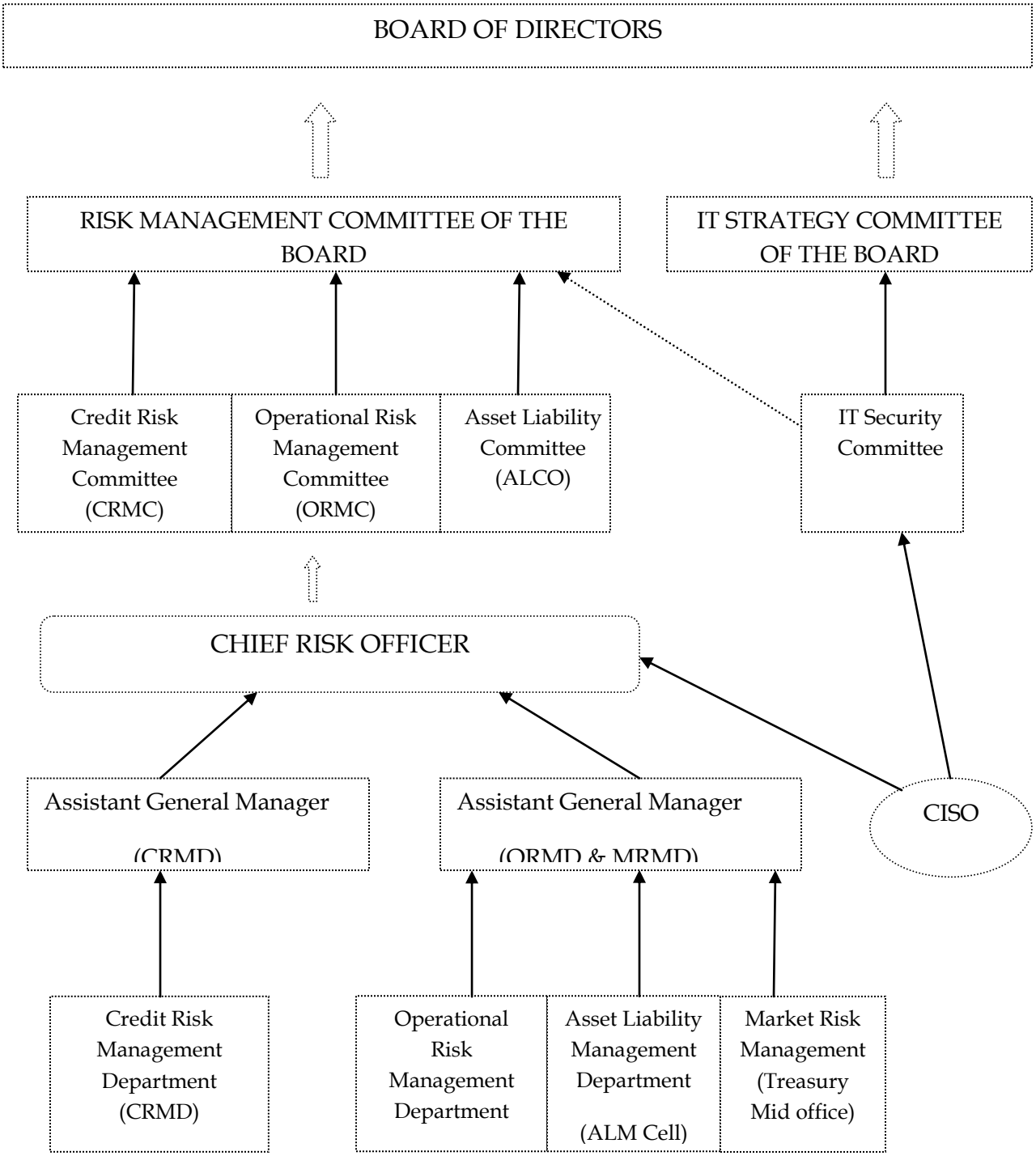
All our transactions are monitored in accordance with the standard guidelines prescribed for the banking industry. Reports such as cash transaction reports, suspicious transaction reports, non-profit organization's transactions, and counterfeit currency reports are regularly filed with the Financial Intelligence Unit of the Government of India. We are in the process of upgrading the AML software to strengthen our AML control.

Risk Management Framework

We adopted the Basel III Norms as on April 1, 2013, which shapes our risk management policies. Our risk management policy is based on an analysis of key areas such as market risk, credit risk, operational risk, liquidity risk, and interest risk. Our risk management system comprises of policies, procedures, organizational structures, and control systems for the identification, measurement, monitoring, and control of various risks through our Risk Management Committee, under the overall supervision of our Board.

We have also set up Asset-Liability Management Committee ("**ALCO**") to oversee asset liability management functions. The ALCO also recommends pricing of deposits and advances and prepares forecasts showing the effect of various possible changes in market conditions and recommends appropriate action. The ALCO is further responsible for ensuring that we have adequate liquidity and that our funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap. The ALCO regularly monitors and reviews the trend of liquidity ratios, such as liquid assets to short term liabilities, and other liquidity risk parameters. The structural liquidity and interest rate sensitivity gap reports are prepared in line with the RBI guidelines to monitor the liquidity and interest rate risk. Our Bank is also adhering to the Basel III Norms of liquidity by monitoring the liquidity coverage ratio and net stable funding ratio on a monthly basis.

We have set up a Credit Risk Management Committee ("**CRMC**") with the objective of identifying credit risk, measurement of the same through credit rating, scientific risk pricing, monitoring credit risk, controlling credit risk, and credit risk mitigation. The CRMC analyzes, manages, and controls credit risk on a Bank-wide basis. It formulates norms on rating standards and bench marks, prudential limits on large credit exposures, asset concentrations, standards on collateral securities, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, pricing of loans, and regulatory and legal compliance. In order to manage credit risk, proposals of ₹ 2.50 million and above are subjected to detailed credit risk evaluation and rating. Expert rating models and score cards have been introduced to improve the quality of internal credit rating. Our bank has also set down industry/ sector-wise prudential exposure ceilings to contain/monitor the risk of credit concentration on an ongoing basis.


BOARD OF DIRECTORS
RISK MANAGEMENT COMMITTEE OF THE BOARD
IT STRATEGY COMMITTEE OF THE BOARD
Credit Risk Management Committee (CRMC)
Operational Risk Management Committee (ORMC)
Asset Liability Committee (ALCO)
IT Security Committee
CHIEF RISK OFFICER
Assistant General Manager (CRMD)
Assistant General Manager (ORMD & MRMD)
CISO
Credit Risk Management Department (CRMD)
Operational Risk Management Department
Asset Liability Management Department (ALM Cell)
Market Risk Management (Treasury Mid office)

With the principal objective of mitigating the operational risk within our Bank, we have set up an Operational Risk Management Committee ("**ORMC**"). Its principal objective is the mitigation of operational risk within the institution by creation and maintenance of an explicit operational risk management process. Key roles of ORMC are to review the risk profile, understand future changes and threats, and decide the areas of priority and related mitigation strategy, to review policies and suitably amend the same based on market practices and guidelines issued by regulators, and to monitor and assess the operational risk and initiate corrective action as and when required. ORMC ensures that adequate resources are being assigned to mitigate risks, to review and approval of the development and implementation of operational risk methodologies and tools, including assessments, reporting, capital and loss event databases, to analyze frauds, potential losses, non-compliance, and breaches, and to determine the root cause and recommend corrective measures to prevent recurrences.

Further, our Bank has also formed a market risk management department ("**MRMD**") to handle certain functions, which were erstwhile carried out at the accounts department. The MRMD has also been assigned certain functions, including, adherence to treasury limits, domestic & forex, asset liability management, computation of yields and costs, liquidity ratio analysis and stress testing.

Information Technology

All our branches are networked through core banking, thereby facilitating any branch banking. We also offer facilities such as RTGS, NEFT, SWIFT, NECS, and ECS. We have also implemented various payment initiatives like net and mobile banking, UPI, E-passbook, QR payment channels, micro ATMs, etc. We continue to upgrade our technological capabilities to increase efficiency, reduce costs, increase convenience for our customers, and to make our offerings competitive. We have also established a 24*7 call centre to improve our customer relationship. We are continuously investing in technology as a means of improving our customers banking experience, making it easier for them to interact with us, and offering them a range of products tailored to their financial needs.

We have recently re-organized our IT team and segregated the team members into (i) members who will look after the day-to-day functioning of our Bank, and (ii) members who will aid in transformation of our Bank. We intend to create a separate data analytics team and believe that additional investments in our technology infrastructure will allow us to cross-sell a wider range of products on our digital platform in response to our customers' needs and thereby expand our relationship with our customers across a range of customer segments.

Competition

We operate in a highly competitive environment and face competition from public and private sector Indian scheduled commercial banks, foreign commercial banks, and small finance banks in all our products and services. We also face competition in some of our products and services from NBFCs, post office savings schemes, exchange houses, micro-financing institutions, co-operative banks, payment banks, and other entities operating in the financial sector. Our primary competitors are public sector banks and other private sector banks including DCB bank, Federal bank, South Indian bank, City Union, and Karur Vysya Bank. We seek to compete with these entities through value added services, faster customer service response, quality of service, a growing inter-connected branch network, and delivery capabilities based on enhanced technology.

Insurance

We believe that we maintain adequate insurance coverage for our business and other assets. We currently have insurance coverage for our head office, branches, and other offices. We also have standard fire and special perils policy, commercial general liability insurance policy, banker's indemnity policy, and burglary insurance policy, which provide coverage to our branches and offices across the country. Pursuant to these insurance policies, our furniture and fixtures, electronic equipment, cash in premises, cash in transit, and other valuables and documents are insured against any burglary, theft, fire, perils, terrorism, strike riots, and civil commotion. Further, we have an insurance cover for directors' and officers' liability.

Intellectual Property Rights

The "  " logo appearing on the cover page of this Prospectus is a trademark owned by our Bank and registered in our name under class 36 and class 16 as per the Trade Marks Act, 1999 and the rules made thereunder. Further, we have made an application to register this logo under class 35 as per the Trade Marks Act, 1999 and the rules made thereunder. As on the date of this Prospectus, we have 14 trademarks registered in our name and applications in relation to 10 trademarks are currently pending. For further details, please see "*Government and Other Approvals*" beginning on page 587.

Employees

As on September 30, 2019, we had 3,250 employees, of whom 1,065 employees were professionals in business management, accountancy, engineering, law, computer science or economics. As of September 30, 2019, our 1,095 officers, 633 clerks, 79 peons, and 22 part-time sweepers were members of trade unions. Our Bank offers various perquisites to the staff which include staff loans at concessional rate of interest, like housing loan, overdraft, motor vehicle loan, etc. Further, facilities such as medical reimbursement and cashless hospitalisation are provided to all employees including retired employees.

We use employee stock option plans to attract and retain talent, and also to incentivize and reward superior performance, aligning employee interests with that of our Bank and creating long-term ownership and commitment. Currently, we have two employee stock option plans. For further details, see "*Capital Structure*" beginning on page 75.

Unnathi

Our Bank has introduced a special training program called 'Unnathi' for corporate communication and transformation covering all our employees, across all grades and geographies.

Young workforce

We strongly believe in making investments in the development of a young workforce. Average age of the employees has come down from 39.32 in Fiscal 2018 to 38.23 in Fiscal 2019 and 36.53 as on September 30, 2019. Further, retirement age of the officers/executives of our Bank has been reduced from 60 years to 58 years with effect from April 30, 2019.

Property

We own our registered and corporate office which is located at 'CSB Bhavan', Post Box No. 502, St. Mary's College Road, Thrissur 680 020, Kerala, India. As on September 30, 2019, out of our 412 branches (excluding three service branches all of which are located on leased premises and three asset recovery branches, of which two branches are located on leased premises and one branch is located on the premises that we own), 13 branches are located on premises that we own and the remaining 399 branches are situated on premises taken on lease. For efficient administration, we have also established 25 offices (excluding our head office) as on September 30, 2019, of which 16 offices are located on leased premises and the remaining nine offices are located on premises that we own. Further, as on September 30, 2019, we have 290 ATMs, of which 12 ATMs are located on premises that we own and the remaining 278 ATMs are situated on premises taken on lease.

Corporate Social Responsibility

Our Bank has set up a Board-level Corporate Social Responsibility Committee in terms of the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, to look after the CSR initiatives of our Bank.

The Corporate Social Responsibility policy of our Bank aims to identify and support all projects/programs undertaken as part of our Bank's corporate social responsibilities within the framework of Schedule VII of the

Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. For instance, recently our Bank has helped in setting up of homes in Thrissur district for socially and economically backward groups in the society, including for women and orphans.

Internal inspection and audit

Internal audit of our Bank is carried out under risk based internal audit ("**RBIA**") as envisaged under the risk based supervision of the RBI. RBIA offers suggestions to the management not only on mitigating current risks but also on potential future risks, thus playing a vital role in the risk management process of our Bank. Our Bank also subjects its operations to concurrent audit by audit firms to complement its internal audit function. During Fiscal 2019, 138 branches and departments covering 62.29% of the total business of our Bank were subjected to concurrent audit, including core activities such as integrated treasury operations, retail forex centralised processing cell, CTPC, centralised processing cell (general), and centralised processing cell (schematic), and two wheeler loans department. Further, for the Fiscal 2020, we have identified 147 branches and departments covering 64.96% of the total business of our Bank as on September 30, 2019 which would be covered under the ambit of concurrent audit.

Supervision and Reporting

Department of Banking Regulation, Reserve Bank of India, is the nodal department for regulation of Scheduled Commercial Banks. Apart from financial stability, it focuses on developing an inclusive and competitive banking structure through appropriate regulatory measures. The regulatory framework is fine-tuned as per the requirements of the Indian economy while suitably adapting to the international best practices.

KEY REGULATIONS AND POLICIES IN INDIA

The following is an overview of certain sector-specific laws and regulations as prescribed by the central and state governments in India that are applicable to our Bank in India. Taxation statutes such as the Income Tax Act, labour laws such as Contract Labour Act and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any other Indian company.

The description of laws and regulations set out below is not exhaustive, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The primary legislation governing commercial banks in India is the Banking Regulation Act. The provisions of the Banking Regulation Act are in addition to and not, save as expressly provided under the Banking Regulation Act, in derogation of the Companies Act, 2013, Companies Act, 1956 and any other law currently in force. Other important laws include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881, the SARFAESI Act) and the Bankers' Books Evidence Act, 1891. Additionally, the RBI, from time to time, issues guidelines, notifications, circulars, regulations, directions, and policies, amongst others, relating to our businesses.

Laws governing our Bank

Some of the key rules and regulations governing our Bank's functioning are enumerated below:

Reserve Bank of India Act, 1934

RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with the RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with by such banks and may direct that such banks regard a transaction or class of transactions as a liability. RBI has the power to impose penalties against any person for *inter-alia* failure to produce any book, account or other document or furnish any statement, information or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation or direction thereunder.

Banking Regulation Act, 1949

A banking company in India is required to obtain a license from the RBI to carry on banking business in India. Such license is granted to a bank subject to compliance with certain conditions *inter-alia*: (i) the bank is or will be in a position to pay its present and future depositors in full as their claims accrue; (ii) affairs of the bank will not be or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) bank has adequate capital structure and earnings prospects; (iv) public interest will be served if such license is granted to the bank; and (v) any other condition, the fulfilment of which would, in the opinion of the RBI, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interests of the depositors. The RBI has the power to cancel the license if a bank fails to meet certain conditions or if the bank ceases to carry on banking operations in India. Additionally, the RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing or removing of auditor or auditors of the bank requires prior approval of the RBI.

Banking activities

The Banking Regulation Act specifies the business activities in which a bank may engage. Banks are prohibited from engaging in business activities other than the specified activities.

Ownership restrictions

The Banking Regulation Act requires any person to seek prior approval of the RBI to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by himself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in aggregate shareholding of such person to be 5% or more of the paid up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank. Further, the RBI may, by passing an order, restrict any person holding more than 5% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. Pursuant to Section 12(2) of the Banking Regulation Act, the RBI has notified on July 21, 2016 that no shareholder in a bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the bank.

In this regard, the RBI has issued master directions for prior approval for acquisition of shares or voting rights in private sector banks in November 2015 (the "**Master Directions for Acquisitions**"). The Master Directions for Acquisitions are applicable to the existing and proposed "major shareholders" of the private sector banks and all private sector banks including local area banks, licensed to operate in India by RBI, except urban co-operative banks, foreign banks and banks licensed under specific statutes. The Master Directions for Acquisitions define a "major shareholder" as a shareholder having/likely to have an "aggregate holding" to the extent of 5% or more of the paid-up share capital of the bank or 5% or more of the total voting rights of the concerned bank. The term "aggregate holding" has been defined as the total holding including through "acquisition" and shares or compulsorily convertible preference shares/debentures/bonds or voting rights held by the applicant, his relatives, associate enterprises and persons acting in concert with him in the concerned bank. The aggregate shareholding will also include optionally convertible preference shares / bonds / debentures if the option of conversion is proposed to be exercised.

Every person desirous of undertaking such acquisition shall seek prior approval of the RBI as per the procedure set out in the Master Directions for Acquisitions. However, prior approval of the RBI will not be required for fresh acquisition by existing major shareholders of private sector banks, which consequently would lead the aggregate shareholding of such shareholders of up to 10% of the shares or voting rights provided that the major shareholder furnishes the details of the source of funds for such incremental acquisition to the concerned bank before such acquisition and obtains 'no objection' from the concerned bank. However, prior approval will be required if the incremental acquisition results in excess of 10% of shares or voting rights in the private bank. It is the responsibility of the concerned bank to ensure that all its major shareholders are 'fit and proper' and every bank shall make continuous monitoring arrangements to ensure that the major shareholders continue to be 'fit and proper' as per the Master Directions for Acquisitions.

Board and management

Amendment of any provision relating to the maximum permissible number of directors or the appointment, re-appointment, or termination of the appointment or remuneration of a chairman, managing director or whole-time director, chief executive officer of a bank shall have effect only if it is made with the prior approval of the RBI. The relevant provisions of the Companies Act, 2013 relating to appointment and remuneration of managerial personnel shall not apply to such matters which require RBI approval. RBI is also empowered to remove a chairman, director, chief executive officer (by whatever name called) or other officer or employee of the banking company from office on the grounds of public interest, interest of depositors, securing the proper management of the bank.

Moreover, the RBI may, at any time, in the public interest, interest of banking policy and to secure the interest of the depositors of the bank and the banking company, pass certain orders in writing, such as (i) require the banking company to call for meetings of the board of directors to discuss any matter in relation to the bank; (ii) require an officer of the banking company to discuss any such matter with an officer of the RBI (iii) appoint one or more of its officers to observe the manner in which the affairs of the bank (including its offices and branches) are being conducted; (iv) require the banking company to make such changes to the management as it may deem necessary; (v) require the board of directors of the banking company or any committee or body constituted by it, to send all notices and other communications, to any officer specified by the RBI, relating to any meeting of the board, or

any committee or body constituted by it; and (vi) appoint one or more of its officers to observe the manner in which the affairs of the banking company or of its offices or branches are being conducted and make a report thereon.

The RBI (in consultation with the central government) in the public interest, interest of banking policy and to secure the interest of the depositors of the bank and the banking company, pass orders to supersede the board of directors of a banking company for a period of up to 6 months, which period shall not exceed up to 12 months.

Further, the RBI has in terms of Section 17 of the Banking Regulation Act and *vide* circular dated September 20, 2006 required the banks to create a reserve fund to which it must transfer not less than 25% of the balance of profit as disclosed in the profit and loss account. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation.

Regulations relating to opening of branches

Section 23 of the Banking Regulation Act requires banks to obtain prior permission of the RBI to open new branches, in or outside India or to change the existing place of such business, other than a change of existing place within the same city, town or village. The RBI issues instructions and guidelines to banks on branch authorization from time to time, including guidelines allowing banking companies to open new branches, banking outlets, closure, shifting of branches/ extension counters/ ATMs etc. In terms of the branch authorisation policy issued by the RBI dated May 18, 2017, domestic scheduled commercial banks may open branches, unless otherwise specifically restricted, in Tier 1 to Tier 6 centres without prior permission from RBI in each case, subject to the conditions laid down by RBI thereunder. The RBI has further stipulated that the banks are required to open at least 25 percent of the total number of 'Banking Outlets' opened during a financial year in 'unbanked rural centres' i.e. Tier 5 and Tier 6. Further, such banks may also shift, merge or close all branches except rural branches and sole semi-urban branches without prior permission from RBI, subject to the conditions laid down by RBI. Rural branches and sole semi-urban branches can also be closed subject to certain conditions. Further, RBI has permitted installation of onsite/offsite ATMs at centres identified by banks, without the need for permission from the RBI. Further, banks are required to periodically report details of the branches opened/closed/shifted to RBI.

Regulatory reporting and examination procedures

The RBI is empowered under the Banking Regulation Act to inspect a bank. The RBI monitors prudential parameters at regular intervals. To this end and to enable off-site monitoring and surveillance by the RBI, banks are required to report to the RBI on various aspects. The RBI conducts periodical on-site inspections on matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at regular intervals. Further, the RBI also conducts on-site supervision of selected branches with respect to their general operations and foreign exchange related transactions.

Power to impose penalty

The RBI may impose penalties on banks, directors and its employees in case of infringement of regulations under the Banking Regulation Act. The penalty may be a fixed amount or may be related to the amount involved in the contravention. The punishment may also include imprisonment. Banks are also required to disclose the penalty in the 'notes to account' to the balance sheet.

Master Direction on Issue and Pricing of shares by Private Sector Banks, Directions, 2016

The RBI issued master directions for issue and pricing of shares by private sector banks in April 2016. The directions are applicable to all private sector banks licensed by RBI to operate in India. Under the directions, "private sector banks" have been defined as banks licensed to operate in India under Banking Regulation Act, other than urban co-operative banks, foreign banks and banks licensed under specific statutes. Under the directions, a private sector bank, both listed and unlisted, has general permission for issue of shares through, *inter-alia*, public issue or private placement, subject to compliance with applicable laws including FEMA and

other foreign investment related laws, provisions of the Companies Act, and the relevant SEBI guidelines, the RBI master directions dated November 19, 2015. Upon completion of the allotment of shares, complete details of the issue shall be reported to RBI viz. date of issue, details of the type of issue, issue size, details of pricing, number and names of allottees, post allotment shareholding position etc.

Master Direction – Ownership in Private Sector banks, Directions, 2016

The RBI issued master directions for ownership in private sector banks in May 2016. The directions are applicable to all private sector banks licensed by RBI to operate in India. Under the directions, shareholders are now categorized as natural persons (individuals) and legal persons (entities/institutions) for the purposes of ownership limits in the longer run. Legal Persons are further categorized as non-financial and financial institutions, and among financial institutions, diversified and non-diversified financial institutions shall have separate limits for shareholding.

The limits for shareholding are as follows: (i) in the case of individuals and non-financial entities (other than promoters/promoter group), the limit shall be 10% of the paid up capital, however, in case of promoters being individuals and non-financial entities in existing banks, the shareholding shall be 15% of the paid-up capital, (ii) for entities in the financial sector, other than regulated or diversified or listed, the limit shall be at 15% of the paid-up capital; (iii) in case of 'regulated, well diversified, listed entities from the financial sector' and shareholding by supranational institutions or public sector undertaking or Government, a limit of 40% of the paid-up capital is prescribed; and (iv) higher stake/strategic investment by promoters/non-promoters through capital infusion by domestic or foreign entities/institution shall be permitted on a case to case basis under circumstances such as relinquishment by existing promoters, rehabilitation / restructuring of problem / weak banks / entrenchment of existing promoters or in the interest of the bank or in the interest of consolidation in the banking sector, etc.

The directions further prescribe that banks (including foreign banks having branch presence in India) shall not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding is 10% or more in the investee bank's equity capital. However, RBI may permit a higher level of shareholding by a bank in exceptional cases such as, restructuring of problem / weak banks or in the interest of consolidation in the banking sector, etc.

Capital adequacy requirements

The RBI has set out the minimum capital adequacy standards for banks based on the guidelines of the Basel Committee on Banking Supervision. The RBI Basel III Capital Regulations have become effective from April 1, 2013 and will be fully implemented by March 31, 2020, in a phased manner. Under the Master Circular on Basel III dated July 1, 2015, a bank is required to maintain a minimum total Capital to Risk Asset Ratio ("**CRAR**") of 9% and Tier 1 CRAR of 7%. In addition to the total CRAR, the capital conservation buffer will required to be maintained at 2.50% in the form of common equity tier 1, by March 31, 2019. However, basis the RBI circular DBR.BP.BC.No.20/21.06.201/2018-19 dated January 10, 2019, the RBI issued a circular that amends the transitional arrangements for capital conservation buffer under the Master Circular on Basel III, wherein the requirement to maintain a capital conservation buffer of 2.50% for banks has been extended to March 31, 2020.

Liquidity coverage ratio and net stable funding ratio

The Basel III Framework on Liquidity Standards introduced two liquidity ratios i.e. Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**") as well as liquidity risk monitoring tools. In June 2014, the RBI issued guidelines in relation to LCR, liquidity risk monitoring tools and LCR disclosure standards pursuant to the publication of the 'Basel III: the liquidity coverage ratio and liquidity risk monitoring tools' in January 2013 and the 'liquidity coverage ratio disclosure standards' in January 2014 by the Basel Committee on Banking Supervision, which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure a LCR of 60% for the calendar year 2015 with effect from January 1, 2015 and will be expected to transition to a LCR of 100% in January 2019. Further, the RBI issued the guidelines on NFSR on May 17, 2018 with the objective to ensure that

banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The RBI has *vide* circular dated November 29, 2018 decided that the NSFR guidelines shall come into effect from April 1, 2020.

Prudential framework for resolution of stressed assets

The RBI has, pursuant to its circular dated June 7, 2019 established a new regulatory framework for resolution of stressed assets. Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, CDR, flexible structuring of existing long term project loans, SDR, change in ownership outside SDR, and scheme for sustainable structuring of stressed assets have been withdrawn. In addition, the guidelines /framework for joint lenders' forum has also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to within a period of 30 days from the date of such default ("**Review Period**"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% of outstanding facilities and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is required to be implemented within 180 days from the end of the Review Period. Depending on the aggregate exposure (including fund based and non-fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

(i) INR 20 billion and above (approx. USD 280,000,000 and above) – June 7, 2019;

(ii) INR 15 billion and above (approx. USD 210,000,000 and above) but less than INR 20 billion (less than approx. USD 280,000,000) – January 1, 2020; and

(iii) Less than INR 15 billion (approx. USD 280,000,000) – to be announced.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions.

Central Repository of Information on Large Credits

The RBI has vide its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits ("**CRILC**") to collect, store and disseminate data on all borrowers' credit exposures including 'special mention accounts' (SMA 0, 1 & 2) having aggregate fund-based and non-fund based exposure of ₹50 million and above. The CRILC is designed entirely for supervisory purposes and its focus is on the reporting entities' exposure to the borrower (as individual and/or as a group) under various heads, such as bank's exposure to a large borrower; the borrower's current account balance; bank's written-off accounts; and identification of non-co-operative borrowers, among others. Further, the CRILC system started with information on SMA2 (default for 61-90 days) to be submitted on as and when basis i.e., whenever repayment for a large borrower's account becomes overdue for 61 days it is to be reported by the bank immediately.

Further, in terms of RBI circular dated June 7, 2019, all banks are required to report credit information including classification of an account as SMA to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹50 million. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹50 million. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act.

The Recovery of Debts and Bankruptcy Act, 1993 ("RDB Act")

The RDB Act was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding ₹ 10 lakhs or such other amount exceeding ₹ 1 lakh, as may be specified by the Central Government. The RDB Act provides for the constitution of debt recovery tribunals, before which banks and financial institutions may file applications for recovery of debts. Further, no court or other authority, except the Supreme Court or a High Court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter. The tribunals may pass orders for directions including *inter- alia* recovery of such dues by the bank as may be deemed fit along with a recovery certificate to such effect from the presiding officer of the respective tribunal; attachment of the secured properties towards the dues to the bank: appointment of receivers and/or local commissioners with respect to such secured properties and distribution of proceeds from sale of such secured properties towards dues. Pursuant to the recovery certificate being issued, the recovery officer of the respective debt recovery tribunal shall effectuate the final orders of the debt recovery tribunal in the application. Unless such final orders of the debt recovery tribunal have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the debt recovery tribunal before the debt recovery appellate tribunal, which is the appellate authority constituted under the RDB Act.

Loans and advances

The RBI advised the banks to implement the instructions issued via Master Circular on Loans and Advances – Statutory and other Restrictions dated July 1, 2015 ("**Master Circular – Loans and Advances**") and adopt adequate safeguards in order to ensure that the banking activities undertaken by them are run on sound, prudent and profitable lines. Banks are prohibited from entering into any commitment for granting any loans or advances to or on behalf of any of its directors, or any firm in which any of its directors is interested. The bank must take approval of its board of directors/management committee before granting loans above ₹ 25 Lakhs to its directors, his relatives or any company or firm in which such director has substantial interest. While granting loans and advances against shares, statutory provisions contained in Sections 19(2) and 19(3) of the Banking Regulation Act, should be strictly observed.

Advances for purchase of gold and lending against gold bullion/coins/primary gold

Pursuant to the Master Circular – Loans and Advances, it is stated that, with effect from November 19, 2012 no advances would be granted by banks for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of Gold Exchange Traded Funds and units of gold mutual funds. Banks can provide finance for genuine working capital requirements of jewellers. Banks should not grant any advance against bullion/ primary gold. In order to standardize the valuation and make it more transparent to the borrower, gold ornaments and jewellery accepted as security / collateral will have to be valued at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the India Bullion and Jewellers Association Limited. Loans (including bullet repayment loans) sanctioned by banks against pledge of gold ornaments and jewellery for non-agricultural purposes should not exceed 75% of the value of gold ornaments and jewellery.

Priority sector lending

The RBI Master Directions on Priority Sector Lending – Targets and Classification, as amended sets out the broad policy in relation to priority sector lending. In accordance with this circular, the priority sectors for all scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others. Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the aforementioned master direction, the priority sector lending targets will be based on adjusted net bank credit as defined ("**ANBC**") or credit equivalent amount of off-balance sheet exposure, whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. This has to be achieved in a phased manner by 2020 as prescribed in the directions. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. By way of a notification dated September 20, 2019, the RBI has, in relation to export credit, enhanced the sanctioned limit, for classification of export credit under priority sector

lending, from ₹ 250 million per borrower to ₹ 400 million per borrower and removed the existing criteria of 'units having turnover of up to ₹ 1 billion.

Lending to micro, small & medium enterprises sector

The Government of India enacted the Micro, Small & Medium Enterprises Development Act, 2006 to include the services sector in the definition of MSME and extend the scope to the medium enterprises. The RBI has from time to time, issued a number of guidelines / instructions / circulars / directives to banks in the matters relating to lending to MSME Sector. In terms of the Master Direction on Lending to Micro, Small and Medium Enterprises Sector, bank loans to MSME for both manufacturing and service sectors are eligible to be classified under the Priority Sector. Advances to the MSME sector shall be reckoned in computing achievement under the overall Priority Sector target of 40 percent of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. Domestic commercial banks and foreign banks with 20 branches and above are required to achieve a sub-target of 7.5 percent of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, for lending to micro enterprises. However, this sub-target for lending to micro enterprises is not applicable to foreign banks with less than 20 branches operating in India. In terms of the recommendations of the Prime Minister's task force on MSME's banks are advised to achieve: (i) 20% year-on-year growth in credit to micro and small enterprises; (ii) 10% annual growth in the number of micro enterprise accounts; and (iii) 60% of total lending to MSME sector as on corresponding quarter of the previous year to micro enterprises.

Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, the RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure limits for banks in respect of their lending to individual borrowers and to all borrowers belonging to a single group. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against / investments in shares, convertible debentures /bonds, units of equity-oriented mutual funds and all exposures to VCFs.

The RBI pursuant to Master Circular on Exposure Norms dated July 1, 2015 has prescribed exposure ceiling for a single borrower as 15% of capital funds and group exposure limit as 40% of capital funds comprising of Tier I and Tier II capital. Relaxations are permitted in exceptional circumstances, with the approval of their boards or lending to infrastructure sector or lending to oil companies who have been issued oil bonds by GOI. The total exposure (both lending and investment) to a single NBFC, NBFC-AFC and infrastructure finance companies should not exceed 10%, 15% and 15% respectively, of the bank's capital funds as per its last audited balance sheet. The limit may be increased by another 5% provided that the excess exposure is on account of funds on-lent to the infrastructure sector.

Limits to bank's exposure to capital markets

Section 19(2) of the Banking Regulation Act, restricts a banking company from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30 percent of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19 of the Act.

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth, on both standalone and consolidated basis as on March 31 of the previous year. Within this overall ceiling, the bank's direct investment in shares, convertible bonds/debentures, units of equity oriented mutual funds and all exposures to VCFs (both registered and unregistered) should not exceed 20% of its net worth on both standalone and consolidated basis.

Credit supply for large Borrowers

On August 25, 2016, the RBI released guidelines on enhancing credit supply for large borrowers through market mechanism with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per these guidelines, exposure to corporate with large borrowing from banking

system beyond the prescribed limit would attract additional provisions and higher risk weights.

Large exposure framework

On June 3, 2019, the RBI amended the extant December 1, 2016, guidelines on large exposures framework to align the exposure norms for Indian banks with the Basel Committee on Banking Supervision standards. As per the framework, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a 'Large Exposure ("LE")', if it is equal to or above 10 percent of the bank's eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the RBI and Department of Banking Supervision, Central Office, ('DBS, CO'). Further, exposure limits to a single counterparty and group of connected counterparties will be 20 percent (extendable up to additional 5 percent exposure by the board of the banks during exceptional circumstances) and 25 percent of our Tier 1 capital respectively. Exposure limits to single NBFC will be 15 percent of our eligible capital base and group of connected NBFC's or group of connected counterparties having NBFC's will be 25 percent of our Tier 1 capital. However, by way of a circular dated September 12, 2019 the RBI mandated that bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base.

Interest rate on deposits

Interest rate on domestic current account

No interest shall be paid on deposits held in current accounts. However, the balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

Interest rate on domestic saving deposits

Banks shall provide a uniform interest rate on a balance of up to rupees one lakh, on domestic saving deposits, irrespective of the amount in the account within this limit. Banks may further provide differential rates of interest for any end-of-day savings bank balance exceeding rupees one lakh.

Interest rates on domestic term deposits

Interest rates on term deposits shall vary on account of the following reasons: (i) tenor of deposits, as banks have the freedom to determining the tenor of the deposit subject to the minimum tenor of the being of seven days; (ii) size of deposits, as differential interest rate shall be offered by banks on bulk deposits i.e. single rupee deposits of INR 2,00,00,000 and above; and (iii) non-availability of premature withdrawal as banks shall have the freedom to offer term deposits without premature withdrawal.

Prudential norms on income recognition, asset classification and provisioning pertaining to advances ("Prudential Norms")

The RBI, pursuant to its Master Circular on Prudential Norms issued on July 1, 2015, provides the basis for treating various credit facilities as non-performing and the major guidelines are set forth below.

A non performing asset (NPA) is a loan or an advance where:

a) interest and/ or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan;
b) the account remains 'out of order', in respect of an Overdraft/Cash Credit ("**OD/CC**");
c) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
d) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops;
e) the instalment of principal or interest thereon remains overdue for one crop season for long duration crop.

Once the account has been classified as a non-performing asset, the unrealized interest and other income already debited to the account is derecognized and further interest is not recognized or credited to the income account unless collected.

Out-of-order

An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of balance sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'.

The Master Circular on Prudential Norms classifies NPAs into (i) substandard assets; (ii) doubtful assets; and (iii) loss assets. These norms also specify provisioning requirements specific to the classification of the assets.

Provisioning norms

Standard assets

Banks should make general provision for standard assets at the following rates for the funded outstanding on global loan portfolio basis:

a) Farm credit to agricultural activities and SMEs sectors at 0.25%;
b) advances to commercial real estate sector at 1%;
c) advances to commercial real estate – residential housing sector ("**CRE – RH**") at 0.75%;
d) housing loans extended at teaser rates and structured advances at 2 percent;
e) all other loans and advances not included in (a) (b) and (c) above at 0.40%.

Substandard asset

A general provision of 15 percent on total outstanding should be made without making any allowance for ECGC guarantee cover and securities available. The 'unsecured exposures' which are identified as 'substandard' would attract additional provision of 10%, i.e., a total of 25% on the outstanding balance.

Doubtful asset

a) 100 percent of the extent to which the advance is not covered by the realisable value of the security to which the bank has a valid recourse and the realisable value is estimated on a realistic basis.
b) In regard to the secured portion, provision may be made on the following basis, at the rates ranging from 25 percent to 100 percent of the secured portion depending upon the period for which the asset has remained doubtful:

Period for which the advance has remained in 'doubtful' category	**Provisioning requirement (%)**
Upto one year	25
One to three years	40
More than three years	100

Loss assets

Loss assets are to be written off. If loss assets are permitted to remain in the books for any reason, 100 percent of the outstanding is to be provided for.

Additional provision for standard advances

As per RBI circular dated April 18, 2017, RBI has made certain additional stipulations that the banks shall put in place a board approved policy for making provisions for standard assets at rates higher than the regulatory

minimum, based on evaluation of risk and stress in various sectors. The policy put in place shall be reviewed at least on a quarterly basis, on the basis of the performance of various sectors of the economy to which the bank has an exposure to evaluate the present and emerging risks and stress therein. The review may include quantitative and qualitative aspects like debt-equity ratio, interest coverage ratio, profit margins, ratings upgrade to downgrade ratio, sectoral non-performing assets/stressed assets, industry performance and outlook, legal/ regulatory issues faced by the sector, etc. The reviews may also include sector specific parameters.

Disclosure in the "notes to accounts" to the financial statements

The RBI assesses compliance by banks with extant prudential norms on income recognition, asset classification and provisioning as part of its supervisory processes. Banks shall make suitable disclosures, wherever either or both conditions are satisfied :-

a) the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies for the reference period,
b) the additional gross NPAs identified by RBI exceed 15% of the published incremental gross NPAs for the reference period.

Payment and Settlement Systems Act, 2007 ("PSS Act")

The PSS Act was introduced to provide for the regulation and supervision of payment systems by the RBI. The said act authorizes the RBI to permit the setting up and continuance of payment and settlement systems, to set standards, to call for returns and information, to audit and inspect, to issue directions, and to impose penalties and initiate prosecution for violations of the said act.

Issuance and operation of prepaid payment instruments

The RBI has issued the Master Direction on Issuance and Operation of Prepaid Payment Instruments dated October 11, 2017 and amended as on February 25, 2019 to provide a framework for authorisation, regulation and supervision of entities operating payment systems for issuance of Prepaid Payment Instruments ("**PPI**"); to foster competition and encourage innovation in this segment in a prudent manner while taking into account safety and security of transactions as well as systems along with customer protection and convenience and to provide for harmonisation and interoperability of PPIs. This master direction applies to all prepaid payment instrument issuers, system providers and system participants. No entity can set up and operate payment systems for issuance of PPIs without prior approval / authorisation of RBI. All non-bank entities seeking authorisation from RBI under the PSS Act shall have a minimum positive net-worth of INR 5,00,00,000 as per the latest audited balance sheet at the time of submitting the application. The directions also prescribe reporting requirements and exemptions to the use of INR denominated PPIs for cross border transactions which are generally not permitted.

Prevention of Money Laundering Act, 2002 (the "PMLA"), Know Your Customer ("KYC") and Anti Money Laundering ("AML")

PMLA seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, *inter alia*, banking companies in relation to preservation and reporting of customer account information. The RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of section 12 of the PMLA.

The RBI has issued several guidelines, including Master Circular dated July 1, 2015, on KYC and AML *inter alia* containing rules on (i) customer identification procedures and customer acceptance; (ii) monitoring of transactions; and (iii) vigilance at the time of opening accounts for new customers to prevent misuse of the banking system. Banks have been advised to ensure that systems and procedures are in place to control financial frauds, identify money laundering and suspicious activities and monitor high value cash transactions. Such monitoring includes cross border transactions. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and AML.

Legal reserve requirements

*Cash reserve ratio ("**CRR**")*

Each bank is required to maintain CRR on a daily basis which is a specified percentage of their Demand and Time Liabilities ("**DTL**"), by way of a balance in a current account with the RBI. At present the required CRR is 4%. The RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% effective from the fortnight beginning April 16, 2016. The RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day during which the default continues. In case of default in the maintenance of CRR on average basis during the fortnight, penal interest will be recovered as envisaged under Section 42(3) of the RBI Act.

*Statutory liquidity ratio ("**SLR**")*

Each bank is required to maintain a SLR, a specified percentage of DTL by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by the RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the RBI requires banks to maintain SLR of 18.50%, which shall be reduced every quarter by 25 basis points from 18.50% to:

a) 18.25% from January 4, 2020;
b) 18.00% from April 11, 2020.

Regulations relating to Authorised Dealers ("ADs") for foreign exchange and cross-border business transactions

The foreign exchange and cross border transactions undertaken by banks, both on its own account and also on behalf of customers, are subject to the provisions of the FEMA and rules/ regulations/ directions and notifications issued thereunder. The bank should monitor all non-resident accounts and cross border transactions to prevent money laundering. RBI may impose penalty for contravention of Foreign Exchange Management Act and regulations/ notifications issued there under, or for contravention of any condition subject to which an authorisation is issued by the RBI.

Downstream investment by banks

In accordance with the consolidated FDI Policy effective from August 28, 2017, downstream investments made by a banking company, as defined in section 5(c) of the Banking Regulation Act, incorporated in India, which is owned or controlled by non-residents/non-resident entity, under corporate debt restructuring, or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment. However, their strategic downstream investment shall count towards indirect foreign investment. For this purpose, strategic downstream investments would mean investment by these banking companies in their subsidiaries, joint ventures and associates.

Regulation of financial services provided by banks

The Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended on September 25, 2017 require banks to comply with certain restrictions while undertaking financial services including in relation to risk mitigation measures, limits on investment that can be made by banks in companies undertaking financial services. The directions also provide for specific regulations for certain financial services such as, *inter alia*, setting of an infrastructure debt fund, underwriting activities, mutual fund business and insurance business.

Guidelines on management of intra-group transactions and exposures

The RBI issued the guidelines on management of intra-group transactions and exposures on February 11, 2014. Pursuant to the said guidelines, RBI has prescribed quantitative limits on financial intra-group transactions and

exposures and prudential measures for the non-financial intra-group transactions and exposures. These guidelines also require that all intra- group transactions to be at "arms-length". The aggregate group exposure to all group entities (financial and non-financial) shall not exceed 20% of a bank's paid up capital and reserves and 10% of the paid-up capital and reserves incase of all non-financial companies and unregulated financial services companies taken together.

Capital and provisioning requirements for exposures to entities within unhedged foreign currency exposure

RBI issued a circular relating to capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure on January 15, 2014. Pursuant to these guidelines, RBI has introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures. The circular also lays down the method of calculating the incremental provisioning and capital requirements. The banks will be required to calculate the incremental provisioning and capital requirements at least on a quarterly basis. This framework became fully effective from April 1, 2014.

Revised Prompt Corrective Action ("PCA") framework for banks

The RBI vide its circular dated April 13, 2017 has reviewed and revised the PCA framework for banks, which is effective from April 1, 2017. The revised PCA framework sets out certain 'risk thresholds', the breach of which would mandate the relevant bank to implement certain mandatory and discretionary actions. The 'risk thresholds' take into consideration the capital adequacy ratio, net non-performing advances ratio, return on assets and the leverage ratio of the relevant bank.

The Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme, 2006, as amended on July 1, 2017, provides the extent and scope of the authority and functions of the banking ombudsman for redressal of grievances against deficiency in banking services, concerning loans and advances and other specified matters to provide for revised procedures for redressal of grievances by a complainant under the scheme and to broaden the scope of complaints addressed by the banking ombudsman.

Declaration of dividend by banks

The payment of dividends by banks is subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company shall pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organisation expenses, share-selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, the RBI has in terms of Section 17 of the Banking Regulation Act and *vide* circular dated September 20, 2006 required the banks to create a reserve fund to which it must transfer not less than 25% of the balance of profit as disclosed in the profit and loss account. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation.

Further, in May 2005, the RBI issued guidelines on declaration of dividends by banks, which prescribed certain conditions for declaration of dividends by banks. Only banks which comply with the minimum prudential requirements as prescribed by the guidelines would be eligible to declare dividends.

Consolidated supervision guidelines

In 2003, the RBI issued guidelines for consolidated accounting and consolidated supervision for banks. Under the guidelines, banks are required to prepare consolidated financial statements, submit consolidated prudential returns among other things.

Classification and reporting of fraud cases

The RBI issued a Master Directions on Frauds – Classification and Reporting by commercial banks and select financial institutions on July 1, 2016. The said circular classifies fraud cases into misappropriation and criminal breach of trust, fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property, unauthorised credit facilities extended for reward or for illegal gratification, negligence and cash shortages, cheating and forgery, fraudulent transactions involving in foreign exchange and any other type of fraud not coming under the specific heads as above. The banks are required to submit a quarterly report on outstanding frauds in the prescribed format. Further, banks should furnish case wise quarterly reports on frauds involving one lakh and above.

Marginal cost of funds based lending rate ("MCLR")

Pursuant to the notification issued by RBI dated December 17, 2015, all rupee loans sanctioned and credit limits renewed with effect from April 1, 2016 are to be priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprises of: (a) marginal cost of funds; (b) negative carry on account of CRR; (c) operating costs; and (d) tenor premium.

In terms of the notification, the board of directors of the banks are required to adopt a policy delineating the components of spread charged to a customer. Actual lending rates are to be determined by adding the components of spread to the MCLR. Further, no lending below the MCLR, on floating rate advances, of a particular maturity for all loans linked to that benchmark is permitted. The aforementioned notification provides exemption to certain loans from being linked to MCLR as the benchmark for determining interest rate. Further, the aforementioned notification also provides for review of MCLR, reset of interest rates, treatment of interest rates linked to base rate charged to existing borrowers and mandates all the banks to move to the MCLR based pricing from April 1, 2016.

External benchmark based lending

The RBI *vide* circular dated September 04, 2019 mandated that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks shall be linked, with effect from October 01, 2019, to external benchmarks.

In furtherance of the same, the said new floating rate shall be benchmarked to one of the following: (1) RBI's policy on repo rate; (2) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd ("**FBIL**"); (3) Government of India 6-Months Treasury Bill yield published by the FBIL; and (4) Any other benchmark market interest rate published by the FBIL.

The adoption of multiple benchmarks by the same bank is not allowed within a loan category.

Banks are free to decide the spread over the external benchmark, subject to the conditions, specified in the aforesaid circular. The interest rate under external benchmark shall be reset at least once in three months.

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended, as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (the "SARFAESI Act")

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. The secured creditors must serve a 60 days notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of 60 day notice period, can:

(i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the DRT or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as the DRT.

The SARFAESI Act also provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The financial assets can be sold to asset reconstruction companies in accordance with the extant guidelines and prudential norms issues by the RBI.

Currency chest

In order to facilitate the distribution of banknotes and rupee coins, the RBI has authorized select branches of scheduled commercial banks to establish currency chests to meet the requirements of the public. These are storehouses where banknotes and rupee coins are stocked on behalf of the RBI. Construction of the currency chests is required to strictly conform to the technical specifications under the RBI circular dated November 14, 2008 and minimum standards prescribed by RBI circular dated April 8, 2019.

Submission of credit information

According to the Credit Information Companies (Regulation) Act, 2005 ("**CICRA**"), a "credit institution" means a banking company and every credit institution shall become a member of at least one Credit Information Company ("**CIC**"). A CIC, may, by notice in writing, require its members to furnish such credit information as it may deem necessary. Further, RBI, through its notification dated January 15, 2015, has directed that, all credit institutions shall become members of all CICs and submit data, including historical data, to them and credit institutions shall keep the credit information collected/maintained by them, updated regularly on a monthly basis or at such shorter intervals as may be mutually agreed upon between the credit institution and the CIC under the CICRA.

Indian accounting standards ("Ind AS")

The MCA has notified the Companies (Indian Accounting Standards) Rules, 2015. On January 18, 2016, MCA outlined the roadmap for implementation of Ind AS for banks, non-banking financial companies, select all India term lending and refinancing institutions and insurance entities. Pursuant to this, RBI has issued guidelines on February 11, 2016 on implementation of Ind AS). Pursuant to a notification dated March 22, 2019, the RBI has decided to defer the implementation of Ind AS for scheduled commercial bank till further notice.

Other laws

In addition to the above, our Bank is also required to comply with the provisions of the Companies Act and rules framed thereunder, IBC and rules framed thereunder and other applicable statutes imposed by the Central or the State Government and other authorities for our day-to-day business and operations. Our Bank is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Bank

Our Bank was incorporated on November 26, 1920 under the Indian Companies Act, 1913 as 'The Catholic Syrian Bank Limited'. A fresh certificate of incorporation under the Companies Act, 1956 was issued by the RoC on April 14, 1987. The Shareholders of our Bank approved the change of name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited' through a postal ballot resolution dated May 4, 2019, and RBI, through its letter bearing reference number DBR.PSBD.No.8231/16.01.060/2018-19 dated April 1, 2019, conveyed its 'no objection' in terms of Section 49B of the Banking Regulation Act to change of name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. Subsequently, a fresh certificate of incorporation under the Companies Act, 2013 was issued by the RoC on June 10, 2019 and a fresh license bearing no. MUM-147 dated June 28, 2019 was issued by the RBI under our new name to carry on the banking business in India, in lieu of our previous license dated June 19, 1969, consequent to the change of name of our Bank. The name of our Bank was changed to 'CSB Bank Limited' from "The Catholic Syrian Bank Limited" in the second schedule of the RBI Act, with effect from June 10, 2019.

In 1964 and 1965, our Bank took over the assets and liabilities of six small and medium sized banks located in Kerala, namely, Ollur Bank Limited, Puthenpeedika Bank Limited, Kottapadi Bank Private Limited, Oriental Christian Bank Limited, Indian Insurance & Banking Corporation Limited, and Mar Appraem Bank Limited. In August 1969, our Bank was included in the second schedule to the RBI Act. Additionally, in 1975, our Bank attained the status of 'A' class scheduled bank.

The registered office of our Bank is located at 'CSB Bhavan', Post Box No. 502, St. Mary's College Road, Thrissur 680 020, Kerala, India.

Changes in our Registered Office

Effective date of change	Details of Change	Reason(s) for change
January 30, 1978	The registered office of our Bank was changed from Round South, Thrissur to 'CSB Bhavan', Post Box No. 502, St. Mary's College Road, Thrissur 680 020, Kerala, India*	Operational convenience

**Pursuant to Board resolution dated November 15, 2006, the name of our registered office building was changed from 'College View' to 'CSB Bhavan' with effect from November 26, 2006.*

Main objects of our Bank

The main objects contained in the Memorandum of Association of our Bank are as mentioned below:

Clause 3	Particulars
a)	To establish and carry on the business of banking at the registered or head office of the company at Thrissur and at such other branches, offices, departments, agencies at such places in India or abroad as may, from time to time, be determined by the directors.
b)	To carry on the business of receiving or accepting deposits of money as current, fixed, savings deposits, provident deposits or otherwise, withdrawable by cheque, draft or order or in any other permissible manner, and to carry on the business of a bank as referred to herein at its offices, branches and departments.
c)	To borrow, raise or accept money; to lend or advance money either upon or without security or in any other way; to draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not and to advance money on the security of them; to negotiate and issue loans and advances; to grant and issue letters of credit, traveller's cheques and circular notes; to buy, sell and deal in silver and gold in bullion and specie, coins or otherwise in any form, foreign exchange including foreign bank notes; to subscribe, acquire, hold, issue on commission, underwrite and deal in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; to purchase and sell bonds, scrips or other forms of securities for and on behalf of constituents or others; to receive all kinds of bonds, scrips, documents and other valuables as deposit or for safe custody or otherwise, and to provide for safe deposit vaults; to convert the movable and immovable properties of the constituents and others into money, collect and pay them;

Clause 3	Particulars
	and to collect and transmit money, securities and instruments.
d)	To act as agents for any Government or local authority or any other person or persons; and to transact all kinds of agency business which are ordinarily transacted by banks on behalf of customers and others, and to act as attorneys and to give discharges and receipts.
e)	To effect, insure, guarantee, underwrite, and participate in managing and carrying out of any issue, public or private, of State, municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and to lend money for the purpose of any such issue.
f)	To carry on and transact every kind of guarantee and indemnity business.
g)	To promote or finance or assist in promoting or financing any business, undertaking or industry, either existing or new, and to develop or form the same under the constitution of company or otherwise, either through the instrumentality of syndicates or otherwise, as may be permissible under the provisions of the Banking Regulation Act, 1949 as amended or modified from time to time or under other regulatory guidelines.
h)	To undertake, create and execute trusts; and to undertake the administration of estates as executor, trustee, administrator or otherwise.
i)	To establish and support or to aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; to grant pensions and allowances and to make payments towards insurance; to subscribe to or guarantee moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
j)	To deposit money with other banks by way of current deposits, fixed deposits and otherwise with or without interest, to accept bills of exchange, hundies and other negotiable instruments and to endorse the same to bankers and to do all such banking business as are generally done by bankers with bankers and others.
k)	To incur expenses of a sum not exceeding ten percent of the net profits of the company for all such matters which in the opinion of the company are for the benefit of the banking business, for the safety of the bankers and for the convenience of the members and for carrying out of the same.
l)	To purchase, to take on kanom, lease or rent or acquire by other means any immovable property or any rights therein as the company may think necessary or convenient, with reference to any of the objects and to construct buildings or any other works necessary for the company.
m)	To hold or purchase shares, stocks, debentures or other rights of such a company whose objects are similar to those of all or some of this company or whose business can be profitably conducted by this company and accept ownership thereof and to purchase the business of any similar company with all or some of the assets and liabilities and amalgamate the same with the business of this company or to manage the same on special contract or as mortgagee or in any other manner.
n)	To start one or more companies with a view to purchase the properties, assets and liabilities of this company as a whole or by part for any other matter which the company thinks will be for its benefit and to reconstruct any other company having transaction with this company and amalgamate with it and to work as promoters, receivers & liquidators for such purposes.
o)	To promote, set-up, establish, incorporate, register or otherwise bring into existence subsidiary or associate companies, firms, trusts or any other form of organisation either singly or in association with other Banks/Financial Institutions for the purpose of undertaking and carrying on merchant banking activities, leasing and hire purchase businesses, housing including housing finance, factoring and forfaiting services as may be permitted by the Reserve Bank of India.
p)	To promote, set-up, establish, incorporate, register or otherwise bring into existence subsidiary or associate companies, joint ventures, either singly or in association with other banks/institutions/ companies/Agencies, as provided under the Banking Regulation Act, 1949 and other relevant enactments, for the purpose of undertaking and carrying on the activities of procurement, development, installation, provision, offering and marketing of Information Technology enabled Banking and Financial products, solutions and services as may be permissible for such subsidiary/ associate companies, joint ventures to engage in and carry on as per the Banking Regulation Act, 1949 or as may be permitted by Reserve Bank of India, and/or to undertake and carry on such activities in-house by the Bank.
q)	To promote, set-up, establish and administer mutual funds of all types as may be permitted by the Reserve Bank of India, either singly or in association with other Banks/ financial institutions and/or to promote, set-up, establish, incorporate, register or otherwise bring into existence wholly owned or partly owned subsidiary companies, firms, trusts or any other form of organisation for the purpose of undertaking and carrying on such mutual fund businesses.
r)	To promote, set up, establish, incorporate, register or otherwise bring into existence subsidiary or associate companies, firms, trusts or any other form of organization either singly or in association with other Banks/Financial Institutions for the purpose of carrying on any other activities/business not specifically provided in the preceding sub clauses, including lending or financial operations of any form or nature as may be permissible for any Banking Company to undertake / carry on as per Section 6 of the Banking Regulation Act, 1949 as may be

Clause 3	Particulars
	amended / modified, or such other activities / businesses as may be permitted by the Reserve Bank of India, from time to time.
s)	To engage in and carry on any activity of Merchant Banking as may be permissible including inter alia the business of issue management by making arrangements regarding selling, buying, subscribing to securities and/or acting as adviser, consultant, manager, underwriter, portfolio manager and also to engage in venture capital business, acquisitions, mergers and amalgamations and all related merchant banking activities including loan syndication, or rendering corporate advisory service in relation to any of such activities.
t)	To undertake and carry on Credit Card business and/or business of any identical or similar nature either singly or in association with other Banks/Financial Institutions.
u)	To create, issue and allot Innovative Capital Instruments/Perpetual Debt Instruments, hybrid debt capital instruments/subordinated debt instruments of long term maturity, whether unsecured or secured by all or some of the assets and properties of the Company, and to provide for their liquidation, redemption, substitution, cancellation or renewal by appropriation from profits, transfer from Reserves and/or out of the proceeds of a fresh issue of securities/instruments.
v)	To issue debentures and debenture stock on the security of all or some of the company's properties and to make profit by doing all kinds of insurance business by engaging in agriculture, trade, industry and others by starting or causing others to engage in them and conducting kuries and doing all such things as the company deems fit.
w)	To sell, realize, improve, manage, develop, let on lease, mortgage or otherwise deal with all or any of the properties and rights of the company including those properties, rights and securities which may have come into the possession of the company in satisfaction or part satisfaction of any of its claims, debts or dues; and to acquire and hold and generally deal with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security.
x)	To open, establish, maintain and operate currency chests and small coin depots on such terms and conditions as may be required by the Reserve Bank of India established under the Reserve Bank of India Act, 1934 and enter into all administrative or other arrangements for undertaking such functions with the Reserve Bank of India.
y)	To do all such other things as are incidental or conducive to the promotion or advancement of the business of the company; to undertake and carry on any other form of business which the Central Government may, by notification in the Official Gazette, specify as a form of business in which it is lawful for a banking company to engage.
z)	To engage in and carry on the business of equipment leasing, hire purchase financing, factoring services or other para-banking or other activities, operations, dealings or businesses as may be permitted by the Reserve Bank of India.
aa)	To undertake, engage in and carry on any insurance business without any risk participation by or contingent liability for the Bank EITHER by acting as agent of insurance company/companies on fee basis for distribution of insurance products or by investing in the equity of insurance company/ companies for providing infrastructure and services support OR by equity participation in one or more insurance joint venture with or without risk participation, OR in any other manner as may be permitted by the Reserve Bank of India.

Amendments to our Memorandum of Association in the last 10 years

Our Memorandum of Association has been amended in the last 10 years preceding the date of this Prospectus, pursuant to changes in the authorised share capital of our Bank. For details of these changes, see "*Capital Structure - Details of changes to our Bank's authorized share capital in the last 10 years*" on page 75. In addition to the aforesaid changes, the following changes have been made to our Memorandum of Association in the last 10 years preceding the date of this Prospectus:

Date of Shareholders' resolution	Particulars
September 29, 2011	The following object was added to the objects clauses of our MoA: *"To promote, set up, establish, incorporate, register or otherwise bring into existence subsidiary or associate companies, firms, trusts or any other form of organization either singly or in association with other Banks/Financial Institutions for the purpose of carrying on any other activities/business not specifically provided in the preceding sub clauses, including lending or financial operations of any form or nature as may be permissible for any Banking Company to undertake/carry on as per Section 6 of the Banking Regulation Act, 1949 as may be amended/modified, or such other activities/ business as may be permitted by the Reserve Bank of India, from time to time*."

Date of Shareholders' resolution	Particulars
September 28, 2012	The following objects were added to the objects clauses of our MoA, substituting existing clauses 3(a), (b), (c), (q) and (s): "*To establish and carry on the business of banking at the registered or head office of the company at Thrissur and at such other branches, offices, departments, agencies at such places in India or abroad as may, from time to time, be determined by the directors.*" "*To carry on the business of receiving or accepting deposits of money as current, fixed, savings deposits, provident deposits or otherwise, withdrawable by cheque, draft or order or in any other permissible manner, and to carry on the business of a bank as referred to herein at its offices, branches and departments."* "*To borrow, raise or accept money; to lend or advance money either upon or without security or in any other way; to draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not and to advance money on the security of them; to negotiate and issue loans and advances; to grant and issue letters of credit, traveller's cheques and circular notes; to buy, sell and deal in silver and gold in bullion and specie, coins or otherwise in any form, foreign exchange including foreign bank notes; to subscribe, acquire, hold, issue on commission, underwrite and deal in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; to purchase and sell bonds, scrips or other forms of securities for and on behalf of constituents or others; to receive all kinds of bonds, scrips, documents and other valuables as deposit or for safe custody or otherwise, and to provide for safe deposit vaults; to convert the movable and immovable properties of the constituents and others into money, collect and pay them; and to collect and transmit money, securities and instruments."* "*To sell, realize, improve, manage, develop, let on lease, mortgage or otherwise deal with all or any of the properties and rights of the company including those properties, rights and securities which may have come into the possession of the company in satisfaction or part satisfaction of any of its claims, debts or dues; and to acquire and hold and generally deal with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security.*" "*To do all such other things as are incidental or conducive to the promotion or advancement of the business of the company; to undertake and carry on any other form of business which the Central Government may, by notification in the Official Gazette, specify as a form of business in which it is lawful for a banking company to engage.*" The following objects were added to the objects clauses of our MoA: "*To act as agents for any Government or local authority or any other person or persons; and to transact all kinds of agency business which are ordinarily transacted by banks on behalf of customers and others, and to act as attorneys and to give discharges and receipts*." "*To effect, insure, guarantee, underwrite, and participate in managing and carrying out of any issue, public or private, of State, municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and to lend money for the purpose of any such issue*." "*To carry on and transact every kind of guarantee and indemnity business*." "*To promote or finance or assist in promoting or financing any business, undertaking or industry, either existing or new, and to develop or form the same under the constitution of company or otherwise, either through the instrumentality of syndicates or otherwise, as may be permissible under the provisions of the Banking Regulation Act, 1949 as amended or modified from time to time or under other regulatory guidelines*." "*To undertake, create and execute trusts; and to undertake the administration of estates as executor, trustee, administrator or otherwise*." "*To establish and support or to aid in the establishment and support of associations, institutions, funds, trusts*

Date of Shareholders' resolution	Particulars
	and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; to grant pensions and allowances and to make payments towards insurance; to subscribe to or guarantee moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object."

Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Bank:

Calendar year	Major events and milestones
1920	Incorporation of our Bank.
1945	Our Bank celebrated its silver jubilee.
1964-65	Our Bank took over the assets and liabilities of six small and medium sized banks located in Kerala.
1969	Our Bank was included in the second schedule to the RBI Act.
1970	Our Bank celebrated its golden jubilee.
1972	Opened our first branch in the state of Maharashtra in Mumbai.
1973	Opened our first branch in the state of Karnataka in Bengaluru.
1975	Received license to deal in foreign exchange and mechanized reconciliation of inter-branch transactions.
1978	Set up a staff training college.
1980	Our Bank celebrated its diamond jubilee.
1995	Our Bank celebrated its platinum jubilee.
2003	Changed the logo and colour scheme to create a new image of our Bank.
2004	Total business (advances plus deposits) crossed ₹ 50,000 million.
2007	An aggregate investment of ₹ 332.97 million was made by AIF Capital Development Limited, GPE III Mauritius Direct Investment Limited and Siguler Gruff BRIC Mauritius in our Bank.
2009	Total business (advances plus deposits) crossed ₹ 100,000 million.
2013	Total business (advances plus deposits) crossed ₹ 200,000 million.
	Entered into an agreement with Edelweiss Tokio Life Insurance Company Limited to distribute life insurance products.
2015	Obtained approval of the FIPB for increasing the FDI limit in our Bank to 74% of the paid up share capital of our Bank.
	Public launch of mobile banking.
2016	Entered into an agreement with HDFC Standard Life Insurance Company Limited to distribute life insurance products.
	Entered into an agreement with Reliance General Insurance Company Limited to distribute insurance products.
	Entered into an agreement with ICICI Prudential Life Insurance Company Limited to distribute life insurance products.
	Entered into an agreement with ICICI Lombard General Insurance Company Limited to distribute general insurance products.
2018	RBI accorded its approval to FIHM to acquire 51% of the post issue paid up share capital of our Bank.
2019	Established our Bank's two wheeler loan business.
	Our Bank changed its name, logo and color scheme.

Key awards, accreditations or recognitions

The table below sets forth some of the awards, accreditation or recognitions received by our Bank:

Calendar year	Major events and milestones
2002	Our Bank was rated as the most profitable bank in India in Fiscal 2001.

Our holding company

As on the date of this Prospectus, our Bank does not have a holding company.

Our subsidiaries and joint ventures

As on the date of this Prospectus, our Bank does not have any subsidiaries or joint ventures.

Time and cost overrun in setting up projects by our Bank

Our Bank has not implemented any projects, and has, therefore, not experienced any time or cost overruns in relation thereto.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Bank has not defaulted on repayment of any loan availed from any banks or financial institutions. Further, the tenure of repayment of any loan availed by our Bank from banks or financial institutions has not been rescheduled or restructured.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets in the last 10 years

Our Bank has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking in the last 10 years preceding the date of this Prospectus.

Except as stated below, our Bank has not undertaken revaluation of any assets in the last 10 years preceding the date of this Prospectus:

Revaluation in Fiscal 2013

In order to represent the true value of immovable assets owned by our Bank, we undertook revaluation of land and buildings, as on June 30, 2012. The total value of land and buildings revalued as per the valuation was ₹ 1,314.60 million as against their book value of ₹ 422.80 million as on June 30, 2012 prior to such revaluation and the resultant appreciation of ₹ 891.80 million was credited to the revaluation reserve of our Bank.

Revaluation in Fiscal 2016

The land and buildings owned by our Bank were revalued as on March 31, 2016 at ₹ 1,691.30 million as against their book value of ₹ 1,260.70 million as on March 31, 2016 prior to such revaluation and the resultant appreciation of ₹ 430.70 million was credited to the revaluation reserve of our Bank.

Revaluation in Fiscal 2017

The land and buildings owned by our Bank were revalued as on March 31, 2016 and it was found that there was no deterioration in the value of the land and buildings as on March 31, 2017, from the value arrived at on March 31, 2016.

Revaluation in Fiscal 2019

The land and buildings owned by our Bank were revalued as on March 31, 2019 and it was found that there was no deterioration in the value of the land and buildings as on March 31, 2019, from the value arrived at on March 31, 2016.

Financial and/or Strategic Partners

Our Bank does not have any financial and / or strategic partners as of the date of this Prospectus.

Details of shareholders' agreements

Except as disclosed below, our Bank does not have any our subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Bank:

Investment Agreement dated February 20, 2018 entered into between our Bank and FIHM, as superseded and replaced by Amended and Restated Investment Agreement dated October 15, 2018 ("Investment Agreement") read with the letter agreement dated August 7, 2019 entered into between our Bank and FIHM ("Warrant Letter").

Pursuant to the Investment Agreement, FIHM agreed to subscribe to 66,463,329 warrants at a price of ₹ 140 per warrant (convertible and exchangeable for an equal number of Equity Shares) ("**Warrants**"), and 19,832,130 Equity Shares at a price of ₹ 140 per Equity Share ("**Subscription Shares**") for amounts of ₹ 9,304,866,060 ("**Warrant Consideration**") and ₹ 2,776,498,200 ("**Share Consideration**"), respectively.

The Warrant Consideration and the Share Consideration was payable by FIHM to our Bank in the following manner:

i. 40% of the Warrant Consideration (aggregating to ₹ 3,721,946,424) was payable at a date notified by FIHM to our Bank, such date being no more than 10 business days from the date of issuance of the acceptance notice by FIHM, certifying satisfaction and / or waiver of the conditions precedent as set out thereunder ("**Completion Date**") and 60% of the Warrant Consideration (aggregating to ₹ 5,582,919,636) was payable after the Completion Date in calls.

ii. An amount of ₹ 35 per Equity Share (aggregating to ₹ 694,124,550) was payable on the Completion Date and the balance amount of ₹ 105 per Equity Share (aggregating to ₹ 2,082,373,650) was payable after the Completion Date in calls.

The Subscription Shares and Warrants upon conversion into Equity Shares, constitute 50.09% of the share capital of our Bank on a fully diluted basis (entitling FIHM to 26% voting rights in our Bank, in accordance with the Banking Regulation Act and notifications issued by the RBI).

The allotment of partially paid up Subscription Shares and partially paid up Warrants was completed on October 19, 2018. The Subscription Shares were made fully paid up on July 5, 2019. Further, the Warrants (other than the Cancelled Warrants) were converted into Equity Shares on August 7, 2019. Please see "*Capital Structure - Share capital history of our Bank from the financial year ended December 31, 1982 till date*" beginning on page 76.

Further, subject to the terms of the Investment Agreement, FIHM is entitled to the following rights:

Board composition: FIHM has the right to nominate two non-executive directors on the Board ("**Investor Directors**"). The right to appoint Investor Directors is subject to FIHM holding at least 15% of the Equity Share capital of our Bank on a fully diluted basis.

Reporting requirements: Ongoing annual and quarterly reporting requirements relating to financial statements (in accordance with IFRS), certifications from CEO and CFO relating to internal controls, business performance reports and any other financial information as required to be disclosed to Fairfax India Holdings Corporation ("**FIHC**") for regulatory filings by FIHC and / or any of its affiliates under Canadian securities laws or as may be deemed necessary by FIHC or FIHM.

Anti-dilution: Our Bank cannot issue any Equity Shares or any other securities exchangeable into Equity Shares to any person, unless our Bank has offered FIHM the right to subscribe to such number of Equity Shares or securities, which would result in maintaining the shareholding of FIHM, on a fully diluted basis, at the same percentage as it would be prior to any such issuance, until the expiry of the earlier of (i) expiry of five years from the Completion Date, or (ii) the date on which any lock-in or non-disposal requirements imposed by the RBI on FIHM fall away or cease to have effect.

Quorum: The quorum for Board meetings requires the presence of at least one Investor Director, except where such presence is prohibited under applicable law due to conflict of interest; or in case of adjourned meetings due to want of quorum, where the Investor Director is not present and other Directors suffice for the purposes of constituting a quorum, in accordance with the Companies Act, 2013.

Committees: Subject to FIHM holding at least 15% of the Equity Share capital on a fully diluted basis, (i) it is entitled to nominate at least one Investor Director on each committee of the Board, including the Nomination and Remuneration Committee and quorum requirements as stated above shall apply *mutatis mutandis* to meetings of all such committees, (ii) all matters relating to appointment, termination or replacement of Directors, KMPs, officers or senior executives, or any alteration in their terms of appointment or engagement ("**NRC Matters**"), require the approval of majority of the Nomination and Remuneration Committee, including an approval from the Investor Director, and (iii) any matter which constitutes a NRC matter, may only be tabled before the Board for consideration, if such matter has been tabled before the Nomination and Remuneration Committee and has been approved in the manner stated above.

Further, in order to facilitate the Offer in accordance with applicable laws, FIHM has issued certain waivers relating to anti-dilution rights for issuance under the Offer and for allotment of Equity Shares pursuant to exercise of employee stock options granted under the 2013 ESOS Scheme and for allotment of Equity Shares to the CSB ESOS Trust in terms of the 2019 ESOS Scheme in respect of the Investment Agreement for the purpose of the Offer in the waiver letter dated July 30, 2019 read with extension of the waiver letter dated September 27, 2019 (collectively, the "**Waiver Letter**"). The Waiver Letter for the waiver of the anti-dilution rights for issuance under the Offer is effective from the date of execution until (i) the date of listing of the Equity Shares of our Bank pursuant to the Offer; or (ii) January 31, 2020, whichever is earlier, and the waivers contained therein shall stand automatically withdrawn after such date, unless mutually extended by the parties.

Further, the subscription by FIHM for the Subscription Shares and Warrants (together referred to as the "**Subscription Securities**") and the issuance and allotment of the Subscription Securities by our Bank to FIHM, was subject to the receipt of all requisite regulatory approvals, including the approval of the DFS. Pursuant to the application made by our Bank to DFS, our Bank received the approval of the DFS on October 9, 2018 for the investment by FIHM in our Bank ("**DFS Approval**") which specified that the limit for investment by FIHM in our Bank is at ₹ 1,208 crores instead of ₹ 1,208.14 crores. As a result of this typographical error in the DFS Approval, our Bank submitted an application dated April 18, 2019 to the DFS. The approval from the DFS in response to this rectification application was received on August 14, 2019.

The consideration payable by FIHM to our Bank pursuant to the final call issued by our Bank for payment of the balance amount of the Warrant Consideration, being the remaining 30% of the consideration payable on the Warrants aggregates to ₹ 2,791,459,818 ("**Final Aggregate Warrant Consideration**"). In light of the aforesaid, and given the conditions of the DFS Approval, pursuant to the Warrant Letter, FIHM has agreed to restrict its total equity inflow in our Bank to an amount of ₹ 1,208 crores and accordingly the Final Aggregate Warrant Consideration would be reduced by an amount of ₹ 1,364,286 ("**Excess Amount**"). Such Excess Amount would accordingly be reduced from the Final Aggregate Warrant Consideration which would result in balance payment of 30% of the consideration payable pursuant to the final call not having been paid up on 32,483 Warrants ("**Cancelled Warrants**"). Accordingly, given that the final call amount on the Cancelled Warrants would not have been paid up given the considerations set out above, the Cancelled Warrants stand cancelled and any part of the Excess Amount, if already remitted by FIHM to our Bank, shall be refunded and remitted by our Bank to FIHM. Further, the RBI, has through an email on November 11, 2019 sought certain clarifications from our Bank with respect to the allotment of the warrants and the amount received by our Bank pursuant to such allotment, as well as the filing of form FCGPR with respect to the investment by our Promoter in our Bank. For further details, please see "Risk Factors- *We have issued Equity Shares during the last one year from the date of filing of this Prospectus at a price that may be lower than the Offer Price*" on page 47.

Other agreements

Our Bank has not entered into any other subsisting material agreement, other than in the ordinary course of business. Further, neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Bank have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other

third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Bank.

OUR MANAGEMENT

The composition of our Board is governed by the provisions of the Companies Act, 2013, the Banking Regulation Act and our Articles of Association. In terms of our Articles of Association, our Bank is required to have not less than three and not more than seven directors excluding the directors appointed by RBI pursuant to Section 36AB of the Banking Regulation Act.

Further, the Banking Regulation Act requires that at least 51% of Directors have specialized knowledge or practical experience in one or more of the following areas: accountancy, agriculture and rural economy, banking, cooperation, economics, finance, law, small-scale industry and any other matter as RBI may specify. Out of the aforesaid number of Directors, not less than two Directors are required to have specialized knowledge or practical experience in agriculture and rural economy, cooperation or small-scale industry. Further, in accordance with the Banking Regulation Act, not less than 51% of the directors, shall be the persons who do not have substantial interest in, or be connected with, whether as an employee, manager or managing agent, of any company (not being a company registered under Section 8 of the Companies Act, 2013) or firm which carries on any trade, commerce or industry which is not a small scale industrial concern, or be proprietors of any trading, commercial or industrial concern which is not a small scale industrial concern. Further, under the Banking Regulation Act, the appointment or reappointment of a part-time chairman and the managing director and chief executive officer requires the prior approval of RBI. RBI has also prescribed "fit and proper" criteria to be considered when appointing directors of banks, with our Directors being required to make declarations confirming their on-going compliance with such criteria and our Bank being required to check this compliance on an annual basis.

As on date of this Prospectus, our Board comprises of seven Directors of which one is an Executive Director, two are Non – executive Directors (including Part – time Chairman) and four Independent Directors (including one woman Director). Our Bank is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth details of our Board as on the date of this Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
Mr. Madhavan Karunakaran Menon *Designation*: Part – time Chairman and Non–executive Director *Date of Birth*: February 12, 1955 *Address*: Flat No.702, Supreme Pearl, 17th Road, Khar (West), Mumbai 400 052 *Occupation*: Service *Current term*: As Part-time Chairman: For a period of one year with effect from April 22, 2019. As Non – executive Director: Liable to retire by rotation *Period of Directorship:* Since September 3, 2018 *Nationality:* Indian *DIN*: 00008542	64	**Indian Companies:** Private Companies: 1. Cedar Management Consulting Private Limited; 2. TCI – GO Vacation India Private Limited; And 3. SOTC Travel Management Private Limited. Public Companies: 1. SOTC Travel Limited; 2. Sterling Holiday Resorts Limited; and 3. Thomas Cook (India) Limited. **Foreign Companies:** 1. Asian Trails Holding Ltd.; 2. Australian Tours Management Pty. Ltd. 3. Horizon Travels Services LLC; 4. Luxe Asia (Private) Limited;

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
		5. Kuoni Australia Holding Pty. Ltd.; 6. Kuoni Private Safaris (Pty.) Ltd.; 7. Private Safaris (E.A.) Ltd., Kenya; 8. SITA World Travel Lanka (Private) Limited.; 9. Thomas Cook (Mauritius) Holding Co. Ltd.; 10. Thomas Cook Lanka (Private) Limited; 11. Travel Circle International Limited; and 12. Thomas Cook (Mauritius) Operations Co. Ltd.
Mr. Rajendran Chinna Veerappan *Designation*: Managing Director and Chief Executive Officer *Date of Birth*: April 8, 1955 *Address*: Flat No 1053, 5th floor, Sobha Topas, Sobha City, Puzhakkal, Thrissur 680 553 *Occupation*: Bank executive *Current term*: For a period of three years with effect from December 9, 2016*. *Period of Directorship*: Since November 24, 2016 *Nationality:* Indian *DIN*: 00460061	64	**Indian Company:** Public Company: 1. NSE Clearing Limited.
Mr. Sumit Maheshwari *Designation*: Non–executive Director *Date of Birth*: November 27, 1982 *Address*: Plot No. 8, Road No. 6, Sector No. 19, New Panvel, Navi Mumbai 410 206 *Occupation*: Investment and financial advisory *Current term*: Liable to retire by rotation *Period of Directorship:* Since September 3, 2018 *Nationality:* Indian	37	**Indian Companies:** Private Companies: 1. Fairbridge Capital Private Limited; 2. Fairfreight Lines Private Limited; and 3. Saurashtra Freight Private Limited. Public Companies: 1. Anchorage Infrastructure Investments Holding Limited; 2. Bangalore International Airport Limited; 3. Fairchem Speciality Limited; 4. National Collateral Management Services Limited; 5. Privi Organics India Limited; 6. Sterling Holiday Resorts Limited;

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
DIN: 06920646		7. Seven Islands Shipping Limited; and 8. Thomas Cook (India) Limited. **Foreign Companies:** 1. Nations Trust Bank; and 2. Fairfax India Holding Corporation.
Mr. Thomas Mathew *Designation*: Independent Director *Date of Birth*: February 20, 1951 *Address*: 801/A, 8th Floor, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalakshmi, Mumbai 400 011 *Occupation*: Chartered accountant *Current term*: For a period of three years with effect from September 25, 2017 *Period of Directorship:* Since April 24, 2017 *Nationality:* Indian *DIN*: 01277149	68	**Indian Company:** Public Company: 1. Muthoot Capital Services Limited.
Ms. Bhama Krishnamurthy *Designation*: Independent Director *Date of Birth*: December 19, 1954 *Address*: 401, 4th Floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai 400 025 *Occupation*: Retired from service *Current term*: For a period of three years with effect from September 29, 2018 *Period of Directorship*: Since September 3, 2018 *Nationality:* Indian *DIN*: 02196839	64	**Indian Companies:** Public Companies: 1. Cholamandalam Investment and Finance Company Limited; 2. Five Star Business Finance Limited; 3. Jain Sons Finlease Limited; 4. Muthoot Microfin Limited; 5. Network 18 Media & Investments Limited; 6. Paisalo Digital Limited; 7. Reliance Industrial Infrastructure Limited; and 8. Reliance Payment Solutions Limited.
Mr. Aravamuthan Madhavan *Designation*: Independent Director	65	**Indian Company:** Private Company:

Name, designation, date of birth, address, occupation, current term, period of directorship, nationality and DIN	Age (years)	Other directorships
Date of Birth: April 23, 1954 *Address*: 1A, Svetha, 2/15, 9th Cross Street, Shashtri Nagar, Adyar, Chennai 600 020 *Occupation*: Service *Current term*: For a period of three years with effect from June 29, 2019 up to June 28, 2022. *Period of Directorship*: Since December 13, 2018 *Nationality:* Indian *DIN*: 01865555		1. Finsigma Inclusive Services Private Limited
Mr. Syed Nagoor Ali Jinnah *Designation*: Independent Director *Date of Birth*: March 31, 1958 *Address*: The Habiba, 10, GN Main Street, New Selvam Nagar, Trichy 620 001. *Occupation*: Financial consultant for Government of Tamil Nadu. *Current term*: For a period of three years with effect from March 6, 2019 upto March 5, 2022. *Period of Directorship*: Since March 6, 2019 *Nationality:* Indian *DIN*: 05238633	61	Nil

***** *Our Bank, subject to prior approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949, resolved to re-appoint Mr. Rajendran Chinna Veerappan, as the Managing Director & CEO of the Bank for a period of three years with effect from December 9, 2019 upon the expiry of his present tenure of appointment on December 8, 2019. Further, RBI by its letter dated November 13, 2019 bearing no. DOR. Appt. No. 3707/08.36.001/2019-20, have approved the re-appointment of Mr. Rajendran Chinna Veerappan, as the Managing Director & CEO of the Bank for a period of three years with effect from December 9, 2019 upon the expiry of his present tenure of appointment on December 8, 2019 and on the terms and conditions as disclosed in the section "– Remuneration of our Managing Director and Chief Executive Officer" beginning on page 211 of this Prospectus.*

Brief profiles of our Directors

Mr. Madhavan Karunakaran Menon is the Part – time Chairman and a Non – executive Director of our Bank. He holds a bachelor's degree and a master's degree in business administration from the George Washington University. He is also qualified for the award of "*Indian School Certificate*" in division two issued by the University of Cambridge. He has over 30 years of experience in the finance and banking sector. He has previously worked with

ANZ Grindlays Bank Limited, Citibank N.A., Emirates Bank International, Birla Capital International AMC Limited in the past. He is currently on the chairman and managing director of Thomas Cook (India) Limited and has been on our Board since September 3, 2018.

Mr. Rajendran Chinna Veerappan is the Managing Director and Chief Executive Officer of our Bank. He holds a bachelor's degree and a master's degree in commerce from Madurai Kamaraj University and is an associate of the Indian Institute of Bankers. He previously served as the chief executive of the Association of Mutual Funds in India and is currently responsible for overall management and expansion of our Bank. He has over 40 years of experience in banking and finance sector and was previously associated with Corporation Bank, Andhra Bank and Bank of Maharashtra. He has been on our Board since November 24, 2016.

Mr. Sumit Maheshwari is a Non – executive Director of our Bank. He holds a bachelor's and a master's degree in commerce from the University of Mumbai. He is a certified associate member of the Institute of Chartered Accountants of India. He has completed the post graduate programme in management from the Indian School of Business. He has over 10 years of experience in finance sector. Previously, he has worked with KPMG and is currently the managing director and chief executive officer of Fairbridge Capital Private Limited. He has been on our Board since September 3, 2018.

Mr. Thomas Mathew is an Independent Director of our Bank. He holds a bachelor's in commerce degree from the University of Kerala. He is a fellow member of the Institute of Chartered Accountants of India and has around 34 years of experience in finance sector. In the past, he has worked with Lovelock & Lewes, Chartered Accountants and has served as a director on the central board of State Bank of India in the past. He has been on our Board since April 24, 2017.

Ms. Bhama Krishnamurthy is an Independent Director of our Bank. She holds a master's degree in science from the University of Mumbai. She has over 40 years of experience in the field of banking and small scale industry. She has served as the chief general manager of the Small Industries Development Bank of India in the past. She has been on our Board since September 3, 2018.

Mr. Aravamuthan Madhavan is an Independent Director of our Bank. He holds a bachelor's degree and a master's degree in arts from the University of Madras. He is also a certified associate of the Indian Institute of Bankers. He has over 36 years of experience in the banking and finance sector. He has served as the director of the Bank of Rajasthan and has been in service with the Reserve Bank of India in the past and has been on our Board since December 13, 2018.

Mr. Syed Nagoor Ali Jinnah is an Independent Director of our Bank. He has completed post graduate diploma in management (agriculture) from the Indian Institute of Management, Ahmedabad. He has also completed the course of junior associate of Indian Institute of Bankers and certified associate of Indian Institute of Bankers (rural banking) from the Indian Institute of Banking and Finance. He has about 34 years of experience in agricultural and rural banking sector and has worked with NABARD in the past. He has been on our Board since March 6, 2019.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Prospectus, during the term of his/her directorship in such company.

Further, except as stated below, none of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Sr. No.	Particulars	Details
1.	Name of the Director	Mr. Madhavan Karunakaran Menon
2.	Name of the company	Sterling Holiday Resorts (India) Limited ("**SHRIL**")
3.	Name of the stock exchange(s) on which the company was listed	BSE and Madras Stock Exchange
4.	Date of delisting on stock exchanges	August 31, 2015
5.	Whether delisting was compulsory or voluntary	The delisting was pursuant to the composite scheme of

Sr. No.	Particulars	Details
		arrangement and amalgamation between Thomas Cook (India) Limited ("**TCIL**"), Thomas Cook Insurance Services (India) Limited ("**TCISIL**") and SHRIL.
6.	Reasons for delisting	Pursuant to the composite scheme of arrangement and amalgamation between TCIL, TCISIL and SHRIL, the resort and timeshare business of SHRIL was demerged to TCISIL and the residual business of SHRIL was amalgamated into TCIL.
7.	Whether the company has been relisted	No
8.	Date of relisting	Not applicable
9.	Term of directorship (along with relevant dates) in the above company	March 14, 2015 to August 18, 2015

Relationship between our Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of our Key Managerial Personnel.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Mr. Madhavan Karunakaran Menon and Mr. Sumit Maheshwari, who are appointed as nominee directors of our Promoter, none of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Bank has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Borrowing Powers

In accordance with the Articles of Association and subject to the provisions of the Companies Act, 2013 our Board is authorized, pursuant to a special resolution of the shareholders of our Bank dated August 18, 2014, to borrow money from time to time and as and when required, in excess of our Bank's paid-up capital and free reserves, provided that the aggregate of such borrowings including the money already borrowed by our Bank and outstanding at any point of time, shall not exceed ₹ 10,000 million over and above its paid up capital and free reserves.

Remuneration of our Directors

Remuneration of our Part – time Chairman

As on the date of this Prospectus, our Bank did not provide any remuneration to the Part – time Chairman. However, he is entitled to other benefits as set forth below:

S. No.	Particulars	Amount
1.	Remuneration	Nil
2.	Office of the Part – time Chairman	The office shall be provided at the administrative office / other office space of our Bank.
3.	Secretarial Assistant of the office	As may be applicable to our Bank staff for the relevant positions.
4.	Telephone and car	For official purposes
5.	Travelling and halting allowances	As applicable to chairman in public sector banks
6.	Other benefits, if any	Shall be entitled to sitting fees for attending Board / committee meetings of the Board as applicable to other directors of our Bank

Remuneration of our Managing Director and Chief Executive Officer

In Fiscal 2019, Mr. Rajendran Chinna Veerappan was paid a total remuneration of ₹ 8.16 million (inclusive of any contingent or deferred compensation accrued for the year). Further, pursuant to the resolution passed by the Board, our Bank has appointed Mr. Rajendran Chinna Veerappan as the Managing Director and Chief Executive Officer with effect from December 9, 2016.

Further, our Bank has entered into an agreement dated December 9, 2016 with Mr. Rajendran Chinna Veerappan, for appointing him as the Managing Director and Chief Executive Officer, on the terms and conditions as set forth below:

S. No.	Category	Particulars
A) Remuneration		
1.	Salary	₹ 3.6 million per annum
2.	Dearness allowance	Nil
3.	Consolidated benefit allowance (including car and driver expenses, health insurance, hospitalisation, medical reimbursement)	₹ 1.36 million per annum
B) Perquisites		
4.	Residential accommodation	₹ 1.80 million per annum or company leased accommodation within the above budget. Bank will pay refundable rent advance.
5.	Telephone	Free use of our Bank's telephone both at office and residence for official purpose
6.	Conveyance	• Free use of our Bank's car for official purposes and consumption of petrol – unlimited • If car is used for private purposes, recovery at ₹ 250 per month up to 500 km and beyond 500 km, in a month, recovery at ₹ 1 per km.
7.	Official travel	Travel by highest class while on duty by road or rail and business class by air or sea, or in such other manner as may be prescribed by the Board from time to time.
8.	Lodging expenses	Actual expenses for stay in hotels upto and including five star category for single room occupancy, supported by bills / vouchers and such other variations as may be approved by the Board.
9.	(a) Boarding Charges (b) Halting allowance	Actual expenses for boarding When the official is on outstation duty for our Bank's affairs, he shall be entitled to avail halting allowance: • At ₹ 2,000 per day if lodging expenses are not claimed; • At ₹ 4,000 per day if both boarding and lodging expenses are not claimed.
10.	Entertainment expenses	Upto ₹ 60,000 per annum including club membership (maximum two clubs), 25% of which is reimbursable on self declaration and the balance against the evidence of expenses incurred.
11.	Medical benefits	Upon laying down his office after serving atleast eight years as the Managing Director and Chief Executive Officer, our Bank will take the policy or policies issued under a medical insurance plan covering hospitalisation and other medical expenses incurred on him up to ₹ 0.5 million per annum for life.
12.	Group accident insurance	Maximum sum assured ₹ 1 million. Premium will be paid by our Bank

S. No.	Category	Particulars
13.	Leave	Casual leave – 12 days per annum; Sick leave – 12 days per annum; Privilege leave – 21 days per annum.
14.	Encashment of privilege leave	Encashment of privilege leave subject to a maximum of 21 days basic salary
15.	Leave travel concession	₹ 0.30 million per annum
16.	Provident fund	12% of basic salary
17.	Gratuity	Eligible for gratuity in accordance with the Payment of Gratuity Act, 1972, as applicable
18.	Pension	Nil
19.	Variable pay	Subject to a prior approval of RBI, Managing Director and Chief Executive Officer is entitled to variable pay up to ₹ 1.50 million on attaining specific performance parameters / delivering operating results, as may be recommended by the Nomination and Remuneration Committee.
20.	Stock Option	**a) Hiring grant**[*] Subject to prior approval of the RBI, Managing Director and Chief Executive Officer is entitled to 2% stock options as hiring grant. The hiring grant stock option of 2% would be calculated on the number of issued and paid up shares of our Bank as on the date of joining i.e. December 9, 2016. The exercise price of the options will be a fixed price of ₹ 75 per share which will be applicable for all options vested during the vesting period of three years as per grant. The stock option will be granted as per the CSB Employees Stock Option Scheme 2013 ("**2013 ESOS Scheme**"), as amended from time to time. Stock options when granted will be vested for a period of three years from the effective date of the grant. The hiring grant stock options as above would be vested and could be exercised only on achieving certain performance parameters on operating results in a graded manner over a period of next three years, as may be recommended by the Nomination and Remuneration Committee. All other terms and conditions of the grant shall be in conformity with 2013 ESOS Scheme. **b) Performance grant** Subject to prior approval of the RBI, Managing Director and Chief Executive Officer is entitled to additional stock options as performance grant. The performance grant will be decided based on fixing certain performance measurement parameters on operating results as may be recommended by the Nomination and Remuneration Committee and subject to achieving the same and further linked to fresh capital infusion into our Bank as indicated below. The performance grant will be allowed on enhanced equity capital if fresh equity investment from existing

S. No.	Category	Particulars
		or new investors, domestic or foreign, is inducted into our Bank under preferential offer / private placement route over a period of the next three years of assuming charge by the Managing Director and Chief Executive Officer, by granting stock options up to 2% of the enhanced paid up equity capital of our Bank as on the date of the grant, as reduced by the hiring grant stock options already granted to him as stated above. The exercise price of the options under performance grant will be a fixed price of ₹ 75 per share which shall be applicable for all options vested during the vesting period as per the grant. The stock options when granted under performance grant will be vested over a period of three years from the effective date of the grant. All other terms and conditions of the grant shall be in conformity with 2013 ESOS Scheme.

[*] *RBI vide its letter dated December 19, 2018 bearing no.DBR.Appt.No.5140/08.36.001/2018-19 and letter dated March 13, 2019 bearing no. DBR.Appt.No.7539/ 08.36.001/2018-19 has refused to grant 1,619,241 stock options as hiring grant upfront to our Managing Director and Chief Executive Officer.*

Sitting fees to Non-Executive Directors and Independent Directors

The sitting fees paid to the Non-executive Directors and Independent Directors during Fiscal 2019 (including any contingent or deferred compensation accrued for the year, even if the compensation is payable at a later date) are set forth in the table below:

(*in ₹ million*)

Name of the Director	Sitting Fees
Mr. Madhavan Karunakaran Menon[*]	-
Mr. Sumit Maheshwari[*]	-
Mr. Aravamuthan Madhavan	0.34
Mr. Thomas Mathew	1.10
Ms. Bhama Krishnamurthy	0.62
Mr. Syed Nagoor Ali Jinnah	0.12

[*] *Our Bank does not pay any sitting fees to the nominee directors of our Promoter for attending the meetings of the Board and the committees thereof.*

Remuneration paid or payable from subsidiaries and associate companies

Our Bank does not have any subsidiaries or associate companies.

Shareholding of Directors in our Bank

Our Articles of Association do not require our Directors to hold qualification shares. As on date of this Prospectus, none of our Directors hold any Equity Shares in our Bank**.**

Bonus or profit-sharing plan for our Directors

Except as disclosed in "– *Remuneration of our Managing Director and Chief Executive Officer*" beginning on page 211, our Bank does not have any performance linked bonus or a profit-sharing plan for other Directors.

Interest of Directors

Our Non-executive and Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof, the reimbursement of expenses payable to them and to the extent of commission payable to them, if any, each as approved by our Board.
None of our Directors are interested in the promotion or formation of our Bank.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Bank.

Our Directors do not have any interest in any transaction by our Bank for acquisition of land, construction of building or supply of machinery since incorporation. Further, except as stated in "*Financial Statements*" beginning on page 237, our Directors do not have any interest in our business.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Bank.

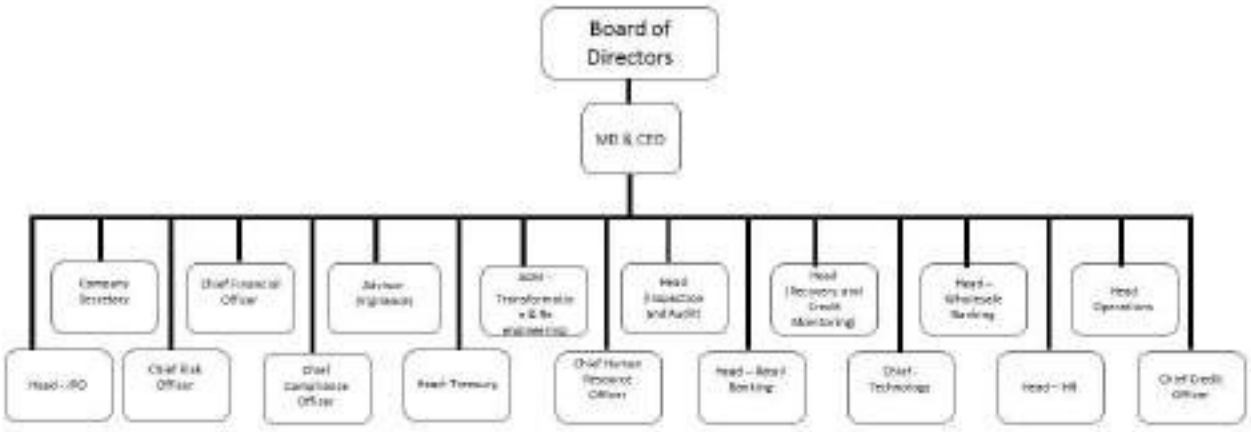
Changes to our Board in last three years

Except as disclosed below, there have been no changes to our Board in last three years:

Name of the Director	Date of appointment/ change in designation/ cessation	Reason for Change
Mr. Sankaran Santhanakrishnan	November 30, 2016	Cessation as Part-time chairman
Mr. Rajendran Chinna Veerappan	December 9, 2016	Change in designation from Non – executive Director to Managing Director and Chief Executive Officer
Mr. Sankaran Santhanakrishnan	January 16, 2017	Retirement as Non – executive Director
Mr. Ravinder Bhookya	March 10, 2017	Cessation as Additional Director – RBI nominee
Mr. Subbaiah Singala	March 10, 2017	Appointment as Additional Director – RBI nominee
Mr. Trikkur Seetharaman Anantharaman	March 30, 2017	Appointment as Part-time chairman
Mr. Sumeer Bhasin	March 30, 2017	Cessation as Independent Director
Mr. Thomas Mathew	April 24, 2017	Appointment as Additional Director
Mr. Madhavan Karunakaran Menon	June 21, 2017	Resignation as Independent Director
Mr. Ashish Ahluwalia	September 25, 2017	Re – appointment as Non – executive Director
Mr. Thomas Mathew	September 25, 2017	Change in designation to Independent Director
Mr. Ashish Ahluwalia	February 2, 2018	Resignation as Non-executive Director
Mr. Trikkur Seetharaman Anantharaman	March 30, 2018	Cessation as Part – time chairman and Director
Mr. Madhavan Karunakaran Menon	September 3, 2018	Appointment as Additional Director
Mr. Sumit Maheshwari	September 3, 2018	Appointment as Additional Director
Ms. Bhama Krishnamurthy	September 3, 2018	Appointment as Additional Director
Ms. Radha Unni	September 26, 2018	Cessation as Independent Director
Mr. Maniedath Madhavan Nambiar	September 26, 2018	Cessation as Independent Director
Mr. Chirakkekaran Bobby Jos	September 26, 2018	Cessation as Independent Director
Mr. Madhavan Karunakaran Menon	September 29, 2018	Change in designation to Non – executive Director
Mr. Sumit Maheshwari	September 29, 2018	Change in designation to Non – executive Director
Ms. Bhama Krishnamurthy	September 29, 2018	Change in designation from Additional Director to Independent Director
Mr. Aravamuthan Madhavan	December 13, 2018	Appointment as Additional Director (Independent)
Mr. Alok Kochhar	March 6, 2019	Cessation as Independent Director
Mr. Syed Nagoor Ali Jinnah	March 6, 2019	Appointment as Additional Director (Independent)

Name of the Director	Date of appointment/ change in designation/ cessation	Reason for Change
Mr. Subbaiah Singala	March 10, 2019	Cessation as Additional Director (RBI nominee)
Mr. Velamur Govindan Venkatachalapathy	March 13, 2019	Cessation as Additional Director (RBI nominee)
Mr. Madhavan Karunakaran Menon	April 22, 2019	Appointment as Part – time Chairman
Mr. Aravamuthan Madhavan	June 29, 2019	Change in designation from Additional Director (Independent) to Independent Director
Mr. Syed Nagoor Ali Jinnah	June 29, 2019	Change in designation from Additional Director (Independent) to Independent Director

Management Organisation Structure



The designation of Chief Credit Officer of our Bank is currently vacant due to the cessation of Mr. Ajitkumar Kuruppath as the Chief Credit Officer on June 29, 2019.

Corporate Governance

The provisions of the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Bank immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Bank is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, the Companies Act, Banking Regulation Act and directions of RBI pertaining to the constitution of the Board and committees thereof. The corporate governance framework of our Bank is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law.

As on the date of this Prospectus, our Board comprises of seven Directors including one Executive Director, two Non-executive Directors (including Part – time Chairman) and four Independent Directors (including one woman Director).

Committees of our Board

i) Audit Committee

The audit committee was constituted by a resolution of our Board at their meeting held on June 6, 1994 and was last re – constituted on May 6, 2019. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Mr. Thomas Mathew	Chairman
Ms. Bhama Krishnamurthy	Member
Mr. Aravamuthan Madhavan	Member
Mr. Syed Nagoor Ali Jinnah	Member
Mr. Madhavan Karunakaran Menon	Member

The scope and function of the audit committee and its terms of reference are as follows:

(i) The audit committee shall have powers, which should include the following:

a) To investigate any activity within its terms of reference;
b) To seek information from any employee of our Bank;
c) To obtain outside legal or other professional advice; and
d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) The role of the audit committee shall include the following:

a) To oversee the operations of the total audit function in the Bank, review of internal inspections / audit functions and quality and effectiveness in terms of follow up;

b) To review the inspection reports of specialised and extra – large branches and all branches with unsatisfactory ratings, to obtain and review half – yearly reports from the compliance officers appointed in the Bank, follow up on all the issues raised in the long form audit report and to follow up on all the issues / concerns raised in the inspection reports of RBI;

c) To closely monitor the inspection / audit functions of the Bank, including the follow up and compliance of inspection / audit reports;

d) To provide suggestions / directions to further streamline systems and procedures;

e) To make periodical reviews of returns / statements placed before it as per the approved calendar of items;

f) Oversight of our Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

g) Recommendation for appointment, remuneration and terms of appointment of auditors of our Bank;

h) Approval of payments to statutory auditors for any other services rendered by the statutory auditors;

i) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- modified opinion(s) in the draft audit report.

j) Reviewing, with the management, the quarterly financial statements before submission to the board for

approval;

k) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

m) Approval or any subsequent modification of transactions of our Bank with related parties;

n) Scrutiny of inter-corporate loans and investments;

o) Valuation of undertakings or assets of the company, wherever it is necessary;

p) Evaluation of internal financial controls and risk management systems;

q) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

r) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

s) Discussion with internal auditors of any significant findings and follow up there on;

t) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

u) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

v) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

w) To review the functioning of the whistle blower mechanism;

x) Approval of the appointment of the chief financial officer after assessing the qualifications, experience and background, etc., of the candidate;

y) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee;

z) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

aa) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

bb) Evaluation of internal financial controls and risk management systems;

cc) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage

and frequency of internal audit;

dd) Discussion with internal auditors any significant findings and follow up thereon;

ee) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

ff) To have an oversight over the vigil mechanism established by our Bank and the chairman of Audit Committee shall directly hear grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns; and

gg) Reviews the periodical reviews/returns/statements placed before it as per the approved calendar of items.

(iii) The audit committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Bank;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors of our Bank;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

f) Statement of deviations:

a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

ii) Nomination and Remuneration Committee

The nomination committee and the remuneration committee were originally constituted separately pursuant to resolutions of our Board dated August 10, 2004 and September 30, 2010, respectively, with the remuneration committee being re-designated as the remuneration and compensation committee pursuant to a resolution of our Board dated March 12, 2014.

Both committees were merged and re-designated as the 'Nomination and Remuneration Committee' pursuant to a resolution of our Board dated March 23, 2015 which was last re–constituted on March 25, 2019. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Ms. Bhama Krishnamurthy	Chairperson
Mr. Thomas Mathew	Member
Mr. Madhavan Karunakaran Menon	Member
Mr. Sumit Maheshwari	Member
Mr. Syed Nagoor Ali Jinnah	Member

The scope and function of the Nomination and Remuneration Committee and its terms of reference are as follows:

(a) Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;

(b) Undertake the due diligence of candidates before their appointment/re-appointment as directors;

(c) Recommend to the Board appointment of directors and senior management personnel and their removal;

(d) Devising a policy on diversity of board of directors;

(e) Formulate the criteria for determining qualification, positive attributes and independence of a director, key managerial personnel and other employees;

(f) Recommend to the Board the policy for evaluation of performance of board, its committees and individual directors;

(g) To oversee the framing, review and implementation of our Bank's overall compensation structure and related policies on remuneration packages payable to whole time directors, the Managing Director and Chief Executive Officer and other staff as may be prescribed from time to time including performance linked incentives, perquisites, stock option scheme etc. with a view to attract, motivate and retain employees and review compensation levels;

(h) To implement and administer the CSB Employee Stock Option Schemes;

(i) To formulate detailed terms and conditions of the scheme, administer and supervise the same and to allot shares in compliance with the scheme, guidelines and other applicable laws;

(j) To obtain necessary clearances and approvals from regulatory authorities and do such other things as may be necessary in respect of the Schemes;

(k) To make suggestions to amend any stock option plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;

(l) To review the compensation structure/policy on a periodical basis;

- To approve the overall compensation structure of the new recruitment of the executives at top level management including performance linked incentives, perquisites, stock option scheme etc.; and
- To conduct annual review of their performance and to revise their compensation structure in tandem with their performance/ target achieved

(m) Any other matters regarding remuneration of whole time directors, the Managing Director and Chief Executive Officer and other staff of our Bank as may be prescribed as and when permitted by the Board;

(n) Any other matters regarding compensation structure as and when permitted by the Board;

(o) To fulfill such other powers and duties as may be delegated to it by the Board;

(p) Specify the manner for effective evaluation of performance of Board, its committees and individual directors;

(q) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

(r) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

(s) To allot shares pursuant to the options granted to the eligible employees/ officers under the ESOP scheme which is existing and to be framed in future.

iii) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was originally constituted as the shareholders' / investors' grievance committee by the Board pursuant to a meeting held on July 2, 2002. It was subsequently reconstituted and re-designated as the 'Stakeholders' Relationship Committee' pursuant to a resolution of our Board dated February 19, 2015 and was last re–constituted on April 22, 2019. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Ms. Bhama Krishnamurthy	Chairperson
Mr. Rajendran Chinna Veerappan	Member
Mr. Sumit Maheshwari	Member
Mr. Aravamuthan Madhavan	Member
Mr. Madhavan Karunakaran Menon	Member

The scope and function of Stakeholders' Relationship Committee and its terms of reference include the following:

(a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

(b) Review of measures taken for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent;

(d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Bank;

(e) Issue and allot shares subject to the provisions of the Section 39 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Section 46 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and subject to the Memorandum and Articles of Association of our Bank;

(f) To transfer, transposition and transmission of securities;

(g) To consider and approve, split, consolidation and duplication of shares or other securities;

(h) To approve dematerialization and re-materialization of shares;

(i) To seek any information it requires from the employees, directors of our Bank in order to perform its functions;

(j) To do all such other things as are necessary thereto pursuant to and in accordance with the employee stock option schemes and the decision of the Board in connection with allotment of shares under the schemes;

(k) Investor relations and redressal of shareholders' grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc.; and

(l) Such other matters as may be, from time to time, required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility committee was constituted by a resolution of our Board dated March 12, 2014 and was last re – constituted on April 22, 2019. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Ms. Bhama Krishnamurthy	Chairperson
Mr. Rajendran Chinna Veerappan	Member
Mr. Sumit Maheshwari	Member
Mr. Syed Nagoor Ali Jinnah	Member
Mr. Madhavan Karunakaran Menon	Member

The terms of reference of the Corporate Social Responsibility committee are as follows:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy as per Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a): and

(c) monitor the corporate social responsibility policy of the company from time to time.

v) Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated March 14, 2001 and was last re – constituted on March 25, 2019. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Mr. Sumit Maheshwari	Chairman
Mr. Rajendran Chinna Veerappan	Member
Mr. Madhavan Karunakaran Menon	Member
Mr. Aravamuthan Madhavan	Member
Ms. Bhama Krishnamurthy	Member

The following are the terms of reference of the Risk Management Committee:

(a) To devise the policy and strategy for internal risk management containing various risk exposures of our Bank including credit risk;

(b) To effectively co-ordinate between the credit risk management committee, asset liability management committee and other risk management committees of our Bank, if any;

(c) To function as the managerial and supervisory committee of Directors for asset liability management functions;

(d) To review cyber security related matters; and

(e) To review the periodical returns / reviews / statements placed before it as per the approved calendar of items.

vi) IPO Committee

The IPO committee was constituted by a resolution of our Board dated October 31, 2018 and was last re–constituted *vide* a circular resolution on November 20, 2019. The current constitution of this committee is as follows:

Name of Director	Position in the Committee
Mr. Thomas Mathew	Chairman
Mr. Rajendran Chinna Veerappan	Member
Ms. Bhama Krishnamurthy	Member
Mr. Madhavan Karunakaran Menon	Member

Name of Director	Position in the Committee
Mr. Sumit Maheshwari	Member

The following are the terms of reference of the IPO committee:

(a) To make applications to seek clarifications and obtain approvals from, where necessary, the SEBI, the Reserve Bank of India ("**RBI**") and any other governmental or statutory/regulatory authorities as may be required in connection with the Offer and / or the Pre-IPO Placement and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

(b) To invite the existing shareholders of our Bank to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

(c) All actions as may be necessary in connection with the Pre-IPO Placement and / or the Offer, including extending the Bid/Offer Period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the applicable law;

(d) To take all actions as may be necessary and authorised in connection with the Offer for Sale and to approve and take on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the Offer for Sale and the transfer of Equity Shares in the Offer for Sale;

(e) To appoint and enter into arrangements with the BRLM(s), underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank, refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsel and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLM(s) mandate letter, negotiation, finalisation, execution and, if required, amendment of the Offer agreement with the BRLM(s) and the underwriting agreement with the underwriters;

(f) To negotiate, finalise, settle, execute and deliver or arrange the delivery of the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLM(s) and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of our Bank to negotiate, execute and deliver all or any of the aforestated documents or any amendments thereto as may be required or desirable in relation to the Offer;

(g) To decide the pricing, the terms of the issue of the Equity Shares, all other related matters regarding the Pre-IPO Placement if any, including the execution of the relevant documents with the investors, in consultation with the BRLM(s), and rounding off, if any, in the event of oversubscription and in accordance with applicable law;

(h) To decide in consultation with the BRLM(s) on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;

(i) To finalise, approve, adopt, deliver and arrange for any documentation that may be required in relation to the Pre-IPO Placement, including any documentation to be submitted to the RoC, or any other relevant governmental and statutory authorities or in accordance with all applicable law;

(j) To finalise, approve, adopt, deliver and arrange for, in consultation with the BRLM(s), submission of the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**") and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the offer of Equity

Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all applicable law;

(k) To approve the relevant restated financial statements to be issued in connection with the Offer;

(l) To seek, if required, the consent of the lenders of our Bank, customers, industry data providers, parties with whom our Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer and / or the Pre-IPO Placement, or any actions connected therewith;

(m) To make applications to seek clarifications and obtain approvals from, if necessary, the SEBI, the Stock Exchanges, RBI, the Registrar of Companies or any other statutory or governmental authorities in connection with the Offer and / or the Pre-IPO Placement, and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the prospectus;

(n) To open and operate bank account(s) of our Bank in terms of the cash escrow agreement, sponsor bank agreement, as applicable and to authorise one or more officers of our Bank to execute all documents/deeds as may be necessary in this regard;

(o) To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(p) To approve code of conduct as may be considered necessary or as required under applicable law for the Board, officers of the Bank and other employees of our Bank;

(q) To authorise any concerned person on behalf of our Bank to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer and / or the Pre-IPO Placement;

(r) To approve suitable policies in relation to the Offer and on a post-Offer basis, as may be required under applicable law;

(s) To approve any corporate governance requirement that may be considered necessary, or as may be required under applicable law;

(t) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(u) To open and operate bank accounts of our Bank in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of our Bank to execute all documents/deeds as may be necessary in this regard;

(v) To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the BRLM(s);

(w) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Bank with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of our Bank to sign all or any of the aforestated documents;

(x) To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, in consultation with the BRLM(s) if considered necessary and expedient, in accordance with applicable law;

(y) To make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into listing agreements and affixing the common seal of our Bank where necessary;

(z) To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of our Bank to execute all or any of the aforestated documents;

(aa) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Pre-IPO Placement, and / or the Offer, in consultation with the BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable law;

(bb) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under applicable law to the officials of our Bank;

(cc) To take such action, give such directions, as may be necessary or desirable as regards the Offer and / or the Pre-IPO Placement, and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of our Bank;

(dd) To approve the expenditure in relation to the Offer;

(ee) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and / or the pre-IPO Placement and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

(ff) To submit undertaking/certificates or provide clarifications to the Securities Exchange Board of India, RoC and the Stock Exchanges where the Equity Shares of our Bank are proposed to be listed; and

(gg) To accept and appropriate the proceeds of the Offer in accordance with the applicable laws.

Key Managerial Personnel

For details in relation to our Managing Director and Chief Executive Officer, Mr. Rajendran Chinna Veerappan, please refer to "- *Brief profiles of our Directors*" beginning on page 209. The details of our other Key Managerial Personnel as on the date of this Prospectus are as set forth below:

Ms. Veluthattil Maheswari is the Chief Financial Officer of our Bank. She holds a bachelor's degree in commerce from the University of Madras and is an associate of the Institute of Chartered Accountants of India. She has about 25 years of experience in the banking sector. She has been associated with our Bank since 1994 and is *inter alia*, responsible for finalization and reporting of accounts, balance sheet management and profit planning, cost management, tax planning, capital adequacy planning and management and coordinating the capital raising activities of our Bank. The total remuneration paid to her in Fiscal 2019 was ₹ 1.73 million.

Mr. Sijo Varghese is the Company Secretary and Compliance Officer. He holds a bachelor's degree in commerce from the University of Calicut and a bachelor's degree in law from the Mahatma Gandhi University. He is an associate of the Institute of Company Secretaries of India. He has over 15 years of experience in the field of compliance. Prior to joining our Bank, he was associated with Kerala Ayurveda Limited, AJS & Associates, BNA

Technology Consulting Limited and Kancor Ingredients Limited and has been associated with our Bank since 2007. He is responsible for executing the orders of our Board regarding administration of our Bank and acts as an advisor to our Board in the matters related to compliance of securities law and for redressal of investor grievance. The total remuneration paid to him in Fiscal 2019 was ₹ 1.48 million.

Mr. Vincy Louis Pallissery is the Chief Compliance Officer of our Bank. He holds a bachelor's degree and a master's degree in commerce from the University of Calicut. He has completed diploma in management from Indira Gandhi National Open University and is an associate of the Indian Institute of Bankers. He has over 35 years of experience in banking sector and has been associated with our Bank since 1981. He retired in April 2019 from our Bank on attaining superannuation and thereafter joined our Bank in June 2019 on a contractual basis. The total remuneration paid to him (prior to retirement in the capacity of an employee) in Fiscal 2019 was ₹ 1.76 million.

Mr. P. V. Antony is the Head IPO of our Bank. He holds a bachelor's degree in commerce from University of Calicut. Further he is a fellow of the Institute of Cost and Works Accountants of India and associate of the Institute of Company Secretaries of India. He is also an associate of the Indian Institute of Bankers. Prior to joining our Bank, he was working with the Canara Bank and has over 35 years of experience in the field of banking. He was associated with our Bank since 1983 and retired as the Chief Risk Officer in July 2019 on attaining superannuation and thereafter joined our Bank in August 2019 on a contractual basis. The total remuneration paid to him (prior to retirement in the capacity of an employee) in Fiscal 2019 was ₹ 1.97 million.

Mr. Arvind Sharma is the Chief Risk Officer of our Bank. He holds a bachelor's degree in science and master's degree in arts (economics) from Kanpur University. He has completed post graduate diploma in financial engineering and risk management from Indian Institute of Capital Markets. Additionally, he has completed various courses such as advanced risk management program from Wharton, University of Pennsylvania, executive education program from Columbia Business School and advanced management program and HBX certificate program from Harvard Business School. He has about 27 years of experience in the field of banking. Prior to joining our Bank, he was associated with State Bank of India and Bank Sohar and has been associated with our Bank since 2019. Since, he was appointed on August 26, 2019, there was no remuneration paid to him in Fiscal 2019.

Mr. Bharath Mani is the Head (Retail Banking) of our Bank. He holds a bachelor's degree in arts (honours course) from University of Delhi and a post graduate diploma in business management from Institute of Management Technology, Ghaziabad. He has over 20 years of experience in the field of banking. Prior to joining our Bank, he was associated with the Royal Bank of Scotland N.V. and has been associated with our Bank since 2014. The total remuneration paid to him in Fiscal 2019 was ₹ 6.47 million.

Mr. Ganesan V. is the Head (Recovery and Credit Monitoring) of our Bank. He holds a bachelor's degree in science from Madurai University. He has over 40 years of experience in the field of banking. He was associated with our Bank since 1978 and retired in 2016 on attaining superannuation. Thereafter, he worked with Pegasus Assets Reconstruction Private Limited and joined our Bank in 2018. The total remuneration, including pension amount, paid to him in Fiscal 2019 was ₹ 1.50 million.

Mr. Prem Kumar Thampi is the Head (Wholesale Banking) of our Bank. He holds a bachelor's degree in science (honours) and master's degree in science from Banaras Hindu University. He is a fellow member of the Institute of Directors and has over 30 years of experience in the field of banking and treasury. Prior to joining our Bank, he was associated with the State Bank of India, Bank M (Tanzania) Limited and ICICI Bank Limited. He has been associated with our Bank since 2015. The total remuneration paid to him in Fiscal 2019 was ₹ 4.69 million.

Mr. Kesava Naidu Rayar is the Head (Treasury) of our Bank. He holds a bachelor's degree in science from the University of Madras. He holds a bachelor's degree in law and master's degree in psychology from Annamalai University. He is also a certified associate of the Indian Institute of Bankers, Institute of Cost and Works Accountants of India and a fellow of the Institute of Company Secretaries of India. He has about 35 years of experience in the field of banking. Prior to joining our Bank, he was associated with Andhra Bank and has been associated with our Bank since 2018. The total remuneration paid to him in Fiscal 2019 was ₹ 1.67 million.

Mr. Ragesh M is the Assistant General Manager (transformation and re – engineering department) of our Bank. He holds a master's degree in business administration from University of Calicut and a diploma in international banking

and finance from the Indian Institute of Banking and Finance. He is also a fellow of the Institute of Cost and Works Accountants of India and is a financial risk manager certified by the Global Association of Risk Professionals. He has over 20 years of experience in the field of banking. He has been associated with our Bank since 1998. The total remuneration paid to him in Fiscal 2019 was ₹ 1.48 million.

Mr. Sekhar Rao is the Head (Operations) of our Bank. He holds a bachelor's degree in engineering and a master's degree in business administration from University of Pune. He has over 15 years of experience in the field of banking. Prior to joining our Bank, he was associated with the RBL Bank Limited, ING Vysya Bank Limited and ICICI Bank Limited. He has been associated with our Bank since 2014. The total remuneration paid to him in Fiscal 2019 was ₹ 5.18 million.

Mr. Harsh Kumar is the Chief Human Resource Officer of our Bank. He holds a bachelor's degree in engineering from University of Madras and a post graduate diploma in management from T.A. Pai Management Institute. He has over 12 years of experience in the field of banking. Prior to joining our Bank, he was associated with HDFC Bank Limited. Since, he was appointed on August 9, 2019, there was no remuneration paid to him in Fiscal 2019.

Mr. Jayashankar T. is the Head (Human Resources) of our Bank. He holds a bachelor's degree and a master's degree in arts from University of Madras. He also holds a bachelor's degree in law from Bharathidasan University. He has over 35 years of experience in the field of management. Prior to joining our Bank, he was associated with Madras Fertilisers Limited, Standard Motor Products of India Limited and Indian Bank and has been associated with our Bank since 2017. The total remuneration paid to him in Fiscal 2019 was ₹ 1.98 million.

Mr. Palanisamy Mylsamy is an Advisor (Vigilance) of our Bank. He holds a bachelor's degree and a master's degree in science from University of Madras. He also holds a master's degree in business administration with specialization in financial management from Indira Gandhi National Open University and has completed post graduate diploma in personnel management from Annamalai University. Further, he is a certified associate of the Indian Institute of Bankers. He has over 30 years of experience in the field of vigilance related matters. Prior to joining our Bank, he was associated with the State Bank of India and was on deputation to Vijaya Bank as the chief vigilance officer. He has been associated with our Bank since 2017. The total remuneration paid to him in Fiscal 2019 was ₹ 0.10 million.

Mr. R. Natarajan is the Head (Inspection and Audit) of our Bank. He holds a bachelor's degree in science from University of Madras and has passed the final examination of the Institute of Chartered Accountants of India. He has over 30 years of experience in the field of banking. Prior to joining our Bank, he was associated with the Corporation Bank and has been associated with our Bank since 2017. The total remuneration paid to him in Fiscal 2019 was ₹ 1.98 million.

Mr. Vuppala Srinivasa Rao is the Chief Technology Officer of our Bank. He holds a bachelor's degree in commerce from Sri Venkateswara University and is a certified associate of the Indian Institute of Bankers. He is a recipient of an award under the '*National Scholarships Scheme*' of the GoI for securing a rank in bachelors of commerce examination. He has about 39 years of experience in the field of banking. Prior to joining our Bank, he was associated with Andhra Bank and has been associated with our Bank since 2018. The total remuneration paid to him in Fiscal 2019 was ₹ 0.96 million.

Except for Mr. Rajendran Chinna Veerappan, Mr. Vincy Louis Pallissery, Mr. P. V. Antony, Mr. Palanisamy Mylsamy, Mr. Vuppala Srinivasa Rao, Mr. Ganesan V., Mr. R. Natarajan and Mr. Kesava Naidu Rayar who are appointed with our Bank on a contractual basis, all our Key Managerial Personnel are permanent employees of our Bank.

Retirement and termination benefits

Except for the salary in lieu of leave accrued until the date of retirement and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Bank.

Relationships between our Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Bank, or others.

Shareholding of the Key Managerial Personnel

Except as stated below, none of our Key Managerial Personnel hold any Equity Shares as on date of this Prospectus:

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares held	% of shareholding
1.	Mr. P. V. Antony	533	Negligible
2.	Mr. Vincy Louis Pallissery	200	
3.	Mr. Bharath Mani	866	
4.	Mr. Ganesan V.	1,506	
5.	Mr. Ragesh M.	3,554	
6.	Mr. Sekhar Rao	666	

Service Contracts with Key Managerial Personnel

None of our Key Managerial Personnel have entered into any service contracts with our Bank which would entitle them to retirement benefits upon termination of employment.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Bank does not have any formal bonus or profit-sharing plan. However, our Managing Director and Chief Executive Officer is paid performance based discretionary incentives and is entitled to receive employee stock options as disclosed in "- *Payment or Benefit to officers of our Bank (non-salary related)*" and " - *Remuneration of our Managing Director and Chief Executive Officer*" respectively.

Interest of Key Managerial Personnel

Our Key Managerial Personnel are interested in our Bank only to the extent of the remuneration, benefits or perquisites to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Our Key Managerial Personnel may also be interested in our Bank to the extent of Equity Shares held by them or stock options, if any, that may be granted to them under 2013 ESOS Scheme and otherwise. Except as stated above, none of the Key Managerial Personnel have been paid any consideration or benefit of any nature from our Bank.

Changes in the Key Managerial Personnel in last three years:

Except as disclosed in "- *Changes to our Board in last three years*" and as disclosed below, there are no changes in our Key Managerial Personnel in last three years:

Sr. No.	Name	Date of Change	Reason
1.	Mr. Rajendran Chinna Veerappan	December 9, 2016	Designated as Managing Director and Chief

Sr. No.	Name	Date of Change	Reason
			Executive Officer
2.	Mr. Thomas K. George[*]	August 31, 2017	Voluntary retirement as Head (Inspection, Audit and Vigilance)
3.	Mr. R. Natarajan	December 4, 2017	Appointment as Head (Inspection and Audit)
4.	Mr. Jayashankar T.	April 11, 2017	Appointment as Head (Human Resources)
5.	Mr. Jiz P. Kottukapally	May 6, 2017	Cessation as Head (Operations)
6.	Mr. Sekhar Rao	May 6, 2017	Designated as Head (Operations)
7.	Mr. Prem Kumar Thampi	May 6, 2017	Designated as Head (Wholesale Banking and Treasury)
8.	Mr. Jiz P. Kottukapally	May 6, 2017	Designated as Chief Risk Officer
9.	Mr. Bharath Mani	May 8, 2017	Designated as Head (Retail Banking)
10.	Mr. Mohan Menon T.	May 31, 2017	Cessation as the Head (Human Resources) due to voluntary retirement
11.	Mr. Palanisamy Mylsamy	May 31, 2017	Appointment as Advisor (Vigilance)
12.	Mr. Paul George P.	October 31, 2017	Cessation as Head (Recovery and Credit Monitoring)
13.	Mr. Kesava Naidu Rayar	April 16, 2018	Appointment as Head (Treasury)
14.	Mr. Prem Kumar Thampi	April 16, 2018	Designated as Head (Wholesale Banking)
15.	Mr. Jiz P. Kottukapally	April 21, 2018	Cessation as Chief Risk Officer due to voluntary retirement
16.	Ms. Veluthattil Maheswari	May 10, 2018	Designated as the Chief Financial Officer
17.	Mr. P.V. Antony	May 10, 2018	Cessation as the Chief Financial Officer
18.	Mr. P.V. Antony	May 10, 2018	Designated as Chief Risk Officer
19.	Mr. Ragesh M.	May 17, 2018	Designated as Assistant General Manager (Transformation and Re-engineering)
20.	Mr. Ganesan V.	July 24, 2018	Appointment as Head (Recovery and Credit Monitoring)
21.	Mr. Vuppala Srinivasa Rao	September 11, 2018	Appointment as Chief Technology Officer
22.	Mr. Sijo Varghese	May 6, 2019	Appointment as Compliance Officer to the Offer
23.	Mr. Vincy Louis Pallissery	June 19, 2019	Appointment as Chief Compliance Officer
24.	Mr. Ajitkumar Kuruppath	June 29, 2019	Cessation as Chief Credit Officer
25.	Mr. P. V. Antony	July 31, 2019	Retirement from the designation of Chief Risk Officer
26.	Mr. P. V. Antony	August 5, 2019	Reappointment as the Chief Risk Officer
27.	Mr. Harsh Kumar	August 9, 2019	Appointment as Chief Human Resource Officer
28.	Mr. Arvind Sharma	August 26, 2019	Appointment as Chief Risk Officer
29.	Mr. P.V. Antony	August 26, 2019	Cessation as the Chief Risk Officer
30.	Mr. P.V. Antony	August 26, 2019	Designated as the Head - IPO

[*] *Mr. Thomas George was incharge of both inspection and audit and vigilance departments of our Bank.*

Further, the attrition rate of Key Managerial Personnel of our Bank is high compared to our peers due to the resignation and cessation of certain Key Managerial Personnel of our Bank.

Payment or Benefit to officers of our Bank (non-salary related)

Except for Mr. Ganesan V., Mr. Vincy Louis Pallissery and Mr. P.V. Antony, who have been paid pension amount of ₹ 1.16 million, ₹ 0.31 million and ₹ 0.18 million, respectively, no amount or benefit has been paid or given or intended to be paid or given in the two years preceding the date of this Prospectus to our Key Managerial Personnel. However, our Managing Director and Chief Executive Officer is entitled to certain performance linked incentives as disclosed in the section "*Our Management*" beginning on page 206 and proposed to be paid the following amount, subject to the RBI approval:

Particulars	Financial year	Amount (in ₹ million)
Variable pay (proposed)[*]	2018 – 19	4.5
Salary and perquisites (proposed) [*]	2019 – 20	20.0[#]

[*] *Subject to the prior approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949.*

[#] *Pursuant to the RBI letter dated October 25, 2019 bearing reference number DBR.PSBD.No.3344/16.01.060/2019-20 RBI has imposed regulatory restriction of freezing the remuneration of our Managing Director and Chief Executive Officer, at the*

existing level with immediate effect, on account of non-adherence of the timeline for listing the Equity Shares of our Bank by September 30, 2019 as mandated by the RBI pursuant to the letter dated July 12, 2018 bearing reference number DBR.PSBD No. 341/16.01.060/2018-19. For further details, please also see "Risk Factors – Our Bank is subject to certain restrictions on account of non-adherence of the listing timeline prescribed by the RBI, which could have an adverse effect on our business" on page 45 of this Prospectus.

Employees Stock Options

For details in relation to employee stock option plans of our Bank, see "*Capital Structure – Employee Stock Option Plan*" beginning on page 93.

OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANY

Our Promoter

The Promoter of our Bank is FIH Mauritius Investments Ltd ("**FIHM**"). As on the date of this Prospectus, FIHM holds 86,262,976 Equity Shares, representing 50.09% of the issued, subscribed and paid-up equity share capital of our Bank. Pursuant to Section 12(2) of Banking Regulation Act and a gazette notification no. DBR.PSBD. No. 1084/16.13.100/2016-17 dated July 21, 2016, voting rights of our Promoter are capped at 26% of the total voting rights of our Bank. For details, see "*Capital Structure – Build-up of the Promoter shareholding in our Bank*" on page 89.

Details of FIHM are as follows:

Corporate Information and history

FIHM was incorporated on November 12, 2014 as a private company under the laws of the Republic of Mauritius pursuant to the Companies Act 2001. The registered office of FIHM is located at Level 1, Maeva Tower, Silicon Avenue, Cyber city, Ebene 72201, Republic of Mauritius. FIHM's principal activity is to achieve long-term capital appreciation, by investing in public and private equity securities and debt instruments. There have been no changes to the activities undertaken by FIHM.

Board of directors of FIHM

As on the date of this Prospectus, the board of directors of FIHM is as follows:

Name	Designation
Mr. Chandran Ratnaswami	Director – Non Independent
Ms. Amy Tan Sze Ping	Director - Executive
Mr. Gopalakrishnan Soundarajan	Director – Non Independent
Mr. Mohammad Akshar Maherally	Director - Independent
Ms. Sangeeta Bissessur	Director – Non Independent

Capital structure

As on the date of this Prospectus, the share capital of FIHM is comprised of 22,005,965 ordinary shares, each having a par value of US$ 1.00 and capital contribution from Fairfax India Holdings Corporation of US$ 1,996,413,925.

Shareholding pattern of FIHM

FIHM is a wholly owned subsidiary of Fairfax India Holdings Corporation.

Parent entity of FIHM

Fairfax India Holdings Corporation is the parent entity of FIHM.

Natural person behind the ultimate promoter.

The natural person behind the ultimate promoter is Mr. Prem V. Watsa.

Board of Director of Fairfax India Holdings Corporation

As on the date of this Prospectus, the board of directors of Fairfax India Holdings Corporation is as follows:

Name	Designation
Mr. Prem V. Watsa	Director Non-Independent
Mr. Antony F. Griffiths	Director - Independent

Name	Designation
Mr. Christopher Hodgson	Director - Independent
Mr. Alan Horn	Director - Independent
Mr. Sumit Maheshwari	Director – Non-Independent
Mr. Deepak Parekh	Director - Independent
Mr. Chandran Ratnaswami	Director – Non-Independent
Mr. Gopalakrishnan Soundarajan	Director – Non-Independent
Ms. Lauren Templeton	Director - Independent

Change in control of FIHM

There has been no change in the control of FIHM during the last three years preceding the date of this Prospectus.

Our Bank confirms that the permanent account number, bank account number, company registration number and address of the registrar of companies where FIHM is registered have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Experience of FIHM

FIHM may not have adequate experience in the business activities undertaken by our Bank. For details, see "*Risk Factors – Our Promoter, FIHM, may not have adequate experience in the business activities undertaken by our Bank*" on page 50.

FIHM is not an original promoter of our Bank. RBI vide its letter dated April 22, 2019 bearing number DBR.PSBD.No.8910/16.01.060/2018-19 advised that FIHM be identified as the promoter of our Bank. For further details, see "*Capital Structure*" and "*History and Certain Corporate Matters*" beginning on pages 75 and 197 respectively.

Interests of FIHM

Interest of FIHM in the promotion of our Bank

FIHM is interested in our Bank to the extent that it has promoted our Bank, and to the extent of its shareholding in our Bank, the dividends payable and any other distributions in respect of its shareholding in our Bank. For further details, see "*Capital Structure - Details of Shareholding of our Promoter, members of the Promoter Group and directors of our Promoter in our Bank*" on page 89.

Interest of FIHM in the property of our Bank

FIHM has no interest, whether direct or indirect, in any property acquired by our Bank within the preceding three years from the date of this Prospectus or proposed to be acquired by it as on the date of filing of this Prospectus, or in any transaction by our Bank for acquisition of land, construction of building or supply of machinery etc.

Interest of FIHM in our Bank other than as a Promoter

FIHM has been identified as a promoter based on the RBI letter dated April 22, 2019 bearing number DBR.PSBD.No.8910/16.01.060/2018-19. Further, Mr. Madhavan Karunakaran Menon and Mr. Sumit Maheshwari have been nominated as nominee directors by FIHM. For further details, see "*History and Certain Corporate Matters*" on page 197 of this Prospectus.

Interest of FIHM in our Bank arising out of being a member of a firm or company

FIHM is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to FIHM or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Bank.

Payment or benefits to Promoter or Promoter Group

There have been no amounts paid or benefits granted by our Bank to our Promoter or Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoter or Promoter Group as on the date of this Prospectus.

Disassociation by FIHM in the last three years

FIHM has not disassociated itself from any companies or firms during the preceding three years from the date of filing of this Prospectus.

Guarantees

FIHM has not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Prospectus.

Promoter Group

The entities that form a part of the Promoter Group of our Bank in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

1. Fairfax India Holdings Corporation;
2. 5Paisa Capital Limited;
3. IIFL Finance Limited (*formerly known as IIFL Holdings Limited*);
4. Bangalore International Airport Limited;
5. Sanmar Engineering Services Limited;
6. National Collateral Management Services Limited;
7. Saurashtra Freight Private Limited;
8. FIH Private Investments Ltd;
9. I Investments Limited;
10. IIFL Securities Limited*;
11. Anchorage Infrastructure Investments Holdings Limited
12. Seven Island Shipping Limited; and
13. Fairchem Speciality Limited

**IIFL Securities Limited is involved as a merchant banker only in marketing of the Offer.*

Group Companies

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, the Board pursuant to the Materiality Policy, has determined that other than such companies with which there were related party transactions during the period for which the Restated Financial Information are disclosed in this Prospectus, which are 'group companies', in terms of the SEBI ICDR Regulations, a company shall be considered material and will, consequently, be disclosed as a 'group company' in this Prospectus if such company is a member of the Promoter Group of our Bank and has entered into one or more transactions with our Bank in the most recent audited period, the monetary value of which transactions, individually or in the aggregate, exceed 10% of the total restated revenue of our Bank (on a consolidated basis, to the extent applicable) for the most recent audited period as per the Restated Financial Information of our Bank (on a consolidated basis, to the extent applicable) disclosed in this Prospectus.

Based on the above, our Group Company is set forth below:

1. Finsigma Inclusive Services Private Limited

Details of our Group Company

1. Finsigma Inclusive Services Private Limited ("Finsigma")

Corporate Information

Finsigma was incorporated on July 22, 2015 and is currently engaged in the business of providing business correspondent services to banks and non-banking finance companies. The corporate identification number of Finsigma is U72900TN2015PTC101500.

Nature of Activities

Finsigma is engaged in the business of inter alia providing business correspondent services to banks and non-banking finance companies.

Financial Performance

The financial information derived from the latest audited financial results available on a standalone basis of Finsigma for the Fiscals 2019, 2018 and 2017 are set forth below:

(Figures in ₹ million except per share data)

Particulars	Fiscal		
	2019	2018	2017
Equity capital	13.13	13.13	8.41
Reserves and surplus (excluding revaluation reserve)	(8.10)	(8.98)	(6.90)
Sales	23.13	8.62	0.32
Profit/(Loss) after tax	0.89	(4.10)	(6.62)
Earnings per share (Basic)	0.67	(3.12)	(7.90)
Earnings per share (Diluted)	0.67	(3.12)	(7.90)
Net asset value	12.07	11.13	1.50

There are no significant notes by the auditors of Finsigma in relation to the above mentioned financial statements for the specified last three Fiscals.

Litigation

There are no pending litigation proceedings involving our Group Company which has or may have a material impact on our Bank.

Group Company which is a sick industrial company

Our Group Company has not become a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Group Company under winding up/insolvency proceedings

Our Group Company is not under winding up/insolvency proceedings.

Loss making Group Company

Our Group Company has not incurred loss in the last audited Fiscal.

Nature and extent of interest of Group Company

Our Group Company does not have any interest in the promotion of our Bank.

Our Group Company is not interested in the properties acquired by our Bank since incorporation or proposed to be acquired by our Bank.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Defunct Group Company

During the five years preceding the date of the Draft Red Herring Prospectus, our Group Company has not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Company.

Common pursuits

There are no common pursuits amongst our Group Company and our Bank.

Related Business Transactions within the group and significance on the financial performance of our Bank

Other than the transactions disclosed in the section "*Financial Statements - Related party transaction*" on page 268, there are no other business transactions between our Bank and Group Company which are significant to the financial performance of our Bank.

Business interests or other interests

Except as disclosed in "*Financial Statements – Related party transaction*" on page 268, our Group Company does not have any business interest in our Bank.

Other Confirmations

Our Group Company does not have any securities listed on a stock exchange. Further, our Group Company has not made any public or rights issue of securities in the three years preceding the date of this Prospectus.

Further, neither have any of the securities of our Bank nor of our Group Company have been refused listing by any stock exchange in India or abroad, nor has our Bank or our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

As on the date of this Prospectus, our Group Company is not listed on any stock exchange.

DIVIDEND POLICY

As on the date of this Prospectus, our Bank does not have a formal dividend policy.

In view of losses reported, there was no dividend declared for Fiscals 2017, 2018 and 2019. Further, no dividend has been paid for the period post March 31, 2019 to the date of filing of this Prospectus.

We may retain all our future earnings, if any, for use in the operations. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board, subject to approval by Shareholders and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, restrictions imposed by RBI, capital adequacy ratio, cash requirements, business prospects and any other financing arrangements. The declaration and payment of dividends are governed by the applicable provisions of the Companies Act, 2013, the Banking Regulation Act and the Articles of Association. Further, there are regulatory restrictions on banks with respect to payment of dividend. For details, see "*Risk Factors - Our ability to pay dividends is restricted*" beginning on page 50.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

In accordance with the SEBI ICDR Regulations, the audited financial information of our Bank for Fiscals 2017, 2018 and 2019 and for the six month period ended September 30, 2019 is available on our website at https://www.csb.co.in/investor-relations.

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors
CSB Bank Limited
(Formerly The Catholic Syrian Bank Limited)
CSB Bhavan, P.O.Box. No. 502,
St. Mary's College Road,
Trichur - 680020

Dear Sirs,

1. We have examined the attached Restated Financial Information of CSB Bank Limited (the " Bank") comprising of Restated Statement of Assets and Liabilities as at March 31, 2019, 2018 and 2017, and for the six months ended September 30, 2019, the Restated Statements of Profit and Loss for the years ended March 31, 2019, 2018 and 2017 and for the six months ended September 30, 2019, Restated Cash Flow Statement for the years ended March 31, 2019, 2018 and 2017, and for the six months ended September 30, 2019, the Summary Statement of Significant Accounting Policies and Notes to Accounts for the years ended 31.3.2019, 31.3.2018 and 31.3.2017, and for the six months ended September 30, 2019 and other explanatory information attached hereto (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Bank at their meeting held on October 17, 2019 for the purpose of inclusion in the offer document prepared by the Bank in connection with its proposed Initial Public Offer of equity shares ("IPO") and as prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Bank's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Securities and Exchange Board of India ("SEBI"), relevant stock exchanges and Registrar of Companies, Kerala at Ernakulam ("ROC") in connection with the IPO. The Restated Financial Information have been prepared by the management of the Bank on the basis of preparation stated in Notes to the Restated Financial Information. The responsibility of the Board of Directors of the Bank includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Bank complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 1.5.2019 in connection with the IPO;

   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Financial Information have been compiled by the management from previously audited statutory financial statements prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act 2013 and rules made thereunder and any other notifications or circulars issued by RBI from time to time audited by us for the respective years ended March 31, 2019, 2018 and 2017 and for the six months ended September 30, 2019 and adopted by the Board of Directors at their meetings held on April 22, 2019, , April 30, 2018, April 24, 2017 and October 17, 2019, respectively, as adjusted for the differences in the changes in accounting policies.

5. For the purpose of our examination, we have relied on:

   Auditors' reports issued by us dated April 22, 2019, April 30, 2018, April 24, 2017 and October 17, 2019, respectively on the financial statements for the years ended March 31, 2019, 2018 and 2017 and for the six months ended September 30, 2019 as referred in paragraph 4 above.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2018 and March 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the six months ended September 30, 2019.

b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note; and

c) the Statement of Assets and Liabilities / Statement of Profit and Loss and Cash Flow Statement of the Bank as restated as at 31st March 2017, 31st March 2018, 31st March 2019 and for the six months ended September 30, 2019 after making such adjustments and regroupings as in our opinion are appropriate and more fully described in significant accounting policies and notes there on.

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the Board of Directors for inclusion in the offer document to be filed with SEBI, the relevant stock exchanges and the ROC in connection with the IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For R G N Price & Co
Chartered Accountants
FRN No: 002785S

P.M Veeramani, Partner
M. No 23933

CSB BANK LTD
SUMMARY OF FINANCIAL INFORMATION
Summary Statement of Assets & Liabilities as Restated

(₹ in Million)

S. NO.	PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
A.	ASSETS				
1	Cash in Hand	505.94	549.48	584.28	549.22
2	Balance with RBI	7,057.92	6,229.47	6,669.77	6,512.84
3	Balance with Banks				
	In India	576.43	187.94	128.05	88.33
	Outside India	191.21	274.65	104.20	1,011.10
4	Money at Call & Short Notice	3,780.00	4,909.80	2,250.00	-
5	Investments				
	In India Gross Investment	57,771.10	41,629.52	41,118.14	43,972.35
	Less: Provision for NPA Investment	-	-	-	-
	Less: Depreciation on Investment	479.29	796.60	842.02	831.32
	In India Net Investment	57,291.81	40,832.92	40,276.12	43,141.03
	Outside India	-	-	-	-
6	Advances				
	In India	80,007.80	91,848.53	1,06,152.37	1,12,978.35
	Outside India	-	-	-	-
7	Fixed Assets	2,152.61	2,161.17	2,177.29	2,156.27
	Less: Revaluation Reserve	1,639.59	1,594.67	1,578.25	1,571.13
	Net Fixed Assets	513.02	566.50	599.04	585.14
8	Other Assets	9,712.23	10,582.50	10,769.50	11,117.64
	Less: Intangible Assets and Deferred Tax Asset	1,936.11	2,635.18	2,998.73	2,751.07
	Net Other Assets	7,776.13	7,947.33	7,770.77	8,366.57
	TOTAL (A)	1,57,700.26	1,53,346.62	1,64,534.60	1,73,232.58
B.	LIABILITIES				
1	DEPOSITS				
	Demand Deposit				
	From Banks	6.34	5.15	5.28	13.43
	From Others	6,071.17	6,276.31	6,165.59	6,580.47
2	Saving Deposits	30,868.32	33,425.08	35,934.99	37,125.25
3	Term Deposits from Banks	183.40	58.94	1,900.54	1,829.99
	Term Deposits from others	1,11,986.40	1,07,141.01	1,07,232.33	1,09,549.06
4	Borrowings				
	In India	-	-	-	-
	Outside India	-	-	-	-
	Subordinate Debts(Tier-II Bonds)	418.00	418.00	-	-
5	Other Liabilities & Provisions	2,705.17	2,485.70	3,555.92	2,774.47
	TOTAL (B)	1,52,238.80	1,49,810.19	1,54,794.65	1,57,872.67
C.	NET WORTH (A-B)	5,461.46	3,536.43	9,739.95	15,359.91

(₹ in Million)

S.NO.	PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
D.	Share Capital	810.14	810.14	859.72	1,722.77
	Equity Share Capital	810.14	810.14	859.72	1,722.77
	Share Warrant (Refer Note 1.1 of Notes to Accounts of FY 2018-19)			6,513.41	-
E.	RESERVE & SURPLUS				
1	Statutory Reserve	1,467.56	1,467.56	1,467.56	1,467.56
2	Capital Reserve	717.31	717.31	717.31	720.49
3	Revaluation Reserve	1,639.59	1,594.67	1,578.25	1,571.13
4	Share Premium	6,475.08	6,475.08	7,119.63	17,689.27
5	Revenue & Other Reserve	1,139.30	1,184.22	1,200.64	1,207.76
6	Balance of Profit & Loss Account	-	-	-	-
	TOTAL	11,438.84	11,438.84	12,083.39	22,656.21
	Less: Revaluation Reserve	1,639.59	1,594.67	1,578.25	1,571.13
	Less: Intangible Assets and Deferred Tax Asset	1,936.11	2,635.18	2,998.73	2,751.07
	Less: Profit & Loss (Dr.)	3,211.82	4,482.70	5,139.59	4,696.87
	TOTAL (E)	4,651.32	2,726.29	2,366.82	13,637.14
	NET WORTH (D+E)	5,461.46	3,536.43	9,739.95	15,359.91

The summary statement of assets and liabilities as restated should be read along with the significant accounting policy and notes on accounts.

C.VR. Rajendran
Managing Director & CEO

Refer to our report of even date
For R G N Price & Co
Chartered Accountants
FRN No:002785S

Sijo Varghese
Company Secretary

P.M Veeramani, Partner
M. No 23933

V.Maheswari
Chief Financial Officer

Place: Thrissur
Date: 17.10.2019

Summary Statement of Restated Profit & Loss Account

(₹ in Millions)

S No.	Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
A.	INCOME				
1	Interest Earned	13,362.95	12,968.06	13,475.15	7,322.98
1.1	Interest & Discount on advance/bills	8,808.80	9,128.14	9,686.17	5,631.33
1.2	Income on Investment	4,125.60	3,362.04	3,473.69	1,534.01
1.3	Interest on balance with RBI & other Inter Bank Lending	26.94	59.38	23.65	24.67
1.4	Interest - Others	401.61	418.50	291.64	132.97
2	OTHER INCOME	2,812.01	1,254.20	1,359.18	844.16
2.1	Commission, Exchange & Brokerage	204.93	233.55	272.42	137.09
2.2	Profit on sale of Investments(Net)	1,959.06	27.25	80.06	129.58
2.3	Profit on sale of land, building & other assets (Net)	(2.76)	15.27	(7.52)	(3.73)
2.4	Profit on exchange transaction(Net)	93.42	88.05	70.47	37.30
2.5	Miscellaneous Income	557.36	890.08	943.75	543.92
	TOTAL INCOME	16,174.96	14,222.26	14,834.33	8,167.14
B.	EXPENDITURE				
1	Interest Expended	10,226.94	9,120.00	9,075.61	4,527.77
1.1	Interest on Deposits	10,041.47	8,972.59	8,618.27	4,483.05
1.2	Interest on RBI/Inter Bank borrowings	92.73	49.30	314.88	17.76
1.3	Others	92.74	98.11	142.46	26.96
2	Operating Expenses	4,430.89	4,358.99	5,625.14	2,603.62
2.1	Payment to & provision for employees	2,935.81	2,869.05	3,844.30	1,681.43
2.2	Rent, Tax & Lighting	414.62	459.07	505.86	277.99
2.3	Printing & Stationery	45.87	35.28	40.35	20.89
2.4	Advertisement & Publicity	8.59	17.22	7.75	3.39
2.5	Depreciation on Banks Properties /Assets	149.28	155.71	165.33	100.01
2.6	Director's fees, allowances and expenses	14.27	10.16	7.68	3.73
2.7	Auditor's Fees & Expenses	17.83	15.88	18.36	8.40
2.8	Law Charges	19.58	25.63	31.61	11.63
2.9	Postage, Telegrams, Telephones etc.	88.60	84.42	97.42	50.10
2.10	Repairs & Maintenance	69.98	76.33	85.08	45.48
2.11	Insurance	153.49	159.25	165.56	86.53
2.12	Other Expenditure	512.97	450.99	655.84	314.04
	TOTAL EXPENDITURE	14,657.83	13,478.99	14,700.75	7,131.39
C.	Operating Profit (before Extra Ordinary Items and Provision & Contingencies)	1,517.13	743.27	133.58	1,035.75

(₹ in Millions)

S No.	Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
	Add/(less): Extra Ordinary Items net of taxes	-	-	-	-
	Less: Provisions & Contingencies (other than Provision for Tax)	2,521.56	2,692.20	1,109.66	346.41
D.	Profit Before Tax	(1,004.43)	(1,948.93)	(976.08)	689.34
	Provision for Tax including deferred tax	(424.52)	(678.05)	(319.19)	246.62
E.	Net Profit after tax	(579.91)	(1,270.88)	(656.89)	442.72
	Adjustment for Profit/ Loss Brought Forward	(2,616.37)	(3,211.82)	(4,482.70)	(5,139.59)
F.	Profit available for appropriation	(3,196.28)	(4,482.70)	(5,139.59)	(4,696.87)
a)	Statutory Reserve	3.89	-	-	-
b)	Capital Reserve	11.65	-	-	-
c)	General Reserve	-	-	-	-
d)	Revenue & Other Reserve	-	-	-	-
e)	Charity Fund	-	-	-	-
f)	Deferred Tax Liability	-	-	-	-
g)	Dividend (excluding dividend tax)	-	-	-	-
h)	Tax on Dividend	-	-	-	-
i)	Adjustment of Depreciation as per Companies Act,2013	-	-	-	-
j)	Balance of Profit carried forward	(3,211.82)	(4,482.70)	(5,139.59)	(4,696.87)
	TOTAL	(3,196.28)	(4,482.70)	(5,139.59)	(4,696.87)

The summary statement of restated profit and loss account should be read along with the significant accounting policy and notes on accounts

Refer to our report of even date
For R G N Price & Co
Chartered Accountants
FRN No:002785S

C.V R. Rajendran
Managing Director & CEO

Sijo Varghese
Company Secretary

P.M Veeramani, Partner
M. No 23933

V.Maheswari
Chief Financial Officer

Place: Thrissur
Date: 17.10.2019

Statement of Cash Flows as Restated

(₹in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before Tax	(1,004.43)	(1,948.93)	(976.08)	689.33
Adjustments for:				
Depreciation on Fixed Assets	121.50	118.42	121.71	75.08
Amortisation of Intangible Assets	27.78	37.28	43.61	24.93
Provisions and Contingencies	2,521.56	2,692.20	1,109.66	346.40
Interest on Tier II Bonds	50.56	50.65	50.71	-
Others	4.74	(8.15)	6.62	3.81
Operating Profit before working capital changes	1,721.71	941.47	356.23	1,139.55
Adjustments for				
Deposits	4,731.58	(2,209.13)	4,332.24	3,859.47
Borrowings	-	-	-	-
Other Liabilities	(107.64)	(212.98)	908.58	(802.04)
Investments	2,419.35	16,139.78	510.91	(2,888.92)
Advances	(4,477.58)	(14,219.38)	(15,204.88)	(7,124.58)
Other Assets	(291.89)	(178.30)	253.92	(367.64)
Cash (used in) / generated from Operating Activities	3,995.53	261.46	(8,843.00)	(6,184.16)
Direct Taxes Paid (Net of refunds)	(41.29)	6.96	(89.44)	(225.74)
Net Cash (used in) / generated from Operating Activities (A)	3,954.24	268.42	(8,932.44)	(6,409.90)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets and Intangible Assets	(173.72)	(223.68)	(226.51)	(85.96)
Sale of Fixed Assets	3.81	45.75	5.10	1.75
Net Cash used in Investing Activities (B)	(169.91)	(177.93)	(221.41)	(84.21)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Equity Share Capital	92.54	-	49.58	198.74
Proceeds from Share Premium	1,022.27	-	644.54	1,933.63
Proceeds from issue of Equity Share Warrants			6,513.41	2,786.91
Issue / (Redemption) of Tier II Bonds	-	-	(418.00)	-
Interest Paid on Tier II Bonds	(50.56)	(50.65)	(50.71)	-
Dividend paid (including Tax on Dividend)	-	-	-	-
Net Cash generated / (used in) financing activities (C)	1,064.25	(50.65)	6,738.82	4,919.28

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
D. NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	4,848.58	39.84	(2,415.03)	(1,574.83)
Cash and Cash Equivalents at the beginning of the Year	7,262.92	12,111.50	12,151.34	9,736.31
Cash and Cash Equivalents at the end of the Year	12,111.50	12,151.34	9,736.31	8,161.48
Net increase /(decrease) disclosed as above	4,848.58	39.84	(2,415.03)	(1,574.83)

The statement of cash flows as restated should be read along with the significant accounting policy and notes on accounts.

Refer to our report of even date
For R G N Price & Co
Chartered Accountants
FRN No:002785S

C.VR. Rajendran
Managing Director & CEO

P.M Veeramani, Partner
M. No 23933

Sijo Varghese
Company Secretary

V.Maheswari
Chief Financial Officer

Place: Thrissur
Date: 17.10.2019

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

a) The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time, the Accounting Standards (AS)specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 so far as they apply to the Bank and practices generally prevalent in the banking industry in India.

b) Going Concern Assumption, Historical cost convention and Accrual basis of accounting have been consistently applied while preparing and presenting the financial statements, except as stated in para10 ¯``Recognition of Revenue and Expenditure_.

2. USE OF ESTIMATES

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingent liabilities at the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. TRANSACTIONS INVOLVING FOREIGN EXCHANGE

a) Monetary assets and liabilities including contingent liabilities have been translated at the exchange rates prevailing at the close of the year as advised by FEDAI and the effect is accounted in Profit & Loss Account

b) Income and Expenditure items denominated in foreign currencies have been accounted at the exchange rates prevailing on the date of transaction.

c) Outstanding foreign exchange forward contracts are revalued at the rates applicable on the closing date as advised by FEDAI. The resultant profit/loss is taken into Profit and Loss Account.

d) Contingent Liabilities on guarantees, letters of credit, acceptances and endorsements are reported at the exchange rates prevailing at the close of the year.

4. INVESTMENTS

a) Accounting and classification
All Investments are accounted for on settlement dates. In terms of RBI guidelines, the entire investments portfolio has been classified under three categories for valuation purpose, viz., `Held to Maturity_, `Available for Sale_ and `Held for Trading_ at the time of its purchase. However, for disclosure in the Balance Sheet, investments are classified under six groups ¯ Govt. Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries/Joint Venture and Others.

b) Cost of acquisition
Costs such as brokerage pertaining to investments, paid at the time of acquisition are charged to the profit and loss account.

c) Basis of Classification
Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that the bank intends to hold till maturity are classified under the HTM category. Securities which are not classified in the above categories are classified under the AFS category.

d) Transfer between categories
Reclassification of investments from one category to the other, if done, is in accordance with the RBI guidelines. Transfer of scrips from AFS/HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount are transferred to AFS/HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

e) Valuation of Securities:

(i)Investments in `Held to Maturity_ category are accounted for at acquisition cost or at amortized cost, if acquired at a premium. In case the cost is higher than the face value, the premium is amortized over the period remaining to maturity using Constant Yield Method. Such amortization of premium is adjusted against income under the head `Income on Investments_. Where the face value is higher than the cost, the discount is ignored and is accounted only on maturity date of the instrument.

(ii) Securities classified as `Available for Sale_ are marked to market scrip-wise on a quarterly basis other than shares which is done on a weekly basis and net depreciation in each category is provided for, while net appreciation is ignored.

(iii) Individual scrips in `Held for Trading_ category are marked to market at daily intervals and net depreciation in each category is provided for, while net appreciation is ignored.

(iv) Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost.

(v) Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Reconstruction Company/Securitization Company. Depreciation in each scrip is provided for while appreciation is ignored.

(vi)Profit on sale of investments in :Held to Maturity˘ category is recognized in the Profit and Loss Account and an equivalent amount net of taxes and transfer to Statutory Reserves is appropriated to Capital Reserve.

(vii)Investments are also classified as Performing and Non Performing as per the guidelines of RBI and provisions on Non Performing investments are made as per the provisioning norms of RBI.

(viii) As per RBI circular [FMOD.MAOG. No. 116/01.01.001/2016-17, dated 10.112016], the bank is classifying Repo / Reverse Repo under LAF scheme in Schedule 4 [Borrowings] and Schedule 7 [Balances with banks and Money at call & short notice] respectively.

5. ADVANCES

a) Advances have been classified as :Performing˘ and :Non-performing Advances˘ (NPA) in accordance with the applicable regulatory guidelines. NPAs are further classified in to Sub-standard, Doubtful and Loss assets in terms of applicable regulatory guidelines.

b) Provision for Non Performing Advances comprising Sub-standard, Doubtful and Loss Assets is made in accordance with the RBI guidelines which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. In respect of identified NPAs provision is recognized at borrower level on the basis of ageing of loans. The provisioning done is at or higher than the minimum rate prescribed under the RBI guidelines.

c) The amount of advances shown in the Balance Sheet is net of provisions, interest suspense, ECGC claims received and discount on assignment transactions.

d) Provision on Standard Assets, is maintained as per RBI guidelines. In respect of Rescheduled/ Restructured Advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI Guidelines. The said provision is reduced to arrive at net advances. In case of advances to stressed sectors, bank has recognized provision in line with RBI guidelines. These provisions are included under in Item No. IV :Others˘, of Schedule ¯ Other Liabilities & Provisions.

e) Amounts recovered against debts written off in earlier years are recognized as revenue.

f) The sale of financial assets (including Non Performing Advances) to Reconstruction Company (RC)/ Securitisation Company (SC) are accounted as per the extant guidelines of Reserve Bank of India from time to time.

h) Policy on Managing Currency induced credit risk: As per Credit Policy of the bank Forward exchange cover is insisted on all Foreign Currency loans of USD 2 Mio or above unless there is natural hedge by way of export/other earnings. For foreign currency loans of less than USD 2 Mio, forward exchange cover is optional to the borrower subject to furnishing of an unconditional undertaking to bear the exchange loss if any.

i) In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure, wherever applicable and in accordance with RBI Guidelines

6. FIXED ASSETS AND DEPRECIATION

a) Fixed Assets other than premises are carried at cost less accumulated depreciation. Cost includes cost of purchase and all directly attributable costs of bringing the asset to its working condition for its intended use.

b) Premises are stated at revalued amount. Appreciation on revaluation of premises is credited to Revaluation Reserve. The additional depreciation on the revalued portion of buildings is charged to Profit and Loss Account and an equivalent amount is withdrawn from Revaluation Reserve and credited to General Reserve.

c) Subsequent expenditure incurred on fixed assets put to use is capitalized only when it represents an improvement which increases the future benefits from the existing asset beyond its previously assessed standard of performance or an extension which becomes an integral part of the asset.

d) Depreciation on additions to fixed assets is provided on pro rata basis. No depreciation is charged on the fixed assets sold/discarded during the year, except for premises and motor vehicles which are depreciated on a pro-rata basis.

e) The bank has adopted the revised useful life of assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II

Type of Fixed Asset	Useful Life Considered (Yrs)	Useful Life as per Schedule II (Yrs)	Depreciation Method
Premises	58 Yrs	60 Yrs	Written Down Value
Servers & Networks	3 Yrs	6 Yrs	Straight Line
ATMs	8 Yrs	15 Yrs	Straight Line

7. INTANGIBLE ASSETS

Accounting and amortisation of computer software are in accordance with the provisions of Accounting Standard 26 – Intangible Assets, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014.

a) Application Software purchased is amortised over a period of 5 years on pro rata basis under Straight Line Method.

b) Internally Generated Application Software is accounted as an intangible asset and is amortised over a period of 5 years on pro rata basis under Straight Line Method from the date the software becomes Available for Use. If the software is still in the development phase and has not become Available for Use, no amortisation is charged to Profit & Loss Account.

8. NON BANKING ASSETS

In the case of Non Banking Assets, diminution in value, if any, is provided for.

9. EMPLOYEE BENEFITS

9.1 Short Term Employee Benefits

The undiscounted amount of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

9.2 Long term Employee Benefits

a) Defined Contribution Plan - Provident Fund and New Pension Scheme (Contributory) are the defined contribution plans of the bank. In addition to contribution for the period, shortfall, if any, in the Provident Fund Trust is charged to Profit and Loss Account of the bank.

b) Defined Benefit Plans - Liabilities towards Gratuity, Pension and Leave benefits to employees are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of each financial year. Projected Unit Credit Method is used by the actuary for valuing the obligations in case of Pension, Gratuity and Long term Compensated Absences and other long term employee benefits. Discount rate used to arrive at the present value of estimated future cash flows is arrived at by reference to market yields on balance sheet date on government bonds of term consistent with estimated term of the obligations as per para 78 of AS 15 Employee Benefits. Actuarial Gains/Losses are immediately taken to the profit and loss account and are not deferred.

Brief description of the defined benefit plans:

i) Pension - Pension is payable to the employees who have specifically opted for the same. For becoming eligible for pension, the employee should have served the bank for a minimum period of 10 years in the case of retirement on superannuation and 20 years in other cases. At the time of retirement or death of the pension eligible employee, the pension trust purchases annuity from insurance company, out of the contributions made by the bank.

ii) Gratuity - Gratuity is payable to all employees on termination of employment due to retirement, death or resignation, provided that the employee has continuously served the bank for a minimum period of 5 years.

iii) Long term compensated absences and other long term employee benefits viz:

a. Privilege Leave
b. Leave fare concession
c. Sick Leave

are based on actuarial valuation at the end of the financial year

9.3 Employee Stock Options (ESOP)

The accounting for shares granted under Employee Stock Option Scheme is done as per the ICAI Guidance note on ESOP. The Bank has applied the intrinsic value method to arrive at the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the value of the underlying shares as determined by an independent valuer exceeds the exercise price of the options. Compensation cost so determined is amortised over the vesting period of the option granted.

10. RECOGNITION OF REVENUE AND EXPENDITURE

Revenue is recognised to the extent it is probable that the economic benefits will flow to the bank and the revenue can be reliably measured.

a. Interest/discount on advances/bills is recognised on accrual basis except on non-performing assets in which case the income is recognised as per prudential norms issued by RBI. Exchange, Brokerage, Commission & Rent on lockers are recognised on cash basis.

b. Income on Investments (other than dividend on shares & mutual funds and income on non performing investments) is recognised on accrual basis. Dividend income is recognized when the right to receive payment is established.

c. Recovery in Non Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under One Time Settlement where recovery is appropriated based on the court decree/terms of agreement.

d. In the case of purchase of loans from other banks/NBFCs through direct assignment of cash flows, bank recognizes interest income on the basis of original IRR/actual collection record of the pool. The discount, if any, on such purchase is recognised in proportion to the principal received.

e. In case of Asset Sale to ARCs, where the sales is at a price higher than the net book value (NBV), (i.e. outstanding less provision held) and consideration is received in cash, the excess provision on NPA is credited to Profit and loss account. If consideration is other than cash, the excess provision is retained. If the sale is at a price below the NBV, the shortfall is debited to Profit & Loss Account, as per the option given by RBI.

f. Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income.

11. TAXES ON INCOME

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The impact of changes in the deferred tax assets and liabilities is recognized in the Profit and Loss Account.

Deferred tax assets are recognized and reassessed at each reporting date, based upon the Management˘s judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax asset can be realized against future profits.

12. SEGMENT INFORMATION

Bank has adopted RBI˘s revised guidelines on segment reporting issued in April 2007 and accordingly 4 business segments viz. Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations have been considered as reportable segments. Advances classified as corporate as per Basel III norms are grouped in Corporate/Wholesale Banking assets while all other advances are grouped as Retail Banking Assets. Deposits of ₹ 2 crore and above are classified as corporate/wholesale banking liabilities (to conform to ALM classification adopted by the bank) and all other deposits are grouped as retail banking liabilities. Deposits of borrowers classified as corporate as per Basel II norms are treated as wholesale deposits regardless of amount. For arriving at segment results, income and expenditure that cannot be directly identified with a particular segment are allocated on appropriate basis.

13. IMPAIRMENT OF ASSETS

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognized in accordance with the Accounting Standard 28 :Impairment of Assets˘ specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 and charged to Profit and Loss Account.

14. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) As per the Accounting Standard 29, :Provisions, Contingent Liabilities and Contingent Assets˘, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules,2014 the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

b) Contingent assets are not recognized in the financial statements.

While computing the provision requirement pertaining to fraud accounts, adjustment is made for `financial collateral eligible under BASEL III Capital regulations -Capital charge for credit risk (standardized approach)_, if available and amount so arrived at is charged fully to Profit and Loss Account, in the same quarter of detection.

15. EARNINGS PER SHARE

The bank reports basic and diluted Earnings per equity share in accordance with the Accounting Standard 20 on `Earnings per share specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic Earnings per share (EPS) reported is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti-dilutive.

16. SHARE ISSUE EXPENSES

The share issue expenses are adjusted from share premium account in terms of Section 52 of the Companies Act, 2013, in cases where RBI approval is obtained.

17. NET PROFIT/LOSS

The net profit/loss disclosed in the Profit & Loss Account is after
- provision for taxes
- provision for standard, restructured and non performing assets.
- provision for depreciation on investments and
- other usual and necessary provisions.

NOTES TO ACCOUNTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019

1.1 Capital Infusion

Pursuant to approval accorded by shareholders by way of special resolution passed in the Extraordinary General Meeting of the Bank held on March 21, 2018 and in terms of Reserve Bank of India approval vide letter DBR.PSBD.No.341/16.1.060/2018-19 dated July 12, 2018 and approval of Department of Financial Services (DFS) of the Ministry of Finance, Government of India vide letter No. F.No.26/5/2018-BOA dated October 9, 2018, the Bank, on 19.10.2018 allotted, on a partly paid up basis, an aggregate number of 19,832,130 Equity Shares of ₹10/- each at an issue price of ₹140/- per share (including premium of ₹130/- per share) and 66,463,329 Warrants compulsorily convertible into or exchangeable for Equity Shares of ₹10/- each at an issue price of ₹140/- (including premium of ₹130/- per warrant) to FIH Mauritius Investments Ltd (FIHM).

In pursuance of the above approvals, the Bank received ₹35/- per equity share upfront, aggregating to ₹694,124,550/- in respect of shares allotted. In respect of Warrants allotted, the Bank received ₹98/- per warrant in two tranche, aggregating of ₹ 6,513,406,242/-. Bank, as on March 31, 2019, received an amount aggregating of ₹7,207,530,792/- by allotting Warrants and Shares to FIH-M.

Bank, on July 5, 2019, received balance amount of Rs.105/- per share aggregating to ₹2,082,373,650/- and accordingly, the partly paid up share were made fully paid up on July 12, 2019. In respect of warrants, Bank received balance amount of Rs 42/- per warrant aggregating to ₹2,791,459,818/- on July 8, 2019 and accordingly 66,430,846 warrants were converted into equity shares on August 7, 2019. 32,483 warrants allotted on October 19, 2018 at Rs. 140/- per warrant and consideration received in three tranches, were forfeited on August 7, 2019 by refunding Rs.42 per warrant amounting to Rs.13,64,286/-, received in the last tranche and forfeited an amount of Rs.98 per warrant amounting to Rs.31,83,334/-received in 1st two tranches by transfer to capital reserve so as to bring the overall investment of FIHM in the Bank within the DFS approved limit of Rs. 12,077 Million.

Bank, on July 12, 2019 allotted 5,000,000 equity shares @ Rs.10/- per share to CSB ESOS Trust, pursuant to the approval of the shareholders obtained, vide post ballot resolution dated May 4, 2019.

1.2 Investments

a) In respect of Investments in Held to Maturity category, the amount of amortization of excess of acquisition cost over face value is ₹ 74.9 Million (previous year ₹143.7 Million) which is netted against Income on Investments.

b) Profit on sale of investments under Held to Maturity category amounting to ₹7.4 Million for the half year ended (Previous Year ₹Nil) has been taken to Profit and Loss account and the amount net of tax & transfer to statutory reserve shall be appropriated to Capital Reserve at the end of the year. There was no loss on sale of investments under Held to Maturity category during the half year. During the previous year there was no sale of HTM category securities.

c) Provisions for depreciation and diminution on investments in the Available for Sale category investments amounting to₹ 17.9 Million is reversed to Profit & Loss account (previous year ₹ 58.5 Million was debited to Profit & Loss account).

d) Provisions for depreciation and diminution on investments in the Held for Trading category investments amounting to₹ 7.2 Million is debited to Profit & Loss account (previous year ₹ Nil).

e) During the year, the bank has transferred securities of book value amounting to ₹788.5 Million (previous year ₹Nil) from Available for Sale category to Held to Maturity category. During the previous year, the bank has transferred securities of book value amounting to ₹532.1 Million from Held to Maturity category to Available for Sale category.

f) UDAY bonds issued on conversion of advances to DISCOM companies on restructuring of advances in March 2016 which were not envisaged to be converted into SDL amounting to ₹ 156.6 Million (Previous year ₹156.6 Million) are treated as Non-Performing Investments (NPI), and a provision of ₹ 62.6 Million (Previous year ₹62.6 Million)is held on the same.

1.3 Reconciliation

Reconciliation of inter-bank and inter-branch transactions has been completed up to 30th September 2019. Steps for elimination of outstanding entries are in progress. In the opinion of the management, since the outstanding entries to be eliminated are insignificant, no material consequential effect is anticipated.

1.4 Taxation

Claims against the bank not acknowledged as debt under contingent liabilities include disputed income tax liabilities of ₹ 244.0 Million (Previous Year - ₹244.1 Million) of which ₹226.5 Million (Previous Year - ₹225.7 Million) has been paid/adjusted and included under other assets. In respect of these claims, provision for tax is not considered necessary based on various judicial decisions on such disputes. Management does not envisage any liability in respect of such disputed issues.

Provision for income tax for the year is arrived at after due consideration of the various favorable judicial decisions on certain disputed issues.

2. Disclosures in terms of Reserve Bank of India Guidelines

2.1 Capital

Particulars	Basel III	
	30.09.2019	31.03.2019
i) Common Equity Tier 1 capital ratio (%)	22.11	16.03
ii) Tier 1 Capital ratio (%)	22.11	16.03
iii) Tier 2 Capital ratio (%)	0.66	0.67
iv) Total Capital ratio (CRAR) (%)	22.77	16.70
v) Percentage of the shareholding of the Government of India in public sector banks	N A	N A
vi) Amount of equity capital (including warrants) raised during the half year/year	₹4919.3 Million	₹7207.5 Million
vii) Amount of Additional Tier 1 capital raised (during the half year/year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii) Amount of Tier 2 capital raised (during the half year/ year); of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	Nil	Nil

Particulars	BASEL II	
	30.09.2019	31.03.2019
i) Common Equity Tier 1 capital ratio (%)	22.32	16.09
ii) Tier 1 Capital ratio (%)	22.32	16.09
iii)Tier 2 Capital ratio (%)	0.67	0.67
iv)Total Capital ratio (CRAR) (%)	22.99	16.77
v)Percentage of the shareholding of the Government of India in public sector banks	Nil	Nil
vi) Amount of equity capital (including warrants) raised during the half year/ year	₹4919.3 Million	₹7207.5 Million
vii) Amount of Additional Tier 1 capital raised (during the half year/ year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii)Amount of Tier 2 capital raised (during the half year/ year);of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	Nil	Nil

2.2 Investments

(₹in Million)

Items	30.09.2019	31.03.2019
(1) Value of Investments		
(i) Gross Value of Investments	43972.3	41118.1
(a) In India	43972.3	41118.1
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation/Diminution	831.3	842.0
(a) In India	831.3	842.0
(b) Outside India	Nil	Nil
(iii) Net Value of Investments	43141.0	40276.1
(a) In India	43141.0	40276.1
(b) Outside India.	--	--
(2) Movement of provisions held towards depreciation/ diminution on investments		
(i) Opening balance	842.0	796.6
(ii) Add: Provisions made during the year	39.1	61.2
(iii) Less: Write-off/ write-back of excess provisions during the year	49.8	15.8
Closing balance	831.3	842.0

2.2.1 Repo Transactions (In Face Value terms)

(₹in Million)

	Minimum outstanding during the half year	Maximum outstanding during the half year	Daily Average outstanding during the half year	Outstanding as on 30.09.2019
Securities sold under Repo / Term Repo				
i. Government Securities	50.0	7249.2	1550.6	Nil
ii Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo/ Term Reverse Repo				
i. Government Securities	70.0	4250.0	562.0	Nil
ii Corporate debt securities	Nil	Nil	Nil	Nil

2.2.2 Non-SLR Investment Portfolio

i) Issuer composition of Non SLR investments

(₹ in Million)

No.	Issuer	Amount	Extent of Private Placement	Extent of :Below Investment Grade˘ Securities	Extent of :Unrated˘ Securities	Extent of :Unlisted˘ Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	623.2	156.6	Nil	156.6	156.6
(ii).	FIs	20.0	20.0	Nil	Nil	20.0
(iii).	Banks	4032.0	1857.6	Nil	Nil	Nil
(iv).	Private Corporate	466.8	18.2	Nil	Nil	0.5
(v).	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi).	Others* (Security receipts and AIF)	2470.4	1969.3	Nil	Nil	2470.4
(vii).	Provision held towards depreciation/NPI/diminution	782.4	XXX	XXX	XXX	XXX
	Total	6830.0	4021.7	0	156.6	2647.5

*Bank has, during the half year ended 30.09.2019 made investment of Rs. 514.7 Million (Balance as on 30.09.2019 Rs. 501.2 Million) in units of category II Alternative Investment Fund, which required prior approval of Reserve Bank of India as per its guidelines. Bank has initiated the process for obtaining approval for the same.

ii) Non performing Non-SLR investments (₹ in Million)

Particulars	30.09.2019	31.03.2019
Opening balance	174.8	207.6
Additions during the year	0.0	0.0
Reductions during the year	0.0	32.8
Closing balance	174.8	174.8
Total provisions held	85.1	82.9

2.2.3 Sale and transfers to/from HTM Category:

During the half year securities amounting to book value ₹788.5 Millions was transferred from Available for Sale category to Held to Maturity category. Since sale from Held to Maturity category does not exceed 5 percent of book value of investment held, the disclosure on market value of investment and the excess of book value over market value is not applicable.

2.3. Derivatives: Nil

2.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil

2.3.2 Exchange Traded Currency and Interest Rate Derivatives: Nil

2.3.3 Disclosures on risk exposure in derivatives: Nil

2.3.4 Qualitative & Quantitative Disclosure: Not Applicable

2.4. Asset Quality

2.4.1.1 Non-Performing Asset (₹in Million)

Particulars	30.09.2019	31.03.2019
(i) Net NPAs to Net Advances (%)	1.96%	2.27%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	5306.2	7641.3
(b) Additions during the year	849.0	1974.5
(c) Reductions during the year	2893.1	4309.6
(d) Closing balance	3262.1	5306.2
(iii) Movement of Net NPAs		
(a) Opening balance	2406.8	2637.8
(b) Additions during the year	611.4	1357.6
(c) Reductions during the year	803.2	1588.6
(d) Closing balance	2215.0	2406.8
(iv)Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2864.2	4971.4
(b) Provisions made during the year	556.3	1557.9
(c) Write-off/ write-back of excess provisions	2409.0	3665.1
(d) Closing balance	1011.5	2864.2

2.4.2 Particulars of Accounts Restructured/ Rescheduled as on 30.09.2019 (Amount in Million)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 2019(opening figure)	No. of Borrower	0	0	1	0	1	NIL					66	0	10	0	76	66	0	11	0	77
		Amount outstanding-Restructured facility	0	0	0	0	0						195.5	0.00	66.3	0.00	261.8	195.5	0.00	66.3	0.00	261.8
		Other facility	0	0	0	0	0						92.9	0.00	0.00	0.00	92.9	92.9	0.00	0.00	0.00	92.9
		Total	0	0	0	0	0						288.4	0.00	66.2	0.00	354.6	288.4	0.00	66.2	0.00	354.6
		Provision thereon	0	0	0	0	0						2.6	0.00	0.00	0.00	2.6	2.6	0.00	0.00	0.00	2.6
2	Fresh Restruturing During the period	No. of Borrower	0	0	0	0	0	NIL					0	0	0	0	0	0	0	0	0	0
		Amount outstanding-Restructured facility	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Other facility	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Upgradations to restructured standard category during theYear.	No. of Borrower	0	0	0	0	0	NIL					0	0	0	0	0	0	0	0	0	0
		Amount outstanding-Restructured facility	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Other facility	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0	0	0	0	0						0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Restructured standard	No. of Borrower	0	0	0	0	0	NIL					0	0	0	0	0	0	0	0	0	0

	advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next year.	Amount outstanding-Restructured facility	0	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Other facility	0	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	0	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Provision thereon	0	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Down gradations of restructured accounts during theY ear.(Net)	No. of Borrower	0	0	0	0	0	NIL	-20	20	0	0	0	-20	20	0	0	0
		Amount outstanding-Restructured facility	0	0	0	0	0		-7.7	7.7	0.00	0.00	0.00	-7.7	7.7	0.00	0.00	0.00
		Other facility	0	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	0	0	0	0	0		-7.7	7.7	0.00	0.00	0.00	-7.7	7.7	0.00	0.00	0.00
		Provision thereon	0	0	0	0	0		-0.4	0.4	0.00	0.00	0.00	-0.4	0.4	0.00	0.00	0.00
6	Write-offs /Sale /Closed of restructured accounts during the FY.	No. of Borrower	0	0	0	0	0	NIL	-2	0	0	0	-2	-2	0	0	0	-2
		Amount outstanding-Restructured facility	0	0	0	0	0		-1.5	0.00	0.00	0.00	-1.5	-1.5	0.00	0.00	0.00	-1.5
		Other facility	0	0	0	0	0		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	0	0	0	0	0		-1.5	0.00	0.00	0.00	-1.5	-1.5	0.00	0.00	0.00	-1.5
		Provision thereon	0	0	0	0	0		-0.1	0.00	0.00	0.00	-0.1	-0.1	0.00	0.00	0.00	-0.1
7	Changes in the account	No. of Borrower	0	0		0	0	NIL										

	balance	Amount outstanding-Restructured facility	0	0	0	0	0		-11.5	-0.4	-3.0	0.00	-14.9	-11.5	-0.4	-3.0	0.00	-14.9
		Other facility	0	0	0	0	0		0.3	0.00	0.00	0.00	0.3	0.3	0.00	0.00	0.00	0.3
		Total	0	0	0	0	0		-11.3	-0.4	-3.0	0.00	-14.7	-11.3	-0.4	-3.0	0.00	-14.7
		Provision thereon	0	0	0	0	0		0.4	0.00	0.00	0.00	0.4	0.4	0.00	0.00	0.00	0.4
8	Restructured accounts as on Sept 30 2019 (closing figures*)	No. of Borrower	0	0	1	0	1	NIL	44	20	10	0	74	44	20	11	0	75
		Amount outstanding-Restructured facility	0	0	0	0	0		174.8	7.3	63.3	0.00	245.3	174.8	7.3	63.3	0.00	245.4
		Other facility	0	0	0	0	0		93.2	0.00	0.00	0.00	93.2	93.2	0.00	0.00	0.00	93.2
		Total	0	0	0	0	0		267.9	7.3	63.3	0.00	338.5	267.9	7.3	63.3	0.00	338.5
		Provision thereon	0	0	0	0	0		2.5	0.4	0.00	0.00	2.9	2.5	0.4	0.00	0.00	2.9

Note: Out of 75 accounts disclosed above, 64 accounts amounting to ₹275.3 Million pertains to restructuring on account of natural calamities done in accordance with Master Direction by RBI (Relief Measures by Banks in areas affected by natural calamities) Directions 2018 dated October 17,2018

2.4.2 B Disclosures on Flexible Structuring of Existing Loans - Nil

2.4.2 C Disclosures on Strategic Debt Restructuring Scheme - Nil

2.4.2 D Disclosures on Change in Ownership outside SDR Scheme- Nil

2.4.2 E Disclosures on Change in Ownership of Projects under Implementation - Nil

2.4.2. F Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) - Nil

2.4.2. G Restructured accounts under MSME - One-time restructuring on 30.09.2019

Asset status	No of accounts	Amount (₹in Million)
Standard	3	52.3
Substandard	1	3.7
Total	4	56.0

2.4.3.A. Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

A. Details of Sales

(Amount in Million)

Particulars		Current year	Previous Year
(i)	No. of accounts	1	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	16.5	
(iii)	Aggregate consideration	16.5	
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	
(v)	Aggregate gain / loss over net book value	Nil	

2.4.3 B Book value of investments in Security receipts

(₹ in Million)

Particulars	Backed by NPAs/ SMAs sold by the bank as underlying		Backed by NPAs/ SMA/ SMA2 sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019	30.09.2019	31.03.2019
Book value of investments in security receipts	1969.3	2110.2	---	---	1969.3	2110.2

2.4.3 C Ageing of investments held as Security receipts and provision held

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i	Book value of SRs backed by NPAs/SMAs sold by the bank as underlying	747.6	1221.7	Nil
	Provision held against (i)	114.2	583.0	Nil
ii	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	Nil	Nil	Nil
	Provision held against (ii)	Nil	Nil	Nil
	Total (i+ii)	747.6	1221.7	Nil

2.4.4 Details of non-performing financial assets purchased/sold from/to other banks- Nil.

2.4.5 Provisions on Standard Assets

(₹ in Million)

Particulars	30.09.2019	31.03.2019
Provisions held towards Standard Assets	492.8	472.4

2.5 Business Ratio

(As compiled by the management and relied upon by the auditors)

Particulars	6 Months ended 30.09.2019	12 Months ended 31.03.2019
(i)Interest Income as a percentage to Working Funds- Annualized	8.08	7.70
(ii)Non-interest income as a percentage to Working Funds- Annualized	0.93	0.78
(iii)Operating Profit as a percentage to Working Funds -Annualized	1.14	0.08
(iv) Return on Assets (%)-Annualized	0.49	(0.38)
(v) Business (Deposits plus advances) per employee	₹82.5 Million	₹85.9 million
(vi) Profit /(Loss) per employee- Annualized	₹0.14 Million	₹(0.2) Million

2.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(As compiled by the management and relied upon by the auditors) (₹ in Million)

As on 30.09.2019	Day 1	2-7 Days	8 - 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	603.0	1046.0	1558.8	1094.9	2707.2	1755.9	3252.0	2065.7	46421.3	2122.7	92470.6	155098.2
Advances	145.8	857.3	1260.3	2556.1	6075.9	8389.6	14963.7	23318.0	36335.9	10188.6	8887.0	112978.4
Investments (Net)	822.0	495.3	954.2	4.1	492.2	3.1	2209.9	533.2	372.3	3688.4	33566.1	4,3141.0
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Currency assets	747.6	299.5	48.8	192.3	979.7	344.7	1512.7	57.4	42.2	-	-	4224.9
Foreign Currency liabilities	650.5	167.8	51.2	123.6	1163.4	504.3	578.5	387.3	495.0	102.4	0.9	4224.9

Note: Deposits have been classified as per behavioural maturity.

2.7 Exposures

2.7.1 Exposure to Real Estate Sector

(As compiled by the management and relied upon by the auditors) (₹ in Million)

Category	30.09.2019	31.03.2019
a) Direct exposure (i) Residential Mortgages		
a) Priority sector	1598.5	1657.9
b) Non priority sector	2048.4	2165.4
(Of which staff housing loans)	(580.1)	(622.6)
c) Total	3646.9	3823.3
(ii) Commercial Real Estate	3247.7	3535.8
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	10734.0	10688.3
Total Exposure to Real Estate Sector	17628.6	18047.4

2.7.2 Exposure to Capital Market

(As compiled by the management and relied upon by the auditors) (₹ in Million)

Sl No	Items	30.09.2019	31.03.2019
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	9.2	9.2
2	Advances against shares/bonds/debentures of other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	2.5	2.5
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.0	0.0
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
6	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter˜s contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
9	Financing to stock brokers for margin trading	Nil	Nil
10	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	11.7	11.7

2.7.3 Risk category wise country exposure *

(As compiled by the management and relied upon by the auditors)

(₹in Million)

Risk Category	Exposure (Net) as at 30.09.2019	Provision held as at 30.09.2019	Exposure (Net) as at 31.03.2019	Provision held as at 31.03.2019
Insignificant	1198.3	Nil	329.4	Nil
Low	77.2	Nil	97.5	Nil
Moderately Low	0.0	Nil	0.0	Nil
Moderate	0.7	Nil	2.3	Nil
Moderately High	0.0	Nil	0.0	Nil
High	0.0	Nil	Nil	Nil
Very High	0.0	Nil	Nil	Nil
Total	1276.2	Nil	429.2	Nil

* Based on categorization followed by Export Credit Guarantee Corporation of India Ltd

The bank is not having exposure to any country where the net funded exposure is 1 percent or more of the total assets and hence no provisioning is necessary for country risk, in accordance with the RBI guidelines.

2.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

(₹in Million)

Name of Borrower	Exposure as on 30.09.2019			Exposure as on 31.03.2019		
	Advance Exposure	Investment Exposure	Total Exposure	Advance Exposure	Investment Exposure	Total Exposure
Nil	Nil	Nil	Nil	Nil	Nil	Nil

2.7.5 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authorization etc. are available to the bank is Nil.

2.8 Miscellaneous

Amount of Provisions made for Income-tax during the year (₹in Million)

	30.09.2019	31.03. 2019
Provision for Income Tax(including Deferred Tax)	246.6	(319.2)

2.8.1 Disclosure of Penalties imposed by RBI

(a) The RBI had imposed an aggregate penalty of ₹1,200/- (on various dates) during the half year 2019-20 on account of discrepancies detected in the remittance of soiled notes at RBI by Ernakulam Currency Chest (PY 2018-19-Penalty of Rs. 1450/- for discrepancies detected in the remittance of soiled notes and Rs. 40 Million for delay in adherence of RBI directives)

2.8.2 Appropriation of profits to various reserves as per RBI guidelines are to be made based on profit for the year and hence no appropriation is done in the accounts for the half year ended 30.09.2019.

3. Disclosures as per Accounting Standards where RBI has issued Guidelines in respect of items for :Notes to Accounts¯

3.1 Accounting Standard 15 (Revised) ¯Employee Benefits

3.1.1 Disclosures for Defined Contribution Plans ¯ Provident Fund & New Pension Scheme (Contributory)

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the half year amounts to ₹35.5 Million (Previous Year - ₹64.9 Million). There is no deficit in the Provident Fund Trust.

3.1.2 Disclosures for Defined Benefit Plans ¯ Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

3.1.2.1 Amount recognized in Balance Sheet and Profit & Loss Account

The amount recognized in the balance sheet is as follows: (₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Present Value of Obligations ¯ Closing	1778.7	1979.1	487.0	597.0	220.7	254.9
Fair Value of Plan Assets - Closing	1572.0	1473.1	568.8	520.7	N.A	N.A
Funded Status	206.8	506.0	(81.7)	76.3	220.7	254.9
Net Liability (Asset) recognized in Balance Sheet (included in Item No IV- Others ¯ Other Liabilities & Provisions)	206.8	506.0	(81.7)	76.3	220.7	254.9

The amount recognized in the statement of profit and loss account is as follows:

(₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Current Service Cost	165.9	376.6	13.2	27.9	105.3	94.4
Past Service Cost	N.A	N.A	0.0	0.0	N.A.	N.A.
Interest Cost	56.4	133.0	19.1	39.2	8.1	15.8
Expected Return on Plan Assets	(55.2)	(213.0)	(19.5)	(55.4)	N.A.	N.A.
Net Actuarial Loss/(Gain) recognized in the year	393.1	820.0	(15.4)	278.2	-67.6	47.5
Total, (included in Item I. `Payment to and provisions for employees_ ¯ Operating Expenses)*	560.2	1116.6	(2.6)	289.9	45.8	157.7

3.1.2.2 Changes in Fair Value of Plan Assets

(₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Fair Value of Plan Assets at the beginning of the year	1473.1	2840.6	520.7	738.2	N.A.	N.A.
Expected Return on Plan Assets	55.2	213.0	19.5	55.4	N.A.	N.A.
Contributions	859.4	591.3	155.4	232.6	80.0	228.1
Benefits Paid	948.6	2096.7	176.8	467.8	80.0	228.1
Actuarial (Loss)/Gain	132.9	(75.1)	50.0	(37.7)	N.A.	N.A.
Fair Value of Plan Assets at the end of the half year/year	1572.0	1473.1	568.8	520.7	N.A.	N.A.

3.1.2.3 Changes in Present Value of Obligations

(₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Present Value of Obligations at the beginning of the year	1979.1	2821.3	597.0	757.2	254.9	325.3
Interest Cost	56.4	133.0	19.1	39.2	8.1	15.8
Current Service Cost	165.9	376.6	13.2	27.9	105.3	94.4
Past Service Cost	N.A	N.A	0.0	0.0	N.A	N.A
Benefits Paid	948.6	2096.7	176.8	467.8	80.0	228.1
Actuarial Loss/(Gain)	525.9	744.9	34.6	240.5	(67.6)	47.5
Present Value of Obligations at the end of the half year /year	1778.9	1979.1	487.1	597.0	220.7	254.9

3.1.2.4 Movement in Net Liability Recognized in Balance Sheet

(₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Net Liability at the beginning of the period	506.0	(19.3)	76.3	19.0	254.9	325.3
Add Expenses Charged to Profit & Loss Account	560.2	1116.6	(2.6)	289.9	45.8	157.7
Less Contributions	859.4	591.3	155.4	232.6	80.0	228.1
Net Liability (Asset) at the end of the period	206.8	506.0	(81.7)	76.3	220.7	254.9

3.1.2.5 Actual Return on Plan Assets

(₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Expected Return on Plan Assets	55.2	213.0	19.5	55.4	N.A.	N.A.
Actuarial Gain (Loss)	132.9	(75.1)	50.0	(37.7)	N.A.	N.A.
Actual Return on Plan Assets	188.1	137.9	69.5	17.7	N.A.	N.A.

3.1.2.6 Actuarial Assumptions

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	HY 19-20	2018-19	HY 19-20	2018-19	HY 19-20	2018-19
Discount Rate (p.a.)	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Expected Return on Plan Assets (p.a.)	7.50%	7.50%	7.50%	7.50%	N.A	N.A
Future Salary Increases (p.a.)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality	In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).	

3.1.2.7 Investment Percentage maintained by Pension & Gratuity Trust

	Pension		Gratuity	
	As on 30.09.2019	As on 31.03.2019	As on 30.09.2019	As on 31.03.2019
Life Insurance Companies	93.81%	96.56%	90.63%	93.60%
Central Govt. Securities	--	--	--	--
State Govt. Securities	2.07%	1.75%	--	--
Other Trust Securities (PSU)/Deposits with Banks etc.	4.12%	1.69%	9.37%	6.40%
Total	100.00%	100.00%	100.00%	100.00%

3.1.2.8 Experience Adjustments

(₹ in Million)

(i) Pension

	HY 19-20	March 31			
		2019	2018	2017	2016
Defined Benefit Obligations	1778.7	1979.2	2821.3	3155.2	3204.8
Plan Assets	1572.0	1473.1	2840.6	2869.4	2875.5
Surplus/(Deficit)	(206.8)	(506.1)	19.3	(285.8)	(329.3)
Experience adjustments on Plan Liabilities	525.9	719.3	68.3	(221.1)	(448.3)
Experience Adjustments on Plan Assets	132.9	(72.1)	(86.1)	205.3	62.9

(₹ in Million)

(ii) Gratuity

	HY 19-20	March 31			
		2019	2018	2017	2016
Defined Benefit Obligations	487.1	597.0	757.2	802.7	857.0
Plan Assets	568.8	520.7	738.2	811.4	710.6
Surplus/(Deficit)	81.7	(76.3)	(19.0)	8.7	(146.4)
Experience adjustments on Plan Liabilities	34.6	230.4	(21.3)	(49.6)	(187.7)
Experience Adjustments on Plan Assets	50.0	(36.2)	(22.7)	53.4	5.3

3.1.2.9 Expected Contributions

Bank's best estimates of contributions to the funds for FY 19-20 are as follows:

Pension: ₹ 06.6 Million

Gratuity: ₹ 158.1 Million

3.1.3 Other Long term Employee Benefits

- As on 30.09.2019, the Bank holds provision of ₹ 45.7 Million (Previous Year - ₹ 43.4 Million) towards provision for Sick Leave and Leave Fare Concession based on actuarial valuation.

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3.2 Accounting Standard 17 – Segment Reporting

Part A: Business Segments

(As compiled by the management and relied upon by the auditors)

Segment Reporting: Business segments										
Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Business		Total	
	Half Year ended 30.09.2019	Year ended 31.03.2019	Half Year ended 30.09.2019	Year ended 31.03.2019	Half Year ended 30.09.2019	Year ended 31.03.2019	Half Year ended 30.09.2019	Year ended 31.03.2019	Half Year ended 30.09.2019	Year ended 31.03.2019
Revenue	1746.8	3710.5	2127.5	3463.6	4204.6	7485.5	88.2	174.8	8167.1	14834.3
Result	(515.5)	(1781.1)	553.5	485.5	972.6	1425.2	25.1	4.1	1035.7	133.6
Unallocated expenses									-	-
Operating profit									1035.7	133.6
Less: Provisions other than tax									346.4	1109.7
Less: Provision for Tax									246.6	(319.2)
Less: Extraordinary profit/ loss									-	-
Net profit / Loss									442.7	(656.9)
OTHER INFORMATION		-	-							
Segment assets	44426.8	43168.3	158203.1	42249.0	73109.6	71189.8	158203.1	17.9	167063.4	156624.9
Unallocated assets									10491.4	7914.7
Total assets									177554.8	164539.6
Segment liabilities	1687.1	679.8	166388.1	18988.7	120692.1	141992.3	166388.1	155.3	175627.8	161816.1
Unallocated liabilities									1927.0	2723.5
Total liabilities									177554.8	164539.6

RBI wide direction RBI/2018-19/128 DBR.DIR.BC.No.27/13.03.00/2018-19 dated February 22, 2019, modified the definition of bulk deposits from Single Rupee term deposits of Rupees Ten Million and above to Single Rupee term deposits of Rupees Twenty Million and above. The Corporate/wholesale liabilities for the year end 31.03.2019 has been arrived at using the new definition. Previous year figures have not been restated in this regard.

Part B: Geographic segments
The Bank has no branches outside India.

3.3 Accounting Standard 18 ¯ Related Party disclosures

(i) Name of the related party and details of the transactions

Name of the Related Party	Nature of Relationship	Nature of the related Party transaction
Shri. C. VR Rajendran, Managing Director &CEO	Key Management Personnel	Remuneration paid
Finsigma Inclusive Services Pvt. Ltd (FISPL)	Common Director - Shri. Madhavan Aravamuthan	Business Correspondents Tie up with FISPL

ii) Name of the related party with whom transactions are proposed

Name of the Related Party	Nature of Relationship	Nature of the related Party transaction proposed
Thomas Cook (India) Limited (TCIL)	Subsidiary of Fairbridge Capital (Mauritius) Limited (FCML) FCML is associate of FIH Mauritius Investments Ltd (`FIH-M_). FIH-M is holding 50.09 % in the paid up capital of the Bank as on September 30, 2019. Details of their other holdings are disclosed in Notes on accounts.	Tie-up with TCIL for issuance of Co-branded Multicurrency Pre-paid Foreign Exchange Travel Card (Refer Note No. 4 below)

(iii)Name of the other related parties

Sr. No	Name of the Entity	Relationship
1.	Fairfax India Holdings Corporation (`FIHC_)	Parent Company of FIH-M
2.	Fairfax Financial Holdings Limited (`FFH_)	Ultimate parent Company of FIH-M
3.	FIH Private Investments Ltd	Wholly owned subsidiary of FIH-M
4.	I Investments Limited	Wholly owned subsidiary of FIH-M
5.	Fairbridge Capital (Mauritius) Limited (`FCML_)	Affiliate of FIH-M
6.	Fairbridge Investments (Mauritius) Limited	Wholly owned subsidiary of FCML
7.	Fairbridge Capital Private Limited	Investee Company of FCML
8.	HWIC Asia Fund	Affiliate of FIH-M
9.	H Investments Limited	Wholly owned subsidiary of HWIC Asia Fund
10.	HW Private Investments Limited	Wholly owned subsidiary of HWIC Asia Fund
11.	FAL Corporation	Affiliate of FIH-M
12.	Go Digit Infoworks Services Private Limited (`GDISPL_)	Investee Company of FAL Corporation
13.	ANT Success Company Limited	Investee Company of FAL Corporation
14.	O.R.E Holdings Limited	Affiliate of FIH-M
15.	Fairchem Speciality Limited	Investee Company of FIH-M
16.	National Collateral Management Services Limited	Investee Company of FIH-M
17.	IIFL Finance Limited	Investee Company of FIH-M
18.	IIFL Securities Limited	Investee Company of FIH-M
19.	IIFL Wealth Management Limited	Investee Company of FIH-M
20.	Sanmar Engineering Services Limited	Investee Company of FIH-M
21.	Saurashtra Freight Private Limited	Investee Company of FIH-M
22.	Bangalore International Airport Limited	Investee Company of FIH-M
23.	5Paisa Capital Limited	Investee Company of FIH-M
24.	Seven Islands Shipping Limited	Investee Company of FIH-M
25.	Anchorage Infrastructure Investments Holdings Limited	Wholly owned subsidiary of FIH-M

Notes

1. As there was only one related party in the each category, the Bank is required to disclose only the relationship with that related party in terms of Reserve Bank of India guidelines No.DBOD.No.BP.BC/89/21.04.018/2002-03 dated March 29, 2003 on compliance with Accounting Standards (AS) by Banks.

2. In terms of circular referred in Point No.1 of the above, Key Management Personnel (KMP) are the whole time directors of the Bank.
3. The normal transactions of the Bank with related parties as constituents are not reckoned for the purpose of disclosure.
4. Though the Board has approved the Tie-up with TCIL in FY 2019, no transaction has been entered into with TCIL till 30.09.2019 .

3.4 Accounting Standard 22 ¯ Accounting for Taxes on Income

Net Deferred Tax Asset as on 30.09.2019 , computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to 嗞2594.8 Million, which is included in Item No.5 `Others_ of Schedule -Other Assets.

Components of Net Deferred Tax Asset as on 30.09.2019 are as follows:

(嗞n Million)

	30.09.2019	31.03.2019
Deferred Tax Asset		
Provision for Employee Benefits	118.3	137.0
Provision for Standard Assets	172.2	165.1
Provision for Bad & doubtful debts	0.0	578.5
Carry Forward Loss	2381.1	2045.4
Others	42.5	41.5
Total Deferred Tax Asset	2714.0	2967.5
Deferred Tax Liability		
Depreciation on Fixed Assets	36.2	43.1
Special Reserve u/s 36 (1)(viii)	83.0	83.0
Total Deferred Tax Liability	119.2	126.1
Net Deferred Tax Asset	2594.8	2841.4

Under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019, option is available for lower tax rate for the Bank. Considering the availability of time to exercise the option and pending clarity in certain aspects, the Bank has not exercised the option while drawing the results for the half year ended 30.09.2019. Accordingly, the Bank has recognized Provision for Income Tax and Deferred tax for the half year ended September 30, 2019 as per rates prescribed by Finance Act 2019.

3.5 Accounting Standard 5 ¯ Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies ¯ Nil

3.6 Accounting Standard 9 ¯ Revenue Recognition, Accounting Standard 21 - Consolidated Financial Statements (CFS), Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements, Accounting Standard 24 - Discontinuing Operations - NIL

3.7 Accounting Standard 25 - Interim Financial Reporting

Bank has complied with the disclosures in connection with the half yearly review prescribed by RBI

4 Other Accounting Standards

4.1 Accounting Standard 10 ¯ Property, Plant & Equipment

i) Disclosure related to revaluation of land and building owned by the bank.
(a) the effective date of the revaluation - 31.03.2016

(b) whether an independent valuer was involved - Land and building was valued by two independent valuers. Lower of the value arrived by the valuers is taken as the revalued amount.

(c) the methods and significant assumptions applied in estimating fair values of the items;

Asset	Details	Valuer 1	Valuer 2
Building	Method	Plinth area rates of CPWD	Plinth area method applicable to the type of structure, specification, services, amenities
	Depreciation	Based on the present condition and age of building.	Based on the age, condition and maintenance of the building
	Valuation	Plinth area rates of previous valuation taken as base rate	Composite market rate

Land	Method	Based on local enquiries, transactions in recent, past and valuers best of judgement	Based on location, level/shape/extent of the land, infrastructure /civic amenities availability, width of the abutting road, water potentialty, etc.
	Valuation	Present market value	Prevailing market rate based on the above

(d) the extent to which fair values of the items were determined directly by reference to observable prices in an active market or recent market transactions on arm˜s length terms or were estimated using other valuation techniques - Fair value as explained in item (c)above
(e) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Revaluation surplus as on 30.09.2019 ¯ 1571.1 Million

Change for the period ¯ 7.1 Million (transferred from Revaluation Reserve to General Reserves)

4.2 Accounting Standard 19 ¯ Leases

The properties taken on lease/rental basis are renewable/ cancellable at the option of the Bank

4.3Accounting Standard 20 ¯ Earnings per Share

Particulars	HY 19-20	2018-19
EPS-Basic /Diluted-Annualized	.70	(7.90)
Amount used as numerator- Profit / (Loss)after Tax (in Million)	442.7	(656.9)
Nominal value per Equity Share	10	10
Weighted Average Number of Equity Shares used as denominator	11,46,82,401	8,31,89,801

4.4Accounting Standard 26 ¯ Intangible Assets

The bank has complied with AS 26 (Intangible Assets) and the disclosures required under the Standard are as follows:

(n Million)

	30.09.2019	31.03.2019
a) Acquired Application Software		
Opening Balance at cost	266.9	208.5
Add Additions during the year	19.0	58.4
Less Disposals during the year	0.0	0.0
Less Amortisation to date	175.2	156.8
Net Carrying Amount	110.7	110.1
b) Internally Generated Software		
Opening Balance at cost	165.1	146.6
Add Additions during the year	7.3	18.5
Less Disposals during the year	Nil	Nil
Less Amortisation to date	129.4	122.9
Net Carrying Amount	43.0	42.2
Total Carrying Amount	153.7	152.3

4.5Accounting Standard 28 - Impairment of Assets

In the opinion of the bank/as per valuation reports from approved valuers, there is no material impairment to the fixed assets as at 30.09.2019 requiring recognition in terms of Accounting Standard 28 ¯ Impairment of Assets.

4.6Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

4.6.1 Description of Contingent Liabilities

a) Claims against the bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by Income tax and other statutory authorities and disputed by the bank.

b) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, (currency swaps, Forward exchange contracts and currency futures) on its own account and forward exchange contracts for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.

c) Guarantee given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligation.

d) Acceptances, endorsements and other obligations

These include documentary credit issued by the bank on behalf of its customers and bills drawn by the Bank˘s customers that are accepted or endorsed by the Bank.

e) Other items for which the bank is contingently liable

Includes income tax/service tax appeals filed by the bank, capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

f) The Bank˘s pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Refer Annexure 1 for amounts relating to contingent liability.

5. Additional Disclosures as per RBI Guidelines

5.1 Details of provisions and contingencies debited in Profit and Loss Account during the Year

(₹ in Million)

		30.09.2019	31.03.2019
a	Provisions towards NPA/write offs	298.3	901.3
b	Depreciation and write off of investments	24.0	45.9
c	Provision for Income tax (Including Deferred Tax)	246.6	(319.2)
d	Provision for Standard Assets	20.4	129.2
e	Provision for diminution on Restructured Advances	0.3	2.1
f	Other provisions	3.4	31.2
	Total	593.0	790.5

5.2 Floating Provisions

a) Opening Balance in floating provisions account	Nil
b) Quantum of floating provisions made in the accounting year	Nil
c) Purpose & amount of draw down made during the accounting year	Nil
d) Closing balance in floating provisions account	Nil

5.3 Draw Down from Reserves ¯

The Bank has not drawn from Reserves any amount ~~other than~~ from general reserves

5.4 Disclosure of complaints

A. Customer Complaints (Other than ATM)

	30.09.2019	31.03.2019
a) No. of complaints pending at the beginning of the year	30	25
b) No. of complaints received during the half year/year	2396	445
c) No. of complaints redressed during the half year/year	2370	440
d) No. of complaints pending at the end of the year	56	30

B. ATM Complaints

	30.09.2019	31.03.2019
a) No. of ATMs complaints pending at the beginning of the year	Nil	Nil
b) No. of ATMs complaints received during the half year/year	11228	22892
c) No. of ATMs complaints redressed during the year half/year	11228	22892
d) No. of ATMs complaints pending at the end of the year	Nil	Nil

C. Awards passed by the Banking Ombudsman

	30.09.2019	31.03.2019
a) No. of unimplemented Awards at the beginning of the year	Nil	Nil
b) No. of Awards passed by the Banking Ombudsmen during the half year/year	1	Nil
c) No. of Awards implemented during the half year/year	1	Nil
d) No. of unimplemented Awards at the end of the half year/year	Nil	Nil

5.5 Disclosure of Letter of Comforts (LOCs) issued by banks

Not applicable since the bank has no subsidiaries.

5.6 Provisioning Coverage Ratio

	As on 30.09.2019	As on 31.03.2019
Provisioning Coverage Ratio	79.45%	78.16%

5.7 Income from Bancassurance

(₹in Million)

Sl.No.	Nature of Income	6 months ended 30.09.2019	12 months ended 31.03.2019
1.	From Selling Life Insurance Policies	45.9	93.5
2.	From Selling Non Life Insurance Policies	0.6	2.7
3.	From Selling Mutual Fund Products	0.0	0.0
4.	Others	Nil	Nil
5.	Total	46.5	96.2

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

	As on 30.09.2019	As on 31.03.2019
Total Deposits of twenty largest depositors (₹in Million)	10815.8	10364.3
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	6.97%	6.85%

5.8.2 Concentration of Advances

	As on 30.09.2019	As on 31.03.2019
Total Advances of twenty largest borrowers (₹in Million)	18121.0	16196.7
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	15.47%	13.50%

5.8.3 Concentration of Exposures

	As on 30.09.2019	As on 31.03.2019
Total Exposures to twenty largest borrowers/customers (₹ in Million)	18536.2	16810.6
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	14.86%	13.53%

5.8.4 Concentration of NPAs

(₹ in Million)

	As on 30.09.2019	As on 31.03.2019
Total Exposures to top four NPA Accounts	361.3	355.8

5.9 Sector-wise advances

(As compiled by the management and relied upon by the auditors) (Amount in Million)

Priority Sector	Outstanding Total Advances	Gross NPA	Gross NPA (%)
Agriculture and allied activities	20431.6	410.2	2.01
Advances to industries sector eligible as priority sector lending	4713.0	504.0	10.69
Services	10159.0	1219.2	12.00
Personal loans	3466.5	180.7	5.21
Sub-total(A)	38770.1	2314.0	5.97
Non Priority Sector			
Agriculture and allied activities	323.3	3.0	0.94
Industry	5123.2	22.0	0.43
Services	32567.3	310.0	0.95
Personal loans	37244.4	613.0	1.65
Sub-total(B)	75258.2	948.0	1.26
Total (A+B)	114028.3	3262.0	2.86

5.10 Movement of NPA

(₹ in Million)

Particulars	HY 19-20	2018-19
Opening Balance of Gross NPA	5306.2	7641.3
Additions (Fresh NPAs) during the half year/ year	849.0	1974.5
Sub-total (A)	6155.2	9615.8
Less:-		
(i) Upgradations	151.4	332.0
(ii) Recoveries (excluding recoveries made from upgraded accounts)	592.9	977.5
(iii) Technical/ Prudential Write-offs	2055.7	2797.6
(iv) Write-offs other than those under (iii) above	93.1	202.5
Sub-total (B)	2893.1	4309.6
Closing balance of Gross NPA (A - B)	3262.1	5306.2

5.11Movement of technical write offs and recoveries:

(₹ in Million)

Particulars	HY 19-20	2018-19
Opening balance of technical/prudential written off accounts	5711.5	3272.0
Add: Technical/Prudential write-offs during the year	2055.7	2797.6
Sub-total(A)	7767.2	6069.6
Less-Recoveries/ write off made from previously technical/Prudential written offs accounts during the year (including sale to ARCs)(B)(1)	251.7	358.1
Closing balance (A-B)	7515.5	5711.5

5.12 Overseas Assets, NPAs and Revenue

(₹in Million)

Particulars	30.09.2019	31.03.2019
Total Assets	1011.1	104.2
Total NPAs	Nil	Nil
Total Revenues	7.8	9.8

5.13Off-balance Sheet SPVs sponsored

(which are required to be consolidated as per accounting norms)

Nil

5.14 Disclosure on Remuneration

Qualitative disclosures	(a)	Information relating to the composition and mandate of the Nomination &Remuneration Committee. Composition The Nomination & Remuneration Committee of the Board comprises of majority of independent directors. Function and mandate The Nomination & Remuneration Committee of the Board inter alia, oversee the framing, review and implementation of compensation policy of the Bank including ESOS of the bank on behalf of the Board. The Committee should ensure that:- ¿ the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio; ¿ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully; ¿ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and ¿ remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy. Process The Nomination & Remuneration Committee works in close co-ordination with the Risk Management Committee of the Board to review the compensation practices every year in order to achieve effective alignment between remuneration and risks. The Nomination & Remuneration Committee will study the business and industry environment, analyze and categorize the risks and streamline the components of the compensation plan like proportion of the total variable compensation to be paid to MD & CEO,WTD¨s and Senior executives to ensure financial stability of the organization. Authority to invoke clawback arrangement The Nomination & Remuneration Committee of the Board also have the authority to ascertain whether the decision taken by the MD& CEO, WTD, Senior executives/ officers (Non IBA Package) have brought forth a negative contribution to the Bank. The Committee has vested with the powers to invoke the clawback arrangement, after taking into account relevant statutory and regulatory stipulations as applicable. Objectives The objectives of the remuneration policy are four fold: ¿ To align compensation with prudent risk taken.

		¿ To ensure effective governance of the compensation in the organization. ¿ To ensure effective supervisory oversight and stakeholder engagement in compensation. ¿ To attract and retain talent. Key features ¿ To actively oversee the compensation systems design and operation. ¿ To monitor and review the compensation system to ensure that the system operates as intended. ¿ Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm. ¿ Supervisory review of compensation practices must be rigorous and sustained and deficiencies must be addressed promptly with supervisory action. ¿ Firms must disclose clear comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks. For the purpose of effectively aligning compensation structure with risk outcomes, the functionaries in the institution are arranged under the following four categories. 1) Managing Director & CEO 2) Senior Executives (Risk control and compliance staff) -Non IBA Package 3) Senior / Other Officers - Non IBA Package 4) Other officers and staff -On IBA package Clawback Arrangement/Compensation Recovery A clawback arrangement or a compensation recovery is provided in the policy [MD & CEO,WTD˘s and Senior executives/ officers (Non IBA Package)] which will entail the Bank to recover proportionate amount of variable compensation paid to the functionaries on account of an act or decision taken by the official which has brought forth a negative contribution to the bank at a prospective stage. The clawback arrangement is subject to the relevant statutory and regulatory stipulations as applicable. Limit on variable pay As per the policy, the variable compensation offered to an official would not exceed 70% of the total fixed compensation in a year. Severance pay and guaranteed bonus As per the policy, severance pay (other than gratuity or terminal entitlements or as entitled by statute) is not paid to any official of the organization except in those cases where it is mandatory by statute. Sign on bonus or joining bonus is limited to the first year and is paid only as Employee stock options. Hedging As per the policy, no compensation scheme or insurance facility would be provided by the Bank to employees to hedge their compensation structure to offset the risk alignment mechanism (deferral pay and clawback arrangements) embedded in their compensation arrangement. Committees to mitigate risks caused by an individual decision

		In order to further balance the impact of market or credit risks caused to the organization by an individual decision taken by a senior level executive, MD & CEO or a whole time director, the bank, as a promoted practice, has constituted various committees to take decisions on various aspects. Credit limits are sanctioned by committees at different levels. Investment decisions of the Bank are taken and monitored by Treasury & Investment Management Committee and there is an upper limit cut in treasury dealings where individual decisions can be taken. Interest rates on Asset and liability products for different buckets are decided and monitored by the ALCO. Banks˘ exposure to liquidity risk are also monitored by ALCO. Compensation of risk control staff Members of staff engaged in financial and risk control would be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Compensation of MD & CEO, whole time directors and senior executives (Non IBA), performance linkage As per the policy, the compensation paid out to the referred functionaries is divided into three components 1. The fixed compensation is determined based on the industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span. 2. The variable compensation for MD & CEO and senior executives on Non ¯ IBA package basis are fixed based on performance and responsibility in the bank. The Bank˘s performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, NPA position and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance. 3. Employees Stock options as per the CSB Employees Stock Option Scheme 2013 (CSBESOS-2013) as approved by the Board. Approval from RBI is to be obtained to decide compensation for MD & CEO/ whole time directors. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to the Bank˘s Articles of Association read with the Section 197 of the Companies Act, 2013. Compensation paid to Other Officers and staff members on IBA package The compensation paid to other officials that include Award staff, Officers coming under Scale I to III and Senior executives coming under Scale IV to VII is fixed based on the periodic industry level settlements with Indian Banks Association. The variable compensation paid to functionaries is based on the Performance/Target Linked incentive scheme which has been formulated on the basis of performance parameters. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme.
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting. Deferred compensation and Performance Linkage (Non-IBA) In case of deferral arrangements of variable pay to MD & CEO, WTD˘s, Senior/other executives (Non IBA Package), the deferral period should not be less than three years. Compensation payable under deferral arrangements should vest no faster than on a pro rata basis. Clawback and deferral arrangements The provisions of clawback and deferral arrangements applicable to the referred functionaries (all Non IBA Package) are subject to relevant statutory and regulatory stipulations as applicable.
	(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms)

		that the bank utilizes and the rationale for using these different forms. Bank uses an optimum mix of cash, ESOPS and variable pay to decide the compensation to MD & CEO /WTD and senior executives on Non ¯ IBA package. This is done to align the compensation of senior staff with their performance, risk and responsibility taken in higher assignments. The Officers in Scale I-VII as well as Award staff come under the purview of IBA package that is as per the Industry wide settlements. The variable compensation paid to functionaries is based on the Target/ Performance Linked incentive scheme which has been formulated on the basis of performance parameters as may be prescribed from time to time. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme

					Current Year (01.04.2019 to 30.09.2019)	Previous Year (FY 2018-19)
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer / Other Risk Takers)	(g)			Number of meetings held by the Nomination & Remuneration Committee during the half year and remuneration paid to its members.	6 ₹1,70,000	10 ₹2,60,000
	(h)	(i)		Number of employees having received a variable remuneration award during the half year.	Nil	Nil
		(ii)		Number and total amount of sign-on awards made during the half year.	Nil	Nil
		(iii)		Details of guaranteed bonus, if any, paid as joining / sign on bonus	Nil	Nil
		(iv)		Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(i)	(i)		Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
		(ii)		Total amount of deferred remuneration paid out in the half year.	Nil	Nil
	(j)			Breakdown of amount of remuneration awards for the half year to show fixed and variable, deferred and non-deferred (on payment basis).	₹36,00,000 (Fixed)*#@ Nil^ (Variable) Nil (Deferred & Non - Deferred)	₹31,60,000 (Fixed)*# Nil (Variable) Nil (Deferred & Non - Deferred)
	(k)	(i)		Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil	Nil
		(ii)		Total amount of reductions during the half year due to ex- post explicit adjustments.	Nil	Nil
		(iii)		Total amount of reductions during the half year due to ex- post implicit adjustments.	Nil	Nil

* Fixed remuneration includes salary, consolidated benefit allowance, residential accommodation, Leave travel concession (for the FY 2018-19) and Bank˘s contributions towards Provident fund.

No grant of stock options is in force.

@ Bank, subject to prior approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 and other requisite approvals, resolved to increase the overall remuneration & perquisites of Shri. C.VR. Rajendran, Managing Director & CEO from the present limit of Rs.7.5 Million to Rs. 20.0 Million, with effect from April 1, 2019.

^ Bank, subject to prior approval of Reserve Bank of India in terms of Section 35B of the Banking Regulation Act, 1949 and other requisite approvals, resolved to recommend for a variable pay to the tune of Rs.4.5 Million to Shri. C.VR. Rajendran, Managing Director & CEO, which being 60 % of the gross annual salary for the period from April 1, 2018 to March 31, 2019.

5.15 Disclosures relating to Securitisation - Not applicable to the Bank at this stage.

5.16 Credit Default Swaps – Nil

5.17 Intra-Group Exposures - NA

5.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Unclaimed liabilities where amount due has been transferred to DEAF is reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Annexure 1 of the financial statements.

(₹ in Million)

Particulars	30.09.2019	31.03.2019
Opening balance of amounts transferred to DEAF	427.1	358.6
Add : Amounts transferred to DEAF during the year	31.5	73.8
Less : Amounts reimbursed by DEAF towards claims	1.2	5.3
Closing balance of amounts transferred to DEAF	457.4	427.1

5.19 Unhedged Foreign Currency Exposure

(A) Provisioning

In terms of RBI Circular DBOD No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and subsequent clarification vide circular DBOD No.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, based on the available data, available financial statements and declarations from borrowers wherever received, the bank is holding a provision of ₹0.3 Million (Previous Year – ₹1.6 Million) towards Unhedged Foreign Currency Exposures.

(B) Capital Held

In terms of the aforementioned circulars, no additional capital is held towards unhedged foreign currency exposures. (Previous Year Nil)

6 Liquidity Coverage Ratio
(As compiled by the management and relied upon by the auditors)

a) Quantitative Disclosures

(₹ in Million)

As on 30.09.2019		Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)		31151.1
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	117121.8	11650.8
(i)	Stable deposits	1228.4	61.4
(ii)	Less stable deposits	115893.4	11589.3
3	Unsecured wholesale funding, of which:	12573.3	3422.5
(i)	Operational deposits (all counterparties)	0.0	0.0
(ii)	Non-operational deposits (all counterparties)	12573.3	3422.5
(iii)	Unsecured debt	0.0	0.0
4	Secured wholesale funding	0.0	0.0
5	Additional requirements, of which	6629.4	681.5
(i)	Outflows related to derivative exposures and other collateral requirements	0.0	0.0
(ii)	outflows related to loss of funding on debt products	0.0	0.0
(iii)	Credit and liquidity facilities	6629.4	681.5
6	Other contractual funding obligations	0.0	0.0
7	Other contingent funding obligations	2284.4	68.5
8	TOTAL CASH OUTFLOWS		15823.3
	Cash Inflows		
9	Secured Lending (e.g. reverse repos)	676.2	0.0
10	Inflows from fully performing exposures	6084.1	3107.0
11	Other cash inflows	0.0	0.0
12	TOTAL CASH INFLOWS	6760.3	3107.0
13	TOTAL HQLA		31151.1
14	TOTAL NET CASH OUTFLOWS		12716.3
15	LIQUIDITY COVERAGE RATIO (%)		244.97%

b) Qualitative disclosures

(i) Main drivers of LCR and evolution of contribution of inputs

The Liquidity Coverage Ratio (LCR) standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 days˘ time horizon under a significantly severe liquidity stress scenario, by which time it is assumed that proper corrective actions can be taken. The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

(ii) Intra period changes

The intra period changes are mainly on account of changes in unencumbered excess SLR positions.

(iii) The composition of High Quality Liquid Assets (HQLA)

Banks˘ High Quality Liquid Assets consists of the following
i. Cash
ii. Balance with RBI in excess of CRR requirement
iii. Unencumbered portion of investments in Government securities in excess of SLR requirement.
iv. Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility(MSF)

v. Investment in Government Securities held up to 14% of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

(iv) Concentration of funding
Banks˘ concentration from top 20 depositors stood at 6.97% of total deposits as on 30th September 2019.

(v) Derivative exposure and potential collateral calls
Bank does not have derivative business except forward contracts.

(vi) Currency Mismatch in LCR
The bank does not have aggregate liabilities denominated in any foreign currency of 5 per cent or more of the bank˘s total liabilities and hence LCR in other currencies is not computed.

(vii) Centralisation of liquidity management
Banks˘ liquidity management and monitoring is centralized. Bank has a Board adopted liquidity management policy in line with RBI regulation and guidelines.

(viii) Other Inflows and outflows in the LCR calculation that are not captured in the template but which the bank considers relevant for its liquidity profile

Inflows and outflows are comprehensively captured in LCR template

7. Employee Stock Option Scheme (ESOS)-2013

The shareholders of the Bank in the 92nd Annual General Meeting of the Bank held on 23.09.2013 accorded sanction to frame and implement the Employees Stock Option Scheme and grant/issue options to eligible present and future employees of the Bank, such that the offer, issue and allotment of such shares pursuant to the option shall not exceed 5% of issued equity shares of the Bank from time to time. Accordingly, the Bank formulated a stock option scheme called `CSB Employees Stock Option Scheme 2013_ (`ESOS 2013_ or `Scheme_)as per Board resolution dated April 8, 2014 and the same has been approved by shareholders vide postal ballot on August 18, 2014.The ESOS is equity settled where the employees will receive one equity share per option. The period of vesting shall range from a minimum of three years from the date of Grant and normally shall not exceed a maximum of five years (`Vesting Period_), unless the Nomination &Remuneration Committee decides for a longer/ shorter vesting period, subject to applicable laws. The Committee may, at its sole discretion, decide the proportion of shares, which shall vest each year during the vesting period (`Vesting Schedule_).The Stock option granted to employees vest over the period as decided by the Nomination &Remuneration Committee. The Exercise Period for the relevant Grant shall be a period commencing from the relevant Vesting Date for the respective tranche and shall end with the expiry of 10 years from the relevant Grant Date or such other period as may be decided by the Committee for each Grant.

The 2013 ESOS Scheme was effective from April 1, 2013. It was subsequently amended for the purpose of compliance with the SEBI SBEB Regulations and approved pursuant to resolution passed by Board of Directors dated May 23, 2019. Further, the 2013 ESOS Scheme was discontinued for the purpose of fresh grants thereunder, pursuant to resolution passed by Board of Directors dated May 23, 2019, and continues only to facilitate exercise of options which have already been granted.

Stock option activity under the scheme during the half year ended 30.09.2019 has been as follows:

Outstanding at the beginning of the half year	305000
Granted during the half year	Nil
Forfeited during the half year	Nil
Options Lapsed	Nil
Exercised during the half year	Nil
Outstanding at the end of the half year	305000
Options exercisable at the end of the half year	305000

Options outstanding at the beginning of the half year carry an exercise price of ₹147.25.

¿ CSB Employees Stock Option Scheme 2019

Pursuant to the requisite approval of the members on May 4, 2019, the Bank has formulated a stock option scheme called `CSB Employees Stock Option Scheme 2019_ (`ESOS 2019_ or `Scheme_). The scheme is intended to promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize talents in the Bank. The Scheme shall be administered through an employee stock option trust (`ESOS Trust_) in the nature of an irrevocable employee welfare trust in due compliance with the applicable laws. Under the Scheme, the Bank will allot a maximum of 5. Million shares to the Trust, over a period of time and trust will transfer the shares to the eligible employees at the time of exercise of option by eligible employees on meeting terms of grant fixed by the Nomination & Remuneration Committee, on a case to case basis.

Bank, on July 12, 2019 allotted 5,000,000 equity shares @ Rs.10/- per share to CSB ESOS Trust, pursuant to the approval of the shareholders obtained, vide post ballot resolution dated May 4, 2019. However, no options have been granted to the employees under the scheme.

Under intrinsic value method, since exercise price of the stock options granted under the ESOS is more than the underlying value of the shares, it has not resulted in any charge to the Profit and Loss Account for the year. If the Bank had adopted the Black-Scholes model based fair valuation, reserves would have been lower by 嗦17.2 Million.

The fair value of options granted during the period has been estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

Average Dividend Yield	0%
Expected Volatility	32.58%
Risk free interest rate	7.62%
Expected life of options	10 years
Expected forfeiture	Nil

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in CNX Bank Nifty over the last 10 years.

8. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

9. Provision for Long Term Contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

10. Disclosure for frauds

(Amount in Million)

No of frauds reported during 6 months ended 30.09.2019	37
Amount involved in such frauds	290.4
Balance outstanding as on 30.09.2019	285.2
Quantum of provision made by debiting P&L	285.2
Unamortized provision debited from General Reserve	⇩

11. Details of Priority Sector Lending Certificate Purchased & Sold during the half year

(Amount in Million)

Scheme Type	PSLC General
PSLCs purchased during the half year	Nil
PSLCs sold during the half year	Nil
Net PSLCs outstanding as on 30.09.2019	Nil

12. Comparative Figures

The previous year˜s figures relate to the year ended 31.03.2019 and hence mot comparable.

NOTES TO ACCOUNTS FOR FINANCIAL YEAR 2018-19

1.1 Capital Infusion

Pursuant to approval accorded by shareholders by way of special resolution passed in the Extraordinary General Meeting of the Bank held on March 21, 2018 and in terms of Reserve Bank of India approval vide letter DBR.PSBD.No.341/16.1.060/2018-19 dated July 12, 2018 and approval of Department of Financial Services of the Ministry of Finance, Government of India vide letter No. F.No.26/5/2018-BOA dated October 9, 2018, the Bank during the year has allotted an aggregate number of 1,98,32,130 Equity Shares of ₹10 each at an issue price of ₹140 per share (including premium of ₹130 per share) and 6,64,63,329 Warrants compulsorily convertible into or exchangeable for Equity Shares of ₹10 each at an issue price of ₹ 140 (including premium of ₹ 130 per warrant) to FIH Mauritius Investments Limited.

In pursuance of the above approval, the Bank has received an amount of 嗒35 per Equity Share aggregating to 嗒94.1 Million towards Application and Allotment money out of which 嗒2.50 per Equity Share amounting to 嗒9.6 Million is credited to Equity Share Capital and 嗒32.50 per Equity Share amounting to 嗒644.5 Million is credited to Share Premium. The balance amount receivable out of the issue price will be called in one or more tranches as may be decided by the Board / Committee from time to time but not later than 12 months from the date of allotment. The share issue expenses amounting to 嗒8.8 Million representing stamp duty and filing fee is charged to the Profit and Loss Account.

In pursuance of the above approval, the Bank has also received an amount of 嗒98 per Warrant aggregating to 嗒6513.4 Million. The entire proceeds are disclosed as Warrants in the Balance Sheet. The balance amount receivable out of the issue price will be called in one or more tranches as may be decided by the Board / Committee from time to time but not later than 18 months from the date of RBI Approval. The warrants shall be compulsorily convertible on payment of the final consideration and under any circumstances shall not exceed 18 months from the date of Reserve Bank of India Letter dated July 12, 2018.

1.3 Investments

g) In respect of Investments in Held to Maturity category, the amount of amortization of excess of acquisition cost over face value is ₹143.7 Million (previous year ₹151.7 Million) which is netted against Income on Investments.

h) Provisions for depreciation and diminution on investments in the Available for Sale category investments amounting to ₹ 58.5 Million is debited to Profit & Loss account (previous year - ₹ 241.5 Million).

i) During the year, the bank has transferred securities of book value amounting to ₹532.1 Million (previous year ₹3889.6 Million) from Held to Maturity category to Available for Sale category on account of reduction in HTM limit relating to SLR Investments as per RBI notification No. DBR.No.Ret.BC.90/12.02.001/2017-18 dated October 4, 2017.

During the year the bank has transferred securities of book value amounting to ₹299.8 Million (previous year Nil) from HFT category to AFS category in terms of 4(d) of Significant Accounting Policies.

1.3 Reconciliation

Reconciliation of inter-bank and inter-branch transactions has been completed up to 31st March 2019. Steps for elimination of outstanding entries are in progress. In the opinion of the management, since the outstanding entries to be eliminated are insignificant, no material consequential effect is anticipated.

1.4 Taxation

Claims against the bank not acknowledged as debt under contingent liabilities include disputed income tax liabilities of ₹ 244.1 Million (Previous Year - ₹256.6 Million) of which ₹225.7 Million (Previous Year - ₹242.6 Million) has been paid/adjusted and included under other assets. In respect of these claims, provision for tax is not considered necessary based on various judicial decisions on such disputes. Management does not envisage any liability in respect of such disputed issues.

Provision for income tax for the year is arrived at after due consideration of the various favorable judicial decisions on certain disputed issues.

2. Disclosures in terms of Reserve Bank of India Guidelines

2.1 Capital

Particulars	Basel III	
	31.03.2019	31.03.2018
i) Common Equity Tier 1 capital ratio (%)	16.03	7.87
ii) Tier 1 Capital ratio (%)	16.03	7.87
iii) Tier 2 Capital ratio (%)	0.67	0.46
iv) Total Capital ratio (CRAR) (%)	16.70	8.33
v) Percentage of the shareholding of the Government of India in public sector banks	N A	N A
vi) Amount of equity capital (including warrants) raised during the year	₹ 7207.5 Million	Nil
vii) Amount of Additional Tier 1 capital raised (during the year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii) Amount of Tier 2 capital raised (during the year); of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments:	Nil	Nil
[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

Particulars	BASEL II	
	31.03.2019	31.03.2018
i) Common Equity Tier 1 capital ratio (%)	16.09	7.87
ii) Tier 1 Capital ratio (%)	16.09	7.87
iii)Tier 2 Capital ratio (%)	0.67	0.47
iv)Total Capital ratio (CRAR) (%)	16.77	8.34
v)Percentage of the shareholding of the Government of India in public sector banks	Nil	Nil
vi) Amount of equity capital (including warrants) raised during the year	₹ 7207.5 Million	Nil
vii) Amount of Additional Tier 1 capital raised (during the year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii)Amount of Tier 2 capital raised (during the year);of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments:	Nil	Nil
[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

2.2 Investments

(₹in Million)

Items	31.03.2019	31.03.2018
(1) Value of Investments		
(i) Gross Value of Investments	41118.1	41629.5
(a) In India	41118.1	41629.5
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation/Diminution	842.0	796.6
(a) In India	842.0	796.6
(b) Outside India	Nil	Nil
(iii) Net Value of Investments	40276.1	40832.9
(a) In India	40276.1	40832.9
(b) Outside India.	--	--
(2) Movement of provisions held towards depreciation/ diminution on investments		
(ii) Opening balance	796.6	479.3
(ii) Add: Provisions made during the year	61.2	319.1
(iii) Less: Write-off/ write-back of excess provisions during the year	15.8	1.8
Closing balance	842.0	796.6

2.2.1 Repo Transactions (In Face Value terms)

(₹in Million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2019
Securities sold under Repo / Term Repo				
i. Government Securities	150.0	11750.0	4072.6	Nil
ii Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo/ Term Reverse Repo				
i. Government Securities	50.0	6000.0	489.3	2250.0
ii Corporate debt securities	Nil	Nil	Nil	Nil

2.2.2 Non-SLR Investment Portfolio

i) Issuer composition of Non SLR investments

(₹in Million)

No.	Issuer	Amount	Extent of Private Placement	Extent of :Below Investment Grade˘ Securities	Extent of :Unrated˘ Securities	Extent of :Unlisted˘ Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	673.2	156.6	Nil	156.6	156.6
(ii).	Fis	514.4	20.0	Nil	Nil	20.0
(iii).	Banks	3668.1	2332.2	Nil	Nil	Nil
(iv).	Private Corporate	466.8	18.2	Nil	Nil	0.5
(v).	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi).	Others (Security receipts)	2110.2	2110.2	Nil	Nil	2110.2
(vii).	Provision held towards depreciation/NPI/diminution	804.7	Nil	Nil	Nil	Nil
	Total	6628.1	4637.2	Nil	156.6	2287.3

ii)Non performing Non-SLR investments (₹in Million)

Particulars	31.03.2019	31.03.2018
Opening balance	207.6	18.2
Additions during the year	0.00	189.4
Reductions during the year	32.8	0.00
Closing balance	174.8	207.6
Total provisions held	82.9	97.6

2.2.3 Sale and transfers to/from HTM Category:

There is no sale from HTM category in 2018-19. The transfer from HTM category to AFS category is in pursuance of RBI notification No. DBR. No. Ret.BC.90/12.02.001/2017-18 dated October 4, 2017. Hence the disclosure on market value of investments and the excess of book value over market value is not applicable:

2.3. Derivatives: Nil

2.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil

2.3.2 Exchange Traded Currency and Interest Rate Derivatives: Nil

2.3.3 Disclosures on risk exposure in derivatives: Nil

2.3.4 Qualitative & Quantitative Disclosure: Not Applicable

2.4. Asset Quality

2.4.1.1 Non-Performing Asset (₹ in Million)

Particulars	31.03.2019	31.03.2018
(i) Net NPAs to Net Advances (%)	2.27%	2.87%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	7641.3	6001.0
(b) Additions during the year	1974.5	2811.6
(c) Reductions during the year	4309.6	1171.3
(d) Closing balance	5306.2	7641.3
(iii) Movement of Net NPAs		
(a) Opening balance	2637.8	3294.8
(b) Additions during the year	1357.6	1574.0
(c) Reductions during the year	1588.6	2231.0
(d) Closing balance	2406.8	2637.8
(iv)Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	4971.4	2668.5
(b) Provisions made during the year	1557.9	2683.2
(c) Write-off/ write-back of excess provisions	3665.1	380.3
(d) Closing balance	2864.2	4971.4

2.4.1.2Divergence in Asset Classification and Provisioning for NPAs

The divergence observed by the RBI for financial year 2017-18 in respect of bank˘s asset classification and provisioning under the extant prudential norms on income recognition, asset classification and provisioning does not exceed the limit specified under RBI Circular DBR.BP. BC. No.63/21.04.018/2016-17 dated April 18, 2017 and DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1,2019 on : Divergence in the asset classification and provisioning˘.

2.4.2 Particulars of Accounts Restructured/ Rescheduled as on 31.03.2019 (₹in Million)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 (opening figure)	No. of Borrower	0	0	1	0	1	NIL					2	0	14	0	16	2	0	15	0	17
		Amount outstanding-Restructured facility	0	0	223.6	0	223.6						0.7	0	509.4	0	510.1	0.7	0	733	0	733.7
		Other facility	0	0	0	0	0						0	0	48.3	0	48.3	0	0	48.3	0	48.3
		Total	0	0	223.6	0	223.6						0.7	0	557.7	0	558.4	0.7	0	781.3	0	782
		Provision thereon	0	0	0	0	0						0	0	0.3	0	0.3	0	0	0.3	0	0.3
2	Fresh Restructuring During the period	No. of Borrower	0	0	0	0	0	NIL					66	0	0	0	66	66	0	0	0	66
		Amount outstanding-Restructured facility	0	0	0	0	0						195.5	0	0	0	195.5	195.5	0	0	0	195.5
		Other facility	0	0	0	0	0						92.9	0	0	0	92.9	92.9	0	0	0	92.9
		Total	0	0	0	0	0						288.4	0	0	0	288.4	288.4	0	0	0	288.4
		Provision thereon	0	0	0	0	0						2.6	0	0	0	2.6	2.6	0	0	0	2.6
3	Upgradations to restructured standard category during the Year.	No. of Borrower	NIL	NIL	NIL	NIL	NIL	NIL					NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		Amount outstanding-Restructured facility	NIL	NIL	NIL	NIL	NIL						NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

		Other facility	NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		Total	NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		Provision thereon	NIL	NIL	NIL	NIL	NIL		NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next year.	No. of Borrower	0	0	0	0	0	NIL	-2	0	-1	0	-3	-2	0	-1	0	-3
		Amount outstanding-Restructured facility	0	0	0	0	0		-0.7	0	-30.7	0	-31.4	-0.7	0	-30.7	0	-31.4
		Other facility	0	0	0	0	0		0	0	-4.5	0	-4.5	0	0	-4.5	0	-4.5
		Total	0	0	0	0	0		-0.7	0	-35.2	0	-35.9	-0.7	0	-35.2	0	-35.9
		Provision thereon	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0
5	Down gradations of restructured accounts during the Year.(Net)	No. of Borrower	NIL					NIL	NIL					NIL				
		Amount outstanding-Restructured facility																
		Other facility																
		Total																
		Provision thereon																
6	Write-offs /Sale /Closed	No. of Borrower	0	0	0	0	0	NIL	0	0	-3	0	-3	0	0	-3	0	-3

	of restructured accounts during the FY .	Amount outstanding-Restructured facility	0	0	0	0	0		0	0	-6.8	0	-6.8	0	0	-6.8	0	-7
		Other facility	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0.0
		Total	0	0	0	0	0		0	0	-6.8	0	-6.8	0	0	-6.8	0	-7
		Provision thereon	0	0	0	0	0		0	0	0.00	0	0	0	0	0.00	0	0.0
7	Changes in the account balance	No. of Borrower	0	0	0	0	0	NIL	0	0	0	0	0	0	0	0	0	0
		Amount outstanding-Restructured facility	0	0	-223.6	0	-223.6		0	0	-405.6	0	-405.6	0	0	-629.2	0	-629.2
		Other facility	0	0	0	0	0		0	0	-43.8	0	-43.8	0	0	-43.8	0	-43.8
		Total	0	0	-223.6	0	-223.6		0	0	-449.4	0	-449.4	0	0	-673	0	-673
		Provision thereon	0	0	0	0	0		0	0	-0.3	0	-0.3	0	0	-0.3	0	-0.3
8	Restructured accounts as on March 31st2019 (closing figures*)	No. of Borrower	0	0	1	0	1	NIL	66	0	10	0	76	66	0	11	0	77
		Amount outstanding-Restructured facility	0	0	0	0	0		195.5	0	66.3	0	261.8	195.5	0	66.3	0	261.8
		Other facility	0	0	0	0	0		92.9	0	0	0	92.9	92.9	0	0	0	92.9
		Total	0	0	0	0	0		288.4	0.00	66.3	0.00	354.7	288.4	0	66.3	0	354.7
		Provision thereon	0	0	0	0	0		2.6	0.00	0.00	0.00	2.6	2.6	0	0.00	0	2.6

Note: Out of 77 accounts disclosed above, 66 accounts amounting to ₹288.4 Million pertains to restructuring on account of natural calamities done in accordance with Master Direction by RBI (Relief Measures by Banks in areas affected by natural calamities) Directions 2018 dated October 17,2018.

2.4.2 B Disclosures on Flexible Structuring of Existing Loans - Nil

2.4.2 C Disclosures on Strategic Debt Restructuring Scheme - Nil

2.4.2 D Disclosures on Change in Ownership outside SDR Scheme¯ Nil

2.4.2 E Disclosures on Change in Ownership of Projects under Implementation - Nil

2.4.2. F Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) - Nil

2.4.2. G Restructured accounts under MSME - One-time restructuring on 31.03.2019

Asset status	No of accounts	Amount (₹ in Million)
Standard	2	42.4
Substandard	2	34.2
Total	4	76.6

2.4.3.A. Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction - Nil

2.4.3 B Book value of investments in Security receipts

(₹ in Million)

Particulars	Backed by NPAs/ SMAs sold by the bank as underlying		Backed by NPAs/ SMA/ SMA2 sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Book value of investments in security receipts	2110.2	2678.7	---	---	2110.2	2678.7

2.4.4 C Ageing of investments held as Security receipts and provision held

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
I	Book value of SRs backed by NPAs/SMAs sold by the bank as underlying	1317.0	793.2	Nil
	Provision held against (i)	490.5	230.0	Nil
II	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	Nil	Nil	Nil
	Provision held against (ii)	Nil	Nil	Nil
	Total (i+ii)	1317	793.2	Nil

2.4.4 Details of non-performing financial assets purchased/sold from/to other banks- Nil.

2.4.5 Provisions on Standard Assets

(₹ in Million)

Particulars	31.03.2019	31.03.2018
Provisions held towards Standard Assets	472.4	343.2

2.5 Business Ratio

(As compiled by the management and relied upon by the auditors)

Particulars	12 Months ended 31.03.2019	12 Months ended 31.03.2018
(i)Interest Income as a percentage to Working Funds	7.70	7.83
(ii)Non-interest income as a percentage to Working Funds	0.78	0.76
(iii)Operating Profit as a percentage to Working Funds	0.08	0.45
(iv) Return on Assets (%)	(0.38)	(0.77)
(v) Business (Deposits plus advances) per employee	嗟85.9 Million	嗟84.6 Million
(vi) Profit /(Loss) per employee	嗟(0.2) Million	嗏(0.5) Million

2.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(As compiled by the management and relied upon by the auditors) (₹ in Million)

As on 31.03.2019	Day 1	2-7 Days	8 - 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	691.3	1006.8	1161.7	1009.2	1629.4	1627.1	5019.8	3969.8	44278.7	1724.1	89120.8	151238.7
Advances	121.8	852.3	1181.7	2530.5	7790.6	7223.1	13923.8	19813.0	36543.6	8756.5	7415.5	106152.4
Investments (Net)	563.2	599.5	249.6	249.3	778.0	55.6	729.9	3088.9	287.6	2207.3	31467.2	40276.1
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign Currency assets	143.1	0.7	7.7	21.4	0.0	5.2	188.6	1078.1	41.2	19.9	0.0	1505.9
Foreign Currency liabilities	256.3	7.7	4.9	28.5	0.0	48.7	173.8	362.6	504.9	116.4	2.1	1505.9

Note: Deposits have been classified as per behavioural maturity.

2.7 Exposures

2.7.1 Exposure to Real Estate Sector

(As compiled by the management and relied upon by the auditors) (₹in Million)

Category	31.03.2019	31.03.2018
a) Direct exposure (i) Residential Mortgages		
a) Priority sector	1657.9	1430.2
b) Non priority sector	2165.4	2415
(Of which staff housing loans)	(622.6)	(685.9)
c) Total	3823.3	3845.2
(ii) Commercial Real Estate	3535.8	4090.3
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
b) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	10688.3	5293.5
Total Exposure to Real Estate Sector	18047.4	13229

2.7.2 Exposure to Capital Market

(As compiled by the management and relied upon by the auditors) (₹in Million)

Sl No	Items	31.03.2019	31.03.2018
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	9.2	9.2
2	Advances against shares/bonds/debentures of other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	2.5	3.3
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.00	0.00
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
6	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter˜s contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
9	Financing to stock brokers for margin trading	Nil	Nil
10	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	11.7	12.5

2.7.3 Risk category wise country exposure *

(As compiled by the management and relied upon by the auditors)

(₹in Million)

Risk Category	Exposure (Net) as at 31.03.2019	Provision held as at 31.03.2019	Exposure (Net) as at 31.03.2018	Provision held as at 31.03.2018
Insignificant	329.4	Nil	539.1	Nil
Low	97.5	Nil	140.0	Nil
Moderately Low	0.00	Nil	6.8	Nil
Moderate	2.3	Nil	1.6	Nil
Moderately High	0.00	Nil	0.2	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Total	429.2	Nil	687.7	Nil

* Based on categorization followed by Export Credit Guarantee Corporation of India Ltd

The bank is not having exposure to any country where the net funded exposure is 1 percent or more of the total assets and hence no provisioning is necessary for country risk, in accordance with the RBI guidelines.

2.7.5 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

(₹in Million)

Name of Borrower	Exposure as on 31.03.2019			Exposure as on 31.03.2018		
	Advance Exposure	Investment Exposure	Total Exposure	Advance Exposure	Investment Exposure	Total Exposure
Phoenix Trust	Nil	Nil	Nil	Nil	1388.7	1388.7

2.7.5 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authorization etc. are available to the bank is Nil.

2.8 Miscellaneous

Amount of Provisions made for Income-tax during the year (₹ in Million)

	31.03.2019	31.03.2018
Provision for Income Tax(including Deferred Tax)	(319.2)	(678.1)

2.8.1 Disclosure of Penalties imposed by RBI

(a) The Reserve Bank of India (RBI) vide its letter dated February 25, 2019 had imposed monetary penalty of ₹10 Million in terms of Section 47A (1)(c) read with section 46 (4)(i) of the Banking Regulation Act, 1949 on the Bank for delay in adherence of its directives on `Time bound implementation and strengthening of SWIFT related operational controls_. The operating expenses for the year ended March 31, 2019 are higher to that extent.

(b) The RBI had imposed an aggregate penalty of ₹1450/- (on various dates) during the Financial Year 2018-19 on account of counterfeit notes detected in the remittance of soiled notes at RBI by Singanellur and Ernakulam Currency Chests.

3. Disclosures as per Accounting Standards where RBI has issued Guidelines in respect of items for :Notes to Accounts˘

3.1 Accounting Standard 15 (Revised) ¯Employee Benefits

3.1.1 Disclosures for Defined Contribution Plans ¯ Provident Fund & New Pension Scheme (Contributory)

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the year amounts to₹ 64.9 Million (Previous Year- ₹54.3 Million). There is no deficit in the Provident Fund Trust.

3.1.4 Disclosures for Defined Benefit Plans ¯ Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

3.1.4.1 Amount recognized in Balance Sheet and Profit & Loss Account

The amount recognized in the balance sheet is as follows: (₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Present Value of Obligations ¯ Closing	1979.1	2821.3	597	757.2	254.9	325.3
Fair Value of Plan Assets ¯ Closing	1473.1	2840.6	520.7	738.2	N.A	N.A
Funded Status	506	(19.3)	76.3	19	254.9	325.3
Net Liability (Asset) recognized in Balance Sheet (Others of Other Liabilities & Provisions)	506	(19.3)	76.3	19	254.9	325.3

The amount recognized in the statement of profit and loss account is as follows:

(₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Current Service Cost	376.6	533.2	27.9	33.3	94.4	103.7
Past Service Cost	N.A	N.A	0.00	45.4	N.A.	N.A.
Interest Cost	133.0	203.1	39.2	53.7	15.8	20.2
Expected Return on Plan Assets	(213.0)	(220.9)	(55.4)	(62.5)	N.A.	N.A.
Net Actuarial Loss/(Gain) recognized in the year	820.0	46.4	278.2	46.3	47.5	24.7
Total, (included in `Payment to and provisions for employees_ of ¯ Operating Expenses)*	1116.6	561.8	289.9	116.2	157.7	148.6

*Payment to and provisions for employees is higher during the year 2018-19 due to reduction of retirement age from 60 years to 58 years and increase in DA rates during the year.

3.1.4.2 Changes in Fair Value of Plan Assets

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Fair Value of Plan Assets at the beginning of the year	2840.6	2869.4	738.2	811.4	N.A.	N.A.
Expected Return on Plan Assets	213.0	220.9	55.4	62.5	N.A.	N.A.
Contributions	591.3	866.9	232.6	88.5	228.1	170.8
Benefits Paid	2096.7	1035.7	467.8	210.7	228.1	170.8
Actuarial (Loss)/Gain	(75.1)	(80.9)	(37.7)	(13.5)	N.A.	N.A.
Fair Value of Plan Assets at the end of the year	1473.1	2840.6	520.7	738.2	N.A.	N.A.

3.1.2.3 Changes in Present Value of Obligations (₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Present Value of Obligations at the beginning of the year	2821.3	3155.2	757.2	802.7	325.3	347.5
Interest Cost	133 .0	203.1	39.2	53.7	15.8	20.2
Current Service Cost	376.6	533.2	27.9	33.3	94.4	103.7
Past Service Cost	N.A	N.A	0.00	45.4	N.A	N.A
Benefits Paid	2096.7	1035.7	467.8	210.7	228.1	170.8
Actuarial Loss/(Gain)	744.9	(34.5)	240.5	32.8	47.5	24.7
Present Value of Obligations at the end of the year	1979.1	2821.3	597.0	757.2	254.9	325.3

3.1.2.4 Movement in Net Liability Recognized in Balance Sheet

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Net Liability at the beginning of the period	(19.3)	285.8	19.0	(8.7)	325.3	347.5
Add Expenses Charged to Profit & Loss Account	1116.6	561.8	289.9	116.2	157.7	148.6
Less Contributions	591.3	866.9	232.6	88.5	228.1	170.8
Net Liability (Asset) at the end of the period	506.0	(19.3)	76.3	19.0	254.9	325.3

3.1.2.5 Actual Return on Plan Assets

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Expected Return on Plan Assets	213.0	220.9	55.4	62.5	N.A.	N.A.
Actuarial Gain (Loss)	(75.1)	(80.9)	(37.7)	(13.5)	N.A.	N.A.
Actual Return on Plan Assets	137.9	140.0	17.7	49.0	N.A.	N.A.

3.1.2.6 Actuarial Assumptions

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Discount Rate (p.a.)	7.50%	7.70%	7.50%	7.70%	7.50%	7.70%
Expected Return on Plan Assets (p.a.)	7.50%	7.70%	7.50%	7.70%	N.A	N.A
Future Salary Increases (p.a.)	5.00%	5.50%	5.00%	5.50%	5.00%	5.50%
Mortality	In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).	

3.1.2.7 Investment Percentage maintained by Pension & Gratuity Trust

	Pension		Gratuity	
	As on 31.03.2019	As on 31.03.2018	As on 31.03.2019	As on 31.03.2018
Life Insurance Companies	96.56%	89.31%	93.60%	83.98%
Central Govt. Securities	--	3.67%	--	2.10%
State Govt. Securities	1.75%	4.69%	--	4.66%
Other Trust Securities (PSU)/Deposits with Banks etc.	1.69%	2.33%	6.40%	9.26%
Total	100.00%	100.00%	100.00%	100.00%

3.1.2.8 Experience Adjustments

(i) Pension

(₹in Million)

	March 31				
	2019	2018	2017	2016	2015
Defined Benefit Obligations	1979.2	2821.3	3155.2	3204.8	3046.6
Plan Assets	1473.1	2840.6	2869.4	2875.5	2918.4
Surplus/(Deficit)	(506.1)	19.3	(285.8)	(329.3)	(218.2)
Experience adjustments on Plan Liabilities	719.3	68.3	(221.1)	(448.3)	(121.1)
Experience Adjustments on Plan Assets	(72.1)	(86.1)	205.3	62.9	63.4

(ii) Gratuity

(₹in Million)

	March 31				
	2019	2018	2017	2016	2015
Defined Benefit Obligations	597.0	757.2	802.7	857	802.2
Plan Assets	520.7	738.2	811.4	710.6	856.6
Surplus/(Deficit)	(76.3)	19.0	8.7	(146.4)	44.4
Experience adjustments on Plan Liabilities	230.4	(21.3)	(49.6)	(187.7)	(8.6)
Experience Adjustments on Plan Assets	(36.2)	(22.7)	53.4	5.3	22.9

3.1.2.9 Expected Contributions

Bank¨s best estimates of contributions to the funds for FY 2019-20 are as follows:

Pension: ₹600 Million

Gratuity: ₹ 100 Million

3.1.5 Other Long term Employee Benefits

¿ As on 31.03.2019, the Bank holds provision of ₹ 43.4 Million (Previous Year - ₹42.2 Million) towards provision for Sick Leave and Leave Fare Concession based on actuarial valuation.

3.2 Accounting Standard 17 ¯ Segment Reporting

Part A: Business Segments

(As compiled by the management and relied upon by the auditors) (₹inMillion)

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Business		Total	
	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18	Year ended 31.03.19	Year ended 31.03.18
Revenue	3710.5	3568.8	3463.6	3306.9	7485.5	7199.3	174.8	147.2	14834.3	14222.3
Result	(1781.1)	(1641.0)	485.5	654.4	1425.2	1708.4	4.1	21.4	133.6	743.3
Unallocated expenses									NIL	NIL
Operating profit									133.6	743.3
Provisions other than tax									1109.7	2692.2
Provision for Tax									(319.2)	(678.1)
Extraordinary profit/ loss									NIL	NIL
Net profit / Loss									(656.9)	(1270.9)
OTHER INFORMATION										
Segment assets	43168.3	46288.3	42249.0	35405.1	71189.8	64334.8	17.9	16.0	156624.9	146044.2
Unallocated assets									7914.7	7308.4
Total assets									164539.6	153352.6
Segment liabilities	679.8	251.5	18988.7	18195.4	141992.3	133066.2	155.3	183.4	161816.1	151696.5
Unallocated liabilities									2723.5	1656.1
Total liabilities									164539.6	153352.6

¿ RBI wide direction RBI/2018-19/128 DBR.DIR.BC.No.27/13.03.00/2018-19 dated February 22, 2019, modified the definition of bulk deposits from Single Rupee term deposits of Rupees ten million and above to Single Rupee term deposits of Rupees twenty million and above. The Corporate/wholesale liabilities for the year end 31.03.2019 has been arrived at using the new definition. Previous year figures have not been restated in this regard.

Part B: Geographic segments
The Bank has no branches outside India.

3.4 Accounting Standard 18 ¯ Related Party disclosures

(I) Name of the related party and details of the transactions

Name of the Related Party	Nature of Relationship	Nature of the related Party transaction
Shri. C. VR Rajendran, Managing Director &CEO	Key Management Personnel	Remuneration paid
Finsigma Inclusive Services Pvt. Ltd(FISPL)	Common Director - Shri. Madhavan Aravamuthan	Business Correspondents Tie up with FISPL

(II) Name of the related party with whom transactions are proposed

Name of the Related Party	Nature of Relationship	Nature of the related Party transaction proposed
Thomas Cook (India) Limited (TCIL)	Subsidiary of Fairbridge Capital (Mauritius) Limited (FCML) FCML is associate of FIH Mauritius Investments Ltd(FIH-M). FIH-M is holding 5.77% in the paid up capital of the Bank as on March 31, 2019. Details of their other holdings are disclosed in 1.1.of Notes on accounts.	Tie-up with TCIL for issuance of Co-branded Multicurrency Pre-paid Foreign Exchange Travel Card (Refer Note No. 4 below)

(III) Name of the other related parties

Sr. No	Name of the Entity	Relationship
1	Fairfax India Holdings Corporation (FIHC)	Parent Company of FIH-M
2	Fairfax Financial Holdings Limited (FFH)	Ultimate parent Company of FIH-M
3	FIH Private Investments Ltd	Wholly owned subsidiary of FIH-M
4	I Investments Limited	Wholly owned subsidiary of FIH-M
5	Fairbridge Capital (Mauritius) Limited (FCML)	Affiliate of FIH-M
6	HWIC Asia Fund	Affiliate of FIH-M
7	FAL Corporation	Affiliate of FIH-M
8	O.R.E Holdings Limited	Affiliate of FIH-M
9	Fairchem Speciality Limited	Investee Company of FIH-M
10.	National Collateral Management Services Limited	Investee Company of FIH-M
11.	IIFL Holdings Limited	Investee Company of FIH-M
12.	Sanmar Engineering Services Limited	Investee Company of FIH-M
13.	Saurashtra Freight Private Limited	Investee Company of FIH-M
14.	Bangalore International Airport Limited	Investee Company of FIH-M
15.	5Paisa Capital Limited	Investee Company of FIH-M
16.	Seven Islands Shipping Limited	Investee Company of FIH-M
17.	Fairbridge Investments (Mauritius) Limited	Wholly owned subsidiary of FCML
18.	Fairbridge Capital Private Limited	Investee Company of FCML

Notes

5. As there was only one related party in the each category, the Bank is required to disclose only the relationship with that related party in terms of Reserve Bank of India guidelines No.DBOD.No.BP.BC/89/21.04.018/2002-03 dated March 29, 2003 on compliance with Accounting Standards (AS) by Banks.
6. In terms of circular referred in Point No.1 of the above, Key Management Personnel (KMP) are the whole time directors of the Bank.
7. The normal transactions of the Bank with related parties as constituents are not reckoned for the purpose of disclosure.
8. During the year under review, Board has approved the Tie-up, but no transaction has been entered into with TCIL.

3.4 Accounting Standard 22 ¯ Accounting for Taxes on Income

Net Deferred Tax Asset as on 31.03.2019, computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to ₹2841.4 Million , which is included in Other Assets.

Components of Net Deferred Tax Asset as on 31.03.2019 are as follows:

(₹ in Million)

Deferred Tax Asset	31.03.2019	31.03.2018
Provision for Employee Benefits	137.0	116.9
Provision for Bad & doubtful debts	578.5	1349.5
Provision for Standard Assets	165.1	119.9
Carry Forward Loss	2045.4	1014.3
Provision for contingencies	41.5	33.1
Total Deferred Tax Asset	2967.5	2633.7
Deferred Tax Liability		
Depreciation on Fixed Assets	43.1	40.4
Special Reserve u/s 36 (1)(viii)	83.0	83.0
Total Deferred Tax Liability	126.1	123.4
Net Deferred Tax Asset	2841.4	2510.3

3.5 Accounting Standard 5 – Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies – NIL

3.6 Accounting Standard 9 – Revenue Recognition, Accounting Standard 21 - Consolidated Financial Statements (CFS), Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements, Accounting Standard 24 - Discontinuing Operations - NIL

3.7 Accounting Standard 25 - Interim Financial Reporting

Bank has complied with the disclosures in connection with the half yearly review prescribed by RBI

4 Other Accounting Standards

4.1 Accounting Standard 10 – Property, Plant & Equipment

i) Disclosure related to revaluation of land and building owned by the bank.
(a) the effective date of the revaluation - 31.03.2016

(b) whether an independent valuer was involved - Land and building was valued by two independent valuers. Lower of the value arrived by the valuers is taken as the revalued amount.

(c) the methods and significant assumptions applied in estimating fair values of the items;

Asset	Details	Valuer 1	Valuer 2
Building	Method	Plinth area rates of CPWD	Plinth area method applicable to the type of structure, specification, services, amenities
	Depreciation	Based on the present condition and age of building.	Based on the age, condition and maintenance of the building
	Valuation	Plinth area rates of previous valuation taken as base rate	Composite market rate
Land	Method	Based on local enquiries, transactions in recent, past and valuers best of judgement	Based on location, level/shape/extent of the land, infrastructure /civic amenities availability, width of the abutting road, water potentialty, etc.
	Valuation	Present market value	Prevailing market rate based on the above

(d) the extent to which fair values of the items were determined directly by reference to observable prices in an active market or recent market transactions on arm˜s length terms or were estimated using other valuation techniques - Fair value as explained in item (c)above

(e) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Revaluation surplus as on 31.03.2019 – ₹ 1578.2 Million

Change for the period – ₹ 16.4 Million (transferred from Revaluation Reserve to General Reserves)

ii) Bank had demolished one of its premises during the year and the amount standing in Revaluation Reserve relating to that asset ₹1.4 Million (included in has been transferred to General Reserve as per para 44 of the standard.

4.2 Accounting Standard 19 – Leases

The properties taken on lease/rental basis are renewable/ cancellable at the option of the Bank

4.3Accounting Standard 20 – Earnings per Share

Particulars	2018-19	2017-18
EPS-Basic /Diluted	₹(7.90)	₹(15.70)
Amount used as numerator- Profit / (Loss)after Tax (in Million)	(656.9)	(1270.9)
Nominal value per Equity Share	₹ 10	₹ 10
Weighted Average Number of Equity Shares used as denominator	8,31,89,801	8,09,62,082

Note: As per the terms and conditions at the time of issue of warrants which are compulsorily convertible into Equity Shares, the price at which the warrants shall be converted into Equity Shares is determined at fair value based on the valuation obtained by the Bank. Hence, as per para 37 of AS-20, the potential Equity Shares are considered to be anti-dilutive.

4.4Accounting Standard 26 – Intangible Assets

The bank has complied with AS 26 (Intangible Assets) and the disclosures required under the Standard are as follows:

(₹ in Million)

	31.03.2019	31.03.2018
a) Acquired Application Software		
Opening Balance at cost	208.5	169.9
Add Additions during the year	58.4	38.6
Less Disposals during the year	0.00	Nil
Less Amortisation to date	156.8	124.5
Net Carrying Amount	110.1	84
b) Internally Generated Software		
Opening Balance at cost	146.6	127
Add Additions during the year	18.5	19.6
Less Disposals during the year	Nil	Nil
Less Amortisation to date	122.9	111.7
Net Carrying Amount	42.2	34.9
Total Carrying Amount	152.3	118.9

4.5Accounting Standard 28 - Impairment of Assets

In the opinion of the bank/as per valuation reports from approved valuers, there is no material impairment to the fixed assets as at 31.03.2019 requiring recognition in terms of Accounting Standard 28 – Impairment of Assets.

4.6Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

4.6.1 Description of Contingent Liabilities

a) Claims against the bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by Income tax and other statutory authorities and disputed by the bank.

b) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, (currency swaps, Forward exchange contracts and currency futures) on its own account and forward exchange contracts for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.

c) Guarantee given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligation.

d) Acceptances, endorsements and other obligations

These include documentary credit issued by the bank on behalf of its customers and bills drawn by the Bank˘s customers that are accepted or endorsed by the Bank.

e) Other items for which the bank is contingently liable

Includes income tax/service tax appeals filed by the bank, capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

f) The Bank˘s pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Refer Annexure 1 for amounts relating to contingent liability.

5. Additional Disclosures as per RBI Guidelines

5.1 Details of provisions and contingencies debited in Profit and Loss Account during the Year

(₹ in Million)

		31.03.2019	31.03.2018
a	Provisions towards NPA/write offs	901.3	2381.4
b	Depreciation and write off of investments	45.9	319.1
c	Provision for Income tax (Including Deferred Tax)	(319.2)	(678.1)
d	Provision for Standard Assets	129.2	(3.2)
e	Provision for diminution on Restructured Advances	2.1	(4.0)
f	Other provisions	31.2	(1.1)
	Total	790.5	2014.1

5.2 Floating Provisions

a) Opening Balance in floating provisions account	Nil
b) Quantum of floating provisions made in the accounting year	Nil
c) Purpose & amount of draw down made during the accounting year	Nil
d) Closing balance in floating provisions account	Nil

5.3 Draw Down from Reserves ¯

The Bank has not drawn from Reserves any amount other than from general reserves

5.4 Disclosure of complaints

B. Customer Complaints (Other than ATM)

	31.03.2019	31.03.2018
a) No. of complaints pending at the beginning of the year	25	29
b) No. of complaints received during the year	445	432
c) No. of complaints redressed during the year	440	436
d) No. of complaints pending at the end of the year	30	25

B . ATM Complaints

	31.03.2019	31.03.2018
a) No. of ATMs complaints pending at the beginning of the year	Nil	Nil
b) No. of ATMs complaints received during the year	22892	9270
c) No. of ATMs complaints redressed during the year	22892	9270
d) No. of ATMs complaints pending at the end of the year	Nil	Nil

D. Awards passed by the Banking Ombudsman

	31.03.2019	31.03.2018
a) No. of unimplemented Awards at the beginning of the year	Nil	Nil
b) No. of Awards passed by the Banking Ombudsmen during the year	Nil	Nil
c) No. of Awards implemented during the year	Nil	Nil
d) No. of unimplemented Awards at the end of the year	Nil	Nil

5.5 Disclosure of Letter of Comforts (LOCs) issued by banks

Not applicable since the bank has no subsidiaries.

5.6 Provisioning Coverage Ratio

	As on 31.03.2019	As on 31.03.2018
Provisioning Coverage Ratio	78.16%	75.83%

5.7 Income from Bancassurance

(₹ in Million)

Sl.No.	Nature of Income	12 months ended 31.03.2019	12 months ended 31.03.2018
1.	From Selling Life Insurance Policies	93.5	66.0
2.	From Selling Non Life Insurance Policies	2.7	3.1
3.	From Selling Mutual Fund Products	0.00	0.00
4.	Others	Nil	Nil
5.	Total	96.2	69.1

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

	As on 31.03.2019	As on 31.03.2018
Total Deposits of twenty largest depositors (₹ in Million)	10364.3	7513.9
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	6.85%	5.11%

5.8.2 Concentration of Advances

	As on 31.03.2019	As on 31.03.2018
Total Advances of twenty largest borrowers (₹ in Million)	16196.7	14543.7
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	13.50%	13.87%

5.8.3 Concentration of Exposures

	As on 31.03.2019	As on 31.03.2018
Total Exposures to twenty largest borrowers/customers (₹ in Million)	16810.6	16511.6
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	13.53%	15.06%

5.8.4 Concentration of NPAs

(₹in Million)

	As on 31.03.2019	As on 31.03.2018
Total Exposures to top four NPA Accounts	355.8	973.8

5.9 Sector-wise advances

(As compiled by the management and relied upon by the auditors) (Amount in Million)

Priority Sector	Outstanding Total Advances	Gross NPA	Gross NPA (%)
Agriculture and allied activities	18018.2	620.7	3.45%
Advances to industries sector eligible as priority sector lending	5474.0	1032.4	18.86%
Services	11576.6	1825.7	15.77%
Personal loans	3558.8	613.2	17.23%
Sub-total(A)	38627.6	4092.1	10.59%
Non Priority Sector			
Agriculture and allied activities	114.9	2.0	1.74%
Industry	4581.5	33.0	0.72%
Services	32061.9	143.6	0.45%
Personal loans	33668.9	1035.5	3.08%
Sub-total(B)	70427.2	1214.1	1.72%
Total (A+B)	109054.8	5306.2	4.87%

5.10 Movement of NPA

(₹in Million)

Particulars	2018-19	2017-18
Opening Balance of Gross NPA	7641.3	6001
Additions (Fresh NPAs) during the year	1974.5	2811.6
Sub-total (A)	9615.8	8812.6
Less:-		
(i) Upgradations	332.0	90.8
(ii) Recoveries (excluding recoveries made from upgraded accounts)	977.5	1030.2
(iii) Technical/ Prudential Write-offs	2797.6	0
(iv) Write-offs other than those under (iii) above	202.5	50.3
Sub-total (B)	4309.6	1171.3
Closing balance of Gross NPA (A - B)	5306.2	7641.3

5.11Movement of technical write offs and recoveries: (₹ in Million)

Particulars	2018-19	2017-18
Opening balance of technical/prudential written off accounts	3272.0	3549.1
Add: Technical/Prudential write-offs during the year	2797.6	Nil
Sub-total(A)	6069.6	3549.1
Less-Recoveries/ write off made from previously technical/Prudential written offs accounts during the year (including sale to ARCs)(B)(1)	358.1	277.1
Closing balance (A-B)	5711.5	3272.0

5.12 Overseas Assets, NPAs and Revenue

(₹ in Million)

Particulars	31.03.2019	31.03.2018
Total Assets	104.2	272.6
Total NPAs	Nil	Nil
Total Revenues	9.8	5.8

5.13Off-balance Sheet SPVs sponsored

(which are required to be consolidated as per accounting norms)

Nil

6.14 Disclosure on Remuneration

Qualitative disclosures	(a)	Information relating to the composition and mandate of the Nomination & Remuneration Committee. Composition The Nomination & Remuneration Committee of the Board comprises of majority of independent directors. Function and mandate The Nomination & Remuneration Committee of the Board inter alia, oversee the framing, review and implementation of compensation policy of the Bank including ESOS of the bank on behalf of the Board. The Committee should ensure that:- ¿ the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio; ¿ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully; ¿ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and ¿ remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

		Process The Nomination & Remuneration Committee works in close co-ordination with the Risk Management Committee of the Board to review the compensation practices every year in order to achieve effective alignment between remuneration and risks. The Nomination & Remuneration Committee will study the business and industry environment, analyze and categorize the risks and streamline the components of the compensation plan like proportion of the total variable compensation to be paid to MD & CEO,WTD¨s and Senior executives to ensure financial stability of the organization. Authority to invoke clawback arrangement The Nomination & Remuneration Committee of the Board also have the authority to ascertain whether the decision taken by the MD& CEO, WTD, Senior executives/ officers (Non IBA Package) have brought forth a negative contribution to the Bank. The Committee has vested with the powers to invoke the clawback arrangement, after taking into account relevant statutory and regulatory stipulations as applicable. Objectives The objectives of the remuneration policy are four fold: ¿ To align compensation with prudent risk taken. ¿ To ensure effective governance of the compensation in the organization. ¿ To ensure effective supervisory oversight and stakeholder engagement in compensation. ¿ To attract and retain talent. Key features ¿ To actively oversee the compensation systems design and operation. ¿ To monitor and review the compensation system to ensure that the system operates as intended. ¿ Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm. ¿ Supervisory review of compensation practices must be rigorous and sustained and deficiencies must be addressed promptly with supervisory action. ¿ Firms must disclose clear comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks. For the purpose of effectively aligning compensation structure with risk outcomes, the functionaries in the institution are arranged under the following four categories. 5) Managing Director & CEO 6) Senior Executives (Risk control and compliance staff) -Non IBA Package 7) Senior / Other Officers - Non IBA Package 8) Other officers and staff -On IBA package

		Clawback Arrangement/Compensation Recovery A clawback arrangement or a compensation recovery is provided in the policy[MD & CEO,WTD˘s and Senior executives/ officers (Non IBA Package)] which will entail the Bank to recover proportionate amount of variable compensation paid to the functionaries on account of an act or decision taken by the official which has brought forth a negative contribution to the bank at a prospective stage. The clawback arrangement is subject to the relevant statutory and regulatory stipulations as applicable. Limit on variable pay As per the policy, the variable compensation offered to an official would not exceed 70% of the total fixed compensation in a year. Severance pay and guaranteed bonus As per the policy, severance pay (other than gratuity or terminal entitlements or as entitled by statute) is not paid to any official of the organization except in those cases where it is mandatory by statute. Sign on bonus or joining bonus is limited to the first year and is paid only as Employee stock options. Hedging As per the policy, no compensation scheme or insurance facility would be provided by the Bank to employees to hedge their compensation structure to offset the risk alignment mechanism (deferral pay and clawback arrangements) embedded in their compensation arrangement. Committees to mitigate risks caused by an individual decision In order to further balance the impact of market or credit risks caused to the organization by an individual decision taken by a senior level executive, MD & CEO or a whole time director, the bank, as a promoted practice, has constituted various committees to take decisions on various aspects. Credit limits are sanctioned by committees at different levels. Investment decisions of the Bank are taken and monitored by Treasury & Investment Management Committee and there is an upper limit cut in treasury dealings where individual decisions can be taken. Interest rates on Asset and liability products for different buckets are decided and monitored by the ALCO. Banks˘ exposure to liquidity risk are also monitored by ALCO. Compensation of risk control staff Members of staff engaged in financial and risk control would be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Compensation of MD & CEO, whole time directors and senior executives (Non IBA), performance linkage As per the policy, the compensation paid out to the referred functionaries is divided into three components 4. The fixed compensation is determined based on the industry standards, the exposure, skill sets,

		talent and qualification attained by the official over his/her career span. 5. The variable compensation for MD & CEO and senior executives on Non ¯ IBA package basis are fixed based on performance and responsibility in the bank. The Bank˘s performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, NPA position and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance. 6. Employees Stock options as per the CSB Employees Stock Option Scheme 2013 (CSBESOS-2013) as approved by the Board. Approval from RBI is to be obtained to decide compensation for MD & CEO/ whole time directors. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to the Bank˘s Articles of Association read with the Section 197 of the Companies Act, 2013. Compensation paid to Other Officers and staff members on IBA package The compensation paid to other officials that include Award staff, Officers coming under Scale I to III and Senior executives coming under Scale IV to VII is fixed based on the periodic industry level settlements with Indian Banks Association. The variable compensation paid to functionaries is based on the Performance/Target Linked incentive scheme which has been formulated on the basis of performance parameters. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme.		
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting. Deferred compensation and Performance Linkage (Non-IBA) In case of deferral arrangements of variable pay to MD & CEO, WTD˘s, Senior/other executives (Non IBA Package), the deferral period should not be less than three years. Compensation payable under deferral arrangements should vest no faster than on a pro rata basis. Clawback and deferral arrangements The provisions of clawback and deferral arrangements applicable to the referred functionaries (all Non IBA Package) are subject to relevant statutory and regulatory stipulations as applicable.		
	(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms. Bank uses an optimum mix of cash, ESOPS and variable pay to decide the compensation to MD & CEO /WTD and senior executives on Non ¯ IBA package. This is done to align the compensation of senior staff with their performance, risk and responsibility taken in higher assignments. The Officers in Scale I-VII as well as Award staff come under the purview of IBA package that is as per the Industry wide settlements. The variable compensation paid to functionaries is based on the Target/ Performance Linked incentive scheme which has been formulated on the basis of performance parameters as may be prescribed from time to time. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme		
				Current Year (FY 2018-19)	Previous Year (FY 2017-18)
Quantitative disclosures (The quantitative disclosures should	(g)	Number of meetings held by the Nomination & Remuneration Committee during the year and remuneration paid to its members.		10 ₹2,60,000	6 ₹,40,000
	(h)	(i)	Number of employees having received a	Nil	Nil

only cover Whole Time Directors / Chief Executive Officer / Other Risk Takers)			variable remuneration award during the year.		
		(ii)	Number and total amount of sign-on awards made during the year.	Nil	Nil
		(iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	Nil	Nil
		(iv)	Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(i)	(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
		(ii)	Total amount of deferred remuneration paid out in the year.	Nil	Nil
	(j)	Breakdown of amount of remuneration awards for the year to show fixed and variable, deferred and non-deferred (on payment basis).		₹1,60,000 (Fixed)*# Nil (Variable) Nil (Deferred & Non - Deferred)	₹72,00,000 (Fixed)*@ Nil (Variable) Nil (Deferred& Non - Deferred)
	(k)	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil	Nil
		(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
		(iii)	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil

* Fixed remuneration includes salary, consolidated benefit allowance, residential accommodation, Leave travel concession (for the FY 2018-19) and Bank's contributions towards Provident fund.

@1. The Bank has subject to the approval of Reserve Bank of India; agreed to grant 2 % stock options, equivalent to 16,19,241 shares, as hiring grant to Managing Director &CEO. The exercise price of the options is fixed at ₹5/- per share and option when granted would be vested and could be exercised only on achieving certain performance parameters.

2. The Bank has also subject to the approval of Reserve Bank of India agreed to grant additional stock options equivalent to upto 2(two) per cent of the enhanced paid up equity capital of the Bank as on the date of the grant, as reduced by the hiring grant stock options already agreed/granted to him as stated in point No 1 above. The grant of said option is further subject to fresh equity investment in the Bank over a period of the next three years from 09.12.2016 i.e, date of joining in the Bank as Managing Director & CEO. The exercise price of the options is fixed at ₹5/- per share.

No grant of stock options is in force

6.15 Disclosures relating to Securitisation - Not applicable to the Bank at this stage.

6.16 Credit Default Swaps – Nil

6.17 Intra-Group Exposures - NA

6.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Unclaimed liabilities where amount due has been transferred to DEAF is reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Annexure 1 of the financial statements.

(₹ in Million)

Particulars	31.03.2019	31.03.2018
Opening balance of amounts transferred to DEAF	358.6	292.3
Add : Amounts transferred to DEAF during the year	73.8	74.2
Less : Amounts reimbursed by DEAF towards claims	5.3	7.9
Closing balance of amounts transferred to DEAF	427.1	358.6

6.19 Unhedged Foreign Currency Exposure

(C) Provisioning

In terms of RBI Circular DBOD No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and subsequent clarification vide circular DBOD No.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, based on the available data, available financial statements and declarations from borrowers wherever received, the bank is holding a provision of ₹1.6 Million (Previous Year ₹3.8 Million) towards Unhedged Foreign Currency Exposures.

(D) Capital Held

In terms of the aforementioned circulars, no additional capital is held towards unhedged foreign currency exposures. (Previous Year ₹5.2 Million)

7 Liquidity Coverage Ratio
(As compiled by the management and relied upon by the auditors)

b) Quantitative Disclosures

(₹ in Million)

As on 31.03.2019		Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)		27023.8
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	116613.2	11593.8
(i)	Stable deposits	1349.9	67.5
(ii)	Less stable deposits	115263.3	11526.3
3	Unsecured wholesale funding, of which:	19099.6	3546.7
(i)	Operational deposits (all counterparties)	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	19099.6	3546.7
(iii)	Unsecured debt	0.00	0.00
4	Secured wholesale funding	0.00	0.00
5	Additional requirements, of which	6553.5	967.9
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00
(ii)	outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	6553.5	967.9
6	Other contractual funding obligations	0.00	0.00
7	Other contingent funding obligations	2346.9	70.4
8	TOTAL CASH OUTFLOWS		16178.8
	Cash Inflows		
9	Secured Lending (e.g. reverse repos)	555.5	0.00
10	Inflows from fully performing exposures	4976.2	2624.6
11	Other cash inflows	0.00	0.00
12	TOTAL CASH INFLOWS	5531.7	2624.6
13	TOTAL HQLA		27023.8
14	TOTAL NET CASH OUTFLOWS		13554.2
15	LIQUIDITY COVERAGE RATIO (%)		199.38%

b) Qualitative disclosures

(i) Main drivers of LCR and evolution of contribution of inputs

The Liquidity Coverage Ratio (LCR) standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 days˘ time horizon under a significantly severe liquidity stress scenario, by which time it is assumed that proper corrective actions can be taken. The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

(ii) Intra period changes
The intra period changes are mainly on account of changes in unencumbered excess SLR positions.

(iii) The composition of High Quality Liquid Assets (HQLA)

Banks˘ High Quality Liquid Assets consists of the following
i. Cash
ii. Balance with RBI in excess of CRR requirement
iii. Unencumbered portion of investments in Government securities in excess of SLR requirement.
iv. Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility(MSF)
v. Investment in Government Securities held up to 13% of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

(iv) Concentration of funding
Banks˘ concentration from top 20 depositors stood at 6.85% of total deposits as on 31st March 2019.

(v) Derivative exposure and potential collateral calls
Bank does not have derivative business except forward contracts.

(vi) Currency Mismatch in LCR
The bank does not have aggregate liabilities denominated in any foreign currency of 5 per cent or more of the bank˘s total liabilities and hence LCR in other currencies is not computed.

(vii) Centralisation of liquidity management
Banks˘ liquidity management and monitoring is centralized. Bank has a Board adopted liquidity management policy in line with RBI regulation and guidelines.

(viii) Other Inflows and outflows in the LCR calculation that are not captured in the template but which the bank considers relevant for its liquidity profile

Inflows and outflows are comprehensively captured in LCR template

10. Employee Stock Option Scheme (ESOS)

The shareholders of the Bank in the 92nd Annual General Meeting of the Bank held on 23.09.2013 accorded sanction to frame and implement the Employees Stock Option Scheme and grant/issue options to eligible present and future employees of the Bank, such that the offer, issue and allotment of such shares pursuant to the option shall not exceed 5% of issued equity shares of the Bank from time to time. Accordingly, the Bank formulated a stock option scheme called `CSB Employees Stock Option Scheme 2013_( `ESOS 2013_ or `Scheme_)as per Board resolution dated April 8, 2014 and the same has been approved by shareholders vide postal ballot on August 18, 2014.The ESOS is equity settled where the employees will receive one equity share per option. The period of vesting shall range from a minimum of three years from the date of Grant and normally shall not exceed a maximum of five years (`Vesting Period_), unless the Nomination &Remuneration Committee decides for a longer/ shorter vesting period, subject to applicable laws. The Committee may, at its sole discretion, decide the proportion of shares, which shall vest each year during the vesting period ( `Vesting Schedule_).The Stock option granted to employees vest over the period as decided by the Nomination &Remuneration Committee. The Exercise Period for the relevant Grant shall be a period commencing from the relevant Vesting Date for the respective tranche and shall end with the expiry of 10years from the relevant Grant Date or such other period as may be decided by the Committee for each Grant.

Stock option activity under the scheme during the year ended 31.03.2019 has been as follows:

Outstanding at the beginning of the year	330000
Granted during the year	Nil
Forfeited during the year	Nil
Options Lapsed	25000
Exercised during the year	Nil
Outstanding at the end of the year	305000
Options exercisable at the end of the year	305000

Options outstanding at the beginning of the year carry an exercise price of 嗦147.25

Under intrinsic value method, since exercise price of the stock options granted under the ESOS is more than the underlying value of the shares, it has not resulted in any charge to the Profit and Loss Account for the year. If the Bank had adopted the Black-Scholes model based fair valuation, staff cost for the year would have been higher by 嗦8.8 million and profit before tax would have been lower by the same extent.

The fair value of options granted during the period has been estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

Average Dividend Yield	0%
Expected Volatility	32.58%
Risk free interest rate	7.62%
Expected life of options	10 years
Expected forfeiture	Nil

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in CNX Bank Nifty over the last 10 years.

Impact of fair value method on net profit and EPS

Particulars	12 months ended 31.03.2019
Net Profit (Loss) as reported (噪in Million)	(656.9)
Proforma Net Profit (Loss)based on fair value approach (嚼n Million)	(665.7)
Basic/Diluted EPS as reported (嗪	(7.9)
Basic/Diluted EPS (Proforma) (嗪	(8.0)

11. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

12. Provision for Long Term Contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

10. Disclosure for frauds

(Amount in Million)

No of frauds reported during FY 2018-19	50
Amount involved in such frauds	852.3
Balance outstanding as on 31.03.2019	822.8
Quantum of provision made by debiting P&L	822.8
Unamortized provision debited from General Reserve	⇩

11. Details of Priority Sector Lending Certificate Purchased & Sold during the year

(Amount in Million)

Scheme Type	PSLC General
PSLCs purchased during the year	Nil
PSLCs sold during the year	5980
Net PSLCs outstanding as on 31.03.2019	(5980)

12. Comparative Figures

The previous year˜s figures have been regrouped and recast wherever necessary to conform to current year˜s classification.

NOTES TO ACCOUNTS FOR FINANCIAL YEAR 2017-18

1.1 Investments

a) Loss on sale of investments under Held to Maturity category amounting to ₹14.0 Million (Previous Year ₹ 0.7 Million) has been taken to Profit and Loss account. There was no profit on sale of investments under Held to Maturity category during the year (previous year - ㄴ1868.3 Million) requiring any appropriation to Capital Reserve Account (Previous year a sum of ㄴ1.70 Million has been appropriated to Capital Reserve Account).

b) In respect of Investments in Held to Maturity category, the amount of amortization of excess of acquisition cost over face value is ₹151.7 Million (previous year ㄴ153.7 Million) which is netted against Income on Investments.

c) The RBI has vide Circular RBI/2017-18/147 DBR No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, given all banks an option to spread Marked To Market (MTM) loss on government securities in AFS / HFT categories incurred during the quarters ended 31.12.2017 and 31.03.2018 equally over up to four quarters. The MTM loss in respect of Government Securities in AFS category for the quarter ended 31.12.2017 was ₹4.6 Million and for the quarter ended 31.03.2018 was ₹102.2 Million . The bank has exercised the option to spread the MTM loss in line with the above Circular and ㄴ7.8 Million has been charged to Profit & Loss Account. The balance amount to be provided for as on 31.03.2018 was ㄴ79.0 Million and consequently the loss for the year ended 31.03.2018 is lesser by ㄴ9.0 Million. The bank did not have any investments under HFT category.

d) Provisions for depreciation on investments in the Available for Sale category investments amounting to ₹241.5 Million (including ㄴ27.8 Million as mentioned above) is debited to Profit & Loss account (previous year ₹ 155.5 Million).

e) During the financial year 2017-18, the bank has transferred securities amounting to ₹ 3889.6 Million (previous year ₹ 6740.5 Million) from Held to Maturity category to Available for Sale category. Out of the securities shifted, ₹ 820.7 Million is on account of reduction in HTM SLR limit as per RBI notification No. DBR.No.Ret.BC.90/12.02.001/2017-18 dated October 4, 2017

f) UDAY bonds issued on conversion of advances to DISCOM companies on restructuring of advances in March 2016 which were not envisaged to be converted into SDL amounting to ₹189.4 Million are treated as Non-Performing Investments (NPI), and a provision of ₹ 75.8 Million is held on the same.

1.2 Reconciliation

Reconciliation of inter-bank and inter-branch transactions has been completed up to 31st March 2018. Steps for elimination of outstanding entries are in progress. In the opinion of the management, since the outstanding entries to be eliminated are insignificant, no material consequential effect is anticipated.

1.3 Taxation

Claims against the bank not acknowledged as debt under contingent liabilities include disputed income tax liabilities of ₹ 256.6 Million (Previous Year - ₹ 268.8 Million) of which ₹ 242.6 Million (Previous Year - ㄴ212.5 Million) has been paid/adjusted and included under other assets. In respect of these claims, provision for tax is not considered necessary based on various judicial decisions on such disputes. Management does not envisage any liability in respect of such disputed issues.

Provision for income tax for the year is arrived at after due consideration of the various favourable judicial decisions on certain disputed issues.

2. Disclosures in terms of Reserve Bank of India Guidelines
2.1 Capital

Particulars	Basel III	
	31.03.2018	31.03.2017
i) Common Equity Tier 1 capital ratio (%)	7.87	10.31
ii) Tier 1 Capital ratio (%)	7.87	10.31
iii) Tier 2 Capital ratio (%)	0.46	0.62
iv) Total Capital ratio (CRAR) (%)	8.33	10.93
v) Percentage of the shareholding of the Government of India in public sector banks	N A	N A
vi) Amount of equity capital raised during the year	Nil	₹110.5 Million
vii) Amount of Additional Tier 1 capital raised (during the year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii) Amount of Tier 2 capital raised (during the year); of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments:	Nil	Nil
[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

Particulars	BASEL II	
	31.03.2018	31.03.2017
i) Common Equity Tier 1 capital ratio (%)	7.87	10.32
ii) Tier 1 Capital ratio (%)	7.87	10.32
iii) Tier 2 Capital ratio (%)	0.47	0.64
iv) Total Capital ratio (CRAR) (%)	8.34	10.96
v) Percentage of the shareholding of the Government of India in public sector banks	Nil	Nil
vi) Amount of equity capital raised during the year	Nil	₹1110.5 Million
vii) Amount of Additional Tier 1 capital raised (during the year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii) Amount of Tier 2 capital raised (during the year);of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments:	Nil	Nil
[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

Capital Infusion

Bank received the approval of shareholders in the extraordinary general meeting of the Bank held on March 21, 2018, to offer, issue and allot up to 86,295,459 equity shares of the Bank and/or Warrants (or any combination thereof), on a preferential basis (being 51 % of the post issued capital of the Bank, calculated on a fully diluted basis), to FIH Mauritius Investments Ltd., and is awaiting the approval of Reserve Bank of India, Competition Commission of India and other statutory authorities.

2.2 Investments

(₹ In Million)

Items	31.03.2018	31.03.2017
(1) Value of Investments		
(i) Gross Value of Investments	41629.5	57771.1
(a) In India	41629.5	57771.1
(b) Outside India	Nil	Nil
(ii) Provisions for Depreciation/Diminution*	796.6	479.3
(a) In India	796.6	479.3
(b) Outside India	Nil	Nil
(iii) Net Value of Investments	40832.9	57291.8
(a) In India	40832.9	57291.8
(b) Outside India.	--	--
(2) Movement of provisions held towards depreciation/ diminution on investments		
(i) Opening balance	479.3	323.8
(ii) Add: Provisions made during the year	319.1	155.7
(iii) Less: Write-off/ write-back of excess provisions during the year	1.8	0.2
Closing balance	796.6	479.3

2.2.1 Repo Transactions (In Face Value terms)

(₹ In Million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2018
Securities sold under Repo /Term Repo				
i. Government Securities	200.0	360.0	6.8	Nil
ii Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo/Term Reverse Repo				
i. Government Securities	10.0	12610.0	1948.5	4510.0
ii Corporate debt securities	Nil	Nil	Nil	Nil

2.2.2 Non-SLR Investment Portfolio

i) Issuer composition of Non SLR investments

(₹In Million)

No.	Issuer	Amount	Extent of Private Placement	Extent of :Below Investment Grade˘ Securities	Extent of :Unrated˘ Securities	Extent of :Unlisted˘ Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	899.6	332.9	Nil	189.4	332.9
(ii).	FIs	20.0	20.0	Nil	Nil	20.0
(iii).	Banks	3208.2	2958.1	50.0	Nil	Nil
(iv).	Private Corporate	893.7	18.2		Nil	0.5
(v).	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi).	Others (Security receipts)	2678.7	2678.7	Nil	Nil	2678.7
(vii).	Provision held towards depreciation/NPI/diminution	768.8	XXX	XXX	XXX	XXX
	Total	6931.4	6007.9	50.0	189.4	3032.1

ii)Non performing Non-SLR investments (₹In Million)

Particulars	31.03.2018	31.03.2017
Opening balance	18.2	8.6
Additions during the year	189.4	18.2
Reductions during the year	0.0	8.6
Closing balance	207.6	18.2
Total provisions held	97.6	13.1

2.2.3 Sale and transfers to/from HTM Category:

The value of sales from HTM category in 2017-18 exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year requiring the following disclosures:

(₹In Million)

Market value of investments held in the HTM Category as on 31-03-2018	27575.8
Excess of book value over market value for which provision is not made	1981.0

2.3. Derivatives: Nil

2.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil

2.3.2 Exchange Traded Currency and Interest Rate Derivatives: Nil

2.3.3 Disclosures on risk exposure in derivatives: Nil

2.3.4 Qualitative & Quantitative Disclosure: Not Applicable

2.4. Asset Quality

2.4.1.1 Non-Performing Asset (Amount In Million)

Particulars	31.03.2018	31.03.2017
(i) Net NPAs to Net Advances (%)	2.87%	4.12%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	6001.0	4469.1
(b) Additions during the year	2811.6	3670.0
(c) Reductions during the year	1171.3	2138.1
(d) Closing balance	7641.3	6001.0
(iii) Movement of Net NPAs		
(a) Opening balance	3294.8	2797.2
(b) Additions during the year	1574.0	1934.2
(c) Reductions during the year	2231.0	1436.6
(d) Closing balance	2637.8	3294.8
(iv)Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2668.5	1635.6
(b) Provisions made during the year	2683.2	2630.0
(c) Write-off/ write-back of excess provisions	380.3	1597.1
(d) Closing balance	4971.4	2668.5

2.4.1.2Divergence in Asset Classification and Provisioning for NPAs as per AFI in terms of RBI Circular

		(₹ in Million)
Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 2017 as reported by the bank	6001.0
2.	Gross NPAs as on March 31, 2017 as assessed by RBI	6340.0
3.	Divergence in Gross NPAs (2-1)	339.0
4.	Net NPAs as on March 31, 2017 as reported by the bank	4476.4
5.	Net NPAs as on March 31, 2017 as assessed by RBI	4724.4
6.	Divergence in Net NPAs (5-4)	248.0
7.	Provisions for NPAs as on March 31, 2017 as reported by the bank	1487.0
8.	Provisions for NPAs as on March 31, 2017 as assessed by RBI	1578.0
9.	Divergence in provisioning (8-7)	91.0
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	15.5
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning (including other items)	(134.0)
* March 31, 2017 is the close of the reference period in respect of which divergences were assessed		

2.4.2 PARTICULARS OF ACCOUNTS RESTRUCTURED/RESCHEDULED AS ON 31.03.2018 (Amount in Million)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 (opening figure)	No. of Borrower	0.0	Nil	1	Nil	1	Nil					5	Nil	18	Nil	23	5	Nil	19	Nil	24
		Amount outstanding-Restructured facility	0.0	Nil	223.6	Nil	223.6						113.4	Nil	507.8	Nil	621.2	113.4	Nil	731.4	Nil	844.8
		Other facility	Nil	Nil	0.0	Nil	0.0						16.0	Nil	49.0	Nil	65.80	16.0	Nil	49.8	Nil	65.8
		Total	0.0	Nil	223.6	Nil	223.6						129.4	Nil	557.7	Nil	687.1	129.4	Nil	781.2	Nil	910.7
		Provision thereon	0.0	Nil	0	Nil	0.0						0.3	Nil	3.1	Nil	3.4	0.3	Nil	3.1	Nil	3.4
2	Fresh restructuring during the year	No. of Borrower	Nil	Nil	Nil	Nil	Nil	Nil					Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Amount outstanding-Restructured facility	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Other facility	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Total	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Provision thereon	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Upgradations to restructured standard category during the Year.	No. of Borrower	Nil	Nil	Nil	Nil	Nil	Nil					2	Nil	-2	Nil	0	2	Nil	-2	Nil	0
		Amount outstanding-Restructured facility	Nil	Nil	Nil	Nil	Nil						0.7	Nil	-0.9	Nil	0	0.7	Nil	-0.9	Nil	-0.2
		Other	Nil	Nil	Nil	Nil	Nil						0	Nil	0	Nil	0	0	Nil	0	Nil	0

		facility																		
		Total	Nil	Nil	Nil	Nil	Nil		0.7	Nil	-0.9	Nil	0	0.7	Nil	-0.9	Nil	-0.2
		Provision thereon	Nil	Nil	Nil	Nil	Nil		0	Nil	0	Nil	0	0	Nil	0	Nil	0
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next year.	No. of Borrower	Nil				Nil		-1				-1	-1				-1
		Amount outstanding-Restructured facility	Nil				Nil	Nil	-10.8				-10.8	-10.8				-10.8
		Other facility	Nil				Nil		-10.9				-10.9	-10.9				-10.9
		Total	Nil				0.0		-21.7				-21.7	-21.7				-21.7
		Provision thereon	Nil				Nil		0.0				0.0	0.0				0.0
5	Down gradations of restructured accounts during the Y ear.(Net)	No. of Borrower	Nil	Nil	Nil	Nil	Nil		-2	Nil	2	Nil	Nil	-2	Nil	2	Nil	0
		Amount outstanding-Restructured facility	Nil	Nil	Nil	Nil	Nil		-82.4	Nil	72.2	Nil	Nil	-82.4	Nil	72.2	Nil	-10.2
		Other facility	Nil	Nil	Nil	Nil	Nil	Nil	-5.1	Nil	4.5	Nil	Nil	-5.1	Nil	4.5	Nil	-0.6
		Total	Nil	Nil	Nil	Nil	Nil		-87.4	Nil	76.7	Nil	Nil	-87.4	Nil	76.7	Nil	-10.8
		Provision thereon	Nil	Nil	Nil	Nil	Nil		0.0	Nil	0.0	Nil	Nil	0.0	Nil	0.0	Nil	0.0
6	Write-offs /Sale /Closed of restructured accounts during the FY .	No. of Borrower	Nil	Nil	Nil	Nil	Nil		-2	Nil	-4	Nil	-6	-2	Nil	-4	Nil	-6
		Amount outstanding-Restructured facility	Nil	Nil	Nil	Nil	Nil	Nil	-20.2	Nil	-48.1	Nil	-68.3	-20.2	Nil	-48.1	Nil	-68.3
		Other facility	Nil	Nil	Nil	Nil	Nil		0	Nil	-2.5	Nil	-2.5	0	Nil	-2.5	Nil	- 2.5

		Total	Nil	Nil	Nil	Nil	Nil		-20.2	Nil	-50.7	Nil	-70.9	-20.2	Nil	-50.7	Nil	-70.9
		Provision thereon	Nil	Nil	Nil	Nil	Nil		-0.3	Nil	0.0	Nil	0.3	-0.3	Nil	0.0	Nil	-0.3
7	Changes in the account balance	No. of Borrower	Nil	Nil	Nil	Nil	Nil	Nil	0	Nil	0	Nil	0	Nil	Nil	0	Nil	Nil
		Amount outstanding-Restructured facility	Nil	Nil	0.0	Nil	0.0		0.0	Nil	-21.6	Nil	-21.6	0.0	Nil	-21.6	Nil	-21.6
		Other facility	Nil	Nil	0.0	Nil	0.0		0.0	Nil	-3.5	Nil	-3.5	0.0	Nil	-3.5	Nil	-3.5
		Total	Nil	Nil	0.0	Nil	0.0		0.0	Nil	-25.1	Nil	-25.1	0.0	Nil	-25.1	Nil	-25.1
		Provision thereon	Nil	Nil	0.0	Nil	0.0		0.0	Nil	-2.8	Nil	-2.8	0.0	Nil	-2.8	Nil	-2.8
8	Restructured accounts as on March 31st 2018 (closing figures*)	No. of Borrower	Nil	Nil	1	Nil	1	Nil	2	Nil	14	Nil	16	2	Nil	15	Nil	17
		Amount outstanding-Restructured facility	Nil	Nil	223.6	Nil	223.6		0.7	Nil	509.4	Nil	510.1	0.7	Nil	733.0	Nil	733.7
		Other facility	Nil	Nil	Nil	Nil	Nil		0.0	Nil	48.3	Nil	48.3	0.0	Nil	48.3	Nil	48.3
		Total	Nil	Nil	223.6	Nil	223.6		0.7	Nil	557.7	Nil	558.4	0.7	Nil	781.3	Nil	782.0
		Provision thereon	Nil	Nil	Nil	Nil	Nil		0.0	Nil	0.3	Nil	0.3	0.0	Nil	0.3	Nil	0.3
*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)																			

2.4.2 B Disclosures on Flexible Structuring of Existing Loans - Nil

2.4.2 C Disclosures on Strategic Debt Restructuring Scheme - Nil

2.4.2 D Disclosures on Change in Ownership outside SDR Scheme¯ Nil

2.4.2 E Disclosures on Change in Ownership of Projects under Implementation - Nil

2.4.2. F Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) - Nil

2.4.3.A. Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction - Nil

2.4.3 B Book value of investments in Security receipts

(₹In million)

Particulars	Backed by NPAs/ SMAs sold by the bank as underlying		Backed by NPAs/ SMA/ SMA2 sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Book value of investments in security receipts	2678.7	2767.4	---	---	2678.7	2767.4

2.4.5 C Ageing of investments held as Security receipts and provision held

(₹In million)

	Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
I	Book value of SRs backed by NPAs/SMAs sold by the bank as underlying	2678.7	Nil	Nil
	Provision held against (i)	671.2	Nil	Nil
ii	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	Nil	Nil	Nil
	Provision held against (ii)	Nil	Nil	Nil
	Total (i+ii)	2678.7	Nil	Nil

2.4.4 Details of non-performing financial assets purchased/sold from/to other banks- Nil.

2.4.5 Provisions on Standard Assets

(₹In Million)

Particulars	31.03.2018	31.03.2017
Provisions held towards Standard Assets	343.2	346.4

2.5 Business Ratio

(As compiled by the management and relied upon by the auditors)

Particulars	12 Months ended 31.03.2018	12 Months ended 31.03.2017
(i)Interest Income as a percentage to Working Funds	7.83	8.13
(ii)Non-interest income as a percentage to Working Funds	0.76	1.71
(iii)Operating Profit as a percentage to Working Funds	0.45	0.92
(iv) Return on Assets (%)	(0.77)	(0.35)
(v) Business (Deposits plus advances) per employee	₹ 84.6 Million	₹ 85.5 Million
(vi) Profit /(Loss) per employee	₹ (0.5) Million	₹ (0.2)Million

2.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(As compiled by the management and relied upon by the auditors) (₹ in Million)

As on 31.03.2018	Day 1	2-7 Days	8 - 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	1041.4	1635.9	2090.1	1206.4	2225.6	2092.5	6598.4	4615.8	41275.6	4243.5	79881.3	146906.5
Advances	177.7	967.8	1343.5	2165.6	4408.6	5393.0	10940.6	16321.6	32019.4	8942.2	9168.5	91848.5
Investments (Net)	0.0	156.9	0.0	302.4	401.8	0.0	0.0	3790.2	2094.2	1152.1	32935.3	40832.9
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	418.0	0.0	0.0	418.0
Foreign Currency assets	562.1	1369.5	25.8	146.8	0.0	149.5	967.9	158.7	44.2	38.8	0.0	3463.3
Foreign Currency liabilities	251.3	228.0	6.8	224.6	0.0	265.4	1011.0	905.9	538.5	103.4	16.8	3551.7

Note: Deposits have been classified as per behavioural maturity.

2.7 Exposures

2.7.1 Exposure to Real Estate Sector

(As compiled by the management and relied upon by the auditors) (₹ in Million)

Category	31.03.2018	31.03.2017
a) Direct exposure		
(i) Residential Mortgages		
a) Priority sector	1430.2	1423.3
b) Non priority sector	3100.9	2727.1
(Of which staff housing loans)	(685.9)	(707.7)
c) Total	4531.1	4150.4
(ii) Commercial Real Estate	4090.3	4191.7
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
b) Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	5293.5	300.0
Total Exposure to Real Estate Sector	13914.9	8642.1

2.7.2 Exposure to Capital Market

(As compiled by the management and relied upon by the auditors) (₹ in Million)

Sl No	Items	31.03.2018	31.03.2017
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	9.2	0.5
2	Advances against shares/bonds/debentures of other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	0.9	0.8
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	0.0	0.0
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
6	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter˜s contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
9	Financing to stock brokers for margin trading	Nil	Nil
10	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	10.1	1.3

2.7.3 Risk category wise country exposure *

(As compiled by the management and relied upon by the auditors)

(嗓In Million)

Risk Category	Exposure (Net) as at 31.03.2018	Provision held as at 31.03.2018	Exposure (Net) as at 31.03.2017	Provision held as at 31.03.2017
Insignificant	276.4	Nil	279.3	Nil
Low	132.9	Nil	111.9	Nil
Moderately Low	6.8	Nil	2.7	Nil
Moderate	1.6	Nil	Nil	Nil
Moderately High	0.2	Nil	Nil	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Total	417.9	Nil	393.9	Nil

* Based on categorization followed by Export Credit Guarantee Corporation of India Ltd

The bank is not having exposure to any country where the net funded exposure is 1 percent or more of the total assets and hence no provisioning is necessary for country risk, in accordance with the RBI guidelines.

2.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

(嗓In Million)

Name of Borrower	Exposure as on 31.03.2018			Exposure as on 31.03.2017		
	Advance Exposure	Investment Exposure	Total Exposure	Advance Exposure	Investment Exposure	Total Exposure
Phoenix Trust	Nil	1388.7	1388.7	Nil	1407.4	1407.4

2.7.5 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authorization etc. are available to the bank is Nil.

2.8 Miscellaneous

Amount of Provisions made for Income-tax during the year (₹ in million)

	31.03.2018	31.03.2017
Provision for Income Tax(including Deferred Tax)	(678.1)	(424.5)

2.8.1 Disclosure of Penalties imposed by RBI

(a) The RBI had imposed an aggregate penalty of ₹ 24,500 (in 4 different dates) during the Financial Year 2017-18 on account of counterfeit notes detected in the remittance of soiled notes at RBI by Singanellur and Ernakulam Currency Chests.

(b) RBI has imposed penal interest of ₹407 for wrong reporting of currency chest transactions at Singanellur Chest during the year

3. Disclosures as per Accounting Standards where RBI has issued Guidelines in respect of items for :Notes to Accounts˘

3.1 Accounting Standard 15 (Revised) ¯Employee Benefits

3.1.1 Disclosures for Defined Contribution Plans ¯ Provident Fund & New Pension Scheme (Contributory)

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the year amounts to ₹54.3 Million (Previous Year- ₹49.8 Million). There is no deficit in the Income & Expenditure of the provident fund.

3.1.2 Disclosures for Defined Benefit Plans ¯ Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

1. Amount recognized in Balance Sheet and Profit & Loss Account

The amount recognized in the balance sheet is as follows: (嗦n Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Present Value of Obligations ¯ Closing	2821.3	3155.2	757.2	802.7	325.3	347.5
Fair Value of Plan Assets - Closing	2840.6	2869.4	738.2	811.4	N.A	N.A
Funded Status	(19.3)	285.8	19.0	(8.7)	325.3	347.5
Net Liability (Asset) recognized in Balance Sheet (included in Other Liabilities & Provisions)	(19.3)	285.8	19.0	(8.7)	325.3	347.5

The amount recognized in the statement of profit and loss account is as follows:

(嗦In Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Current Service Cost	533.2	594.4	33.3	34.4	103.7	107.0
Past Service Cost	N.A	N.A	45.40	N.A.	N.A.	N.A.
Interest Cost	203.1	200.3	53.7	56.8	20.2	18.7
Expected Return on Plan Assets	(220.9)	(215.7)	(62.5)	(53.2)	N.A.	N.A.
Net Actuarial Loss/(Gain) recognised in the year	46.4	31.8	46.3	3.3	24.7	56.2
Total, (included in `Payment to and provisions for employees_ of ¯ Operating Expenses)	561.8	610.8	116.2	41.3	148.6	181.9

2. Changes in Fair Value of Plan Assets

(₹ In Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Fair Value of Plan Assets at the beginning of the year	2869.4	2875.5	811.4	710.6	N.A.	N.A.
Expected Return on Plan Assets	220.9	215.7	62.5	53.2	N.A.	N.A.
Contributions	866.9	654.3	88.5	196.4	170.8	168.1
Benefits Paid	1035.7	1067.1	210.7	198.6	170.8	168.1
Actuarial (Loss)/Gain	(80.9)	191.0	(13.5)	49.8	N.A.	N.A.
Fair Value of Plan Assets at the end of the year	2840.6	2869.4	738.2	811.4	N.A.	N.A.

3.1.2.3 Changes in Present Value of Obligations (₹ In Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Present Value of Obligations at the beginning of the year	3155.2	3204.8	802.7	857.0	347.5	333.7
Interest Cost	203.1	200.3	53.7	56.8	20.20	18.70
Current Service Cost	533.2	594.4	33.3	34.4	103.7	107.0
Past Service Cost	N.A	N.A	45.4	N.A.	N.A	N.A.
Benefits Paid	1035.7	1067.1	210.7	198.6	170.8	168.1
Actuarial Loss/(Gain)	(34.5)	222.8	32.8	53.1	24.7	56.2
Present Value of Obligations at the end of the year	2821.3	3155.2	757.2	802.7	325.3	347.5

3.1.2.4 Movement in Net Liability Recognised in Balance Sheet

(₹In Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Net Liability at the beginning of the period	285.8	329.3	(8.7)	146.4	347.5	333.7
Add Expenses Charged to Profit & Loss Account	561.8	610.8	116.2	41.3	148.6	181.9
Less Contributions	866.9	654.3	88.5	196.4	170.8	168.1
Net Liability (Asset) at the end of the period	(19.3)	285.8	19.0	(8.7)	325.3	347.5

3.1.2.5 Actual Return on Plan Assets

(₹In Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Expected Return on Plan Assets	220.9	215.7	62.5	53.2	N.A.	N.A.
Actuarial Gain (Loss)	(80.9)	191.0	(13.5)	49.8	N.A.	N.A.
Actual Return on Plan Assets	140.0	406.7	49.0	103.0	N.A.	N.A.

3.1.2.6 Actuarial Assumptions

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Discount Rate (p.a.)	7.70%	7.50%	7.70%	7.50%	7.70%	7.50%
Expected Return on Plan Assets (p.a.)	7.70%	7.50%	7.70%	7.50%	N.A	N.A
Future Salary Increases (p.a.)	5.50%	5.00%	5.50%	5.00%	5.50%	5.00%
Mortality	In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).	

3.1.2.7 Investment Percentage maintained by Pension & Gratuity Trust

	Pension		Gratuity	
	As on 31.03.2018	As on 31.03.2017	As on 31.03.2018	As on 31.03.2017
Life Insurance Companies	89.31%	86.75%	83.98%	57.86%
Central Govt. Securities	3.67%	3.85%	2.10%	19.99%
State Govt. Securities	4.69%	5.80%	4.66%	10.05%
Other Trust Securities (PSU)/Deposits with Banks etc.	2.33%	3.60%	9.26%	12.10%
Total	100.00%	100.00%	100.00%	100.00%

3.1.2.8 Experience Adjustments

(i) Pension

(₹ in Million)

	March 31				
	2018	2017	2016	2015	2014
Defined Benefit Obligations	2821.3	3155.2	3204.8	3046.6	2802.3
Plan Assets	2840.6	2869.4	2875.5	2918.4	2612.2
Surplus/(Deficit)	19.3	(285.8)	(329.3)	(218.2)	(200.6)
Experience adjustments on Plan Liabilities	68.3	(221.1)	(448.3)	(121.1)	(313.0)
Experience Adjustments on Plan Assets	(86.1)	205.3	62.9	63.4	21.6

(ii) Gratuity

(₹ in Million)

	March 31				
	2018	2017	2016	2015	2014
Defined Benefit Obligations	757.2	802.7	857.0	802.2	819.3
Plan Assets	738.2	811.4	710.6	856.6	768.2
Surplus/(Deficit)	(19.0)	8.7	(146.4)	44.4	(19.6)
Experience adjustments on Plan Liabilities	(21.3)	(49.6)	(187.7)	(8.6)	(79.9)
Experience Adjustments on Plan Assets	(22.7)	53.4	5.3	22.9	(8.3)

3.1.2.9 Expected Contributions

Bank˘s best estimates of contributions to the funds in of FY 2018-19are as follows:

Pension: 600 Million

Gratuity: 100 Million

ii. Other Long term Employee Benefits

¿ As on 31.03.2018, the Bank holds provision of 嗓42.2 Million(Previous Year - 嗓43.1 Million) towards provision for Sick Leave and Leave Fare Concession based on actuarial valuation.

3.2 Accounting Standard 17 ¯ Segment Reporting

Part A: Business Segments

(As compiled by the management and relied upon by the auditors) (嗦In Million)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Business		Total	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Revenue	3568.8	6331.7	3306.9	3076.4	7199.3	6571.6	147.2	195.3	14222.3	16175.0
Result	-1641.0	-10.2	654.4	-394.0	1708.4	1871.6	21.4	49.7	743.3	1517.1
Unallocated expenses									Nil	Nil
Operating profit									743.3	1517.1
Provisions other than tax									2692.2	2521.6
Provision for Tax									(678.1)	(424.5)
Extraordinary profit/ loss										
Net profit / Loss									-1270.9	-579.9
OTHER INFORMATION										
Segment assets	46288.3	62295.2	35405.1	22155.4	64334.8	65522.0	16.0	30.6	146044.2	150003.2
Unallocated assets									7308.4	7703.1
Total assets									153352.6	157706.3
Segment liabilities	251.5	414.4	18195.4	22713.9	133066.2	132505.2	183.4	130.5	151696.5	155764.1
Unallocated liabilities									1656.1	1942.0
Total liabilities									153352.6	157706.2

Part B: Geographic segments
The Bank has no branches outside India.

3.3 Accounting Standard 18 ¯ Related Party disclosures

a) Details of Related Parties:

Name of the Party	Nature of Relationship
Shri.C.V R.Rajendran, Managing Director & CEO	Key Management Personnel

b) Significant transactions with related parties:

Name of the Related Party	Particulars of Transaction (Remuneration Paid)	
	31 March 2018	31 March 2017
Shri.C.V R.Rajendran	₹ 72,00,000/-	₹ 22,45,161/-#
Shri.Anand Krishnamurthy	-	₹ 29,60,000/-@

#Remuneration paid to Shri. C. V R. Rajendran for the Period from 09.12.2016 to 31.03.2017.
@Remuneration paid to Shri. Anand Krishnamurthy for the Period from 01.04.2016 to 20.09.2016.

No stock options were granted to MD &CEO During the FY 17-18, However, the Nomination & Remuneration Committee of the Board in its meeting held on April 24, 2017,subject to the approval of Reserve Bank of India; agreed to grant 2 % stock options, equivalent to 16,19,241 shares, as hiring grant to Managing Director &CEO. The exercise price of the options is fixed at 嗦75/- per share and option when granted would be vested and could be exercised only on achieving certain performance parameters.

Note:
1. In accordance with the RBI Guidelines on compliance with Accounting Standards by the Banks, the details of transactions with parent, subsidiaries, associates, jointly controlled entity and relatives of Key Management Personnel have not been disclosed since there is only one entity in the respective category of the Key Management Personnel.
2. The normal transactions of the Bank with the above persons as constituents are not reckoned for the purpose of disclosure.

3.4 Accounting Standard 22 ¯ Accounting for Taxes on Income

Net Deferred Tax Asset as on 31.03.2018 , computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to ₹ 2510.3 Million , which is included in Other Assets.

Components of Net Deferred Tax Asset as on 31.03.2018 are as follows:

(₹ In Milllion)

Deferred Tax Asset	31.03.2018	31.03.2017
Provision for Employee Benefits	116.9	123.3
Provision for Bad & doubtful debts	1349.5	572.4
Provision for Standard Assets	119.9	119.9
Carry Forward Loss	1014.3	1109.0
Provision for contingencies	33.1	34.6
Total Deferred Tax Asset	2633.7	1959.2
Deferred Tax Liability		
Depreciation on Fixed Assets	40.4	44.8
Special Reserve u/s 36 (1)(viii)	83.0	82.2
Total Deferred Tax Liability	123.4	127.0
Net Deferred Tax Asset	2510.3	1832.2

* The percentage of holdings by shareholders as of 31.03.2014 has come down to 42% as on 31.03.2018. Section 79 of the Income Tax Act provides that in the case of closely held companies, the present holding of shareholders as at the end of the year in which the loss was incurred shall not fall less than 51% of the voting power at the close of financial year when set off of carried forward business losses are claimed. Based on favorable legal opinion received, bank has set off 嗦247.4 Million of the carried forward business loss pertaining to FY 14 from the taxable income of FY 18 (with a beneficial impact of 嗦86.5 Million in the provision for tax). The balance business loss of 嗦220.5 Million pertaining to FY 2014 is being carried forward to be claimed in future. Deferred Tax Asset on carry forward loss includes 嗦77.1 Million reckoned on the amount of 嗦220.5 Million mentioned above.

Based on the shareholder approval for further capital infusion and signing of investor agreement entered into by the bank and consequent improved business, there is virtual certainty of future taxable profits to offset the losses as well as the provision for bad and doubtful debts. Accordingly, the bank has recognised the deferred asset on carry forward loss and provision for bad and doubtful debts in line with AS 22. The carry forward/set off of loss in the return of income filed for the year will not undergo any change on account of restatement.

3.5Accounting Standard 5 ¯ Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies , Accounting Standard 9 ¯ Revenue Recognition, Accounting Standard 21 - Consolidated Financial Statements (CFS), Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements, Accounting Standard 24 - Discontinuing Operations are not applicable to the bank

3.6 Accounting Standard 25 - Interim Financial Reporting
Bank has complied with the disclosures in connection with the half yearly review prescribed by RBI

4 Other Accounting Standards

4.1 Accounting Standard 10 ¯ Property, Plant & Equipment

i) Disclosure related to revaluation of land and building owned by the bank.
(a) the effective date of the revaluation - 31.03.2016

(b) whether an independent valuer was involved - Land and building was valued by two independent valuers. Lower of the value arrived by the valuers is taken as the revalued amount.

(c) the methods and significant assumptions applied in estimating fair values of the items;

Asset	Details	Valuer 1	Valuer 2
Building	Method	Plinth area rates of CPWD	Plinth area method applicable to the type of structure, specification, services, amenities
	Depreciation	Based on the present condition and age of building.	Based on the age, condition and maintenance of the building
	Valuation	Plinth area rates of previous valuation taken as base rate	Composite market rate
Land	Method	Based on local enquiries, transactions in recent, past and valuers best of judgement	Based on location, level/shape/extent of the land, infrastructure /civic amenities availability, width of the abutting road, water potentialty, etc.
	Valuation	Present market value	Prevailing market rate based on the above

(d) the extent to which fair values of the items were determined directly by reference to observable prices in an active market or recent market transactions on arm˜s length terms or were estimated using other valuation techniques - Fair value as explained in item (c)above

(e) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Revaluation surplus as on 31.03.2018 ¯ 嗦1594.7 Million

Change for the period ¯ 嗦44.9 Million (transferred from Revaluation Reserve to General Reserves)

ii) Bank had sold one of its premises during the year and the amount standing in Revaluation Reserve relating to that asset (嗦29.0 Million) has been transferred to General Reserve as per para 44 of the standard.

4.2 Accounting Standard 19 ¯ Leases

The properties taken on lease/rental basis are renewable/ cancellable at the option of the Bank.

4.3Accounting Standard 20 ¯ Earnings per Share

Particulars	2017-18	2016-17
EPS-Basic /Diluted	₹(15.70)	₹(7.66)
Amount used as numerator- Profit / (Loss)after Tax (in million)	(1270.9)	(579.9)
Nominal value per Equity Share	₹ 10	₹ 10
Weighted Average Number of Equity Shares used as denominator	8,09,62,082	7,57,13,866

4.4Accounting Standard 26 ¯ Intangible Assets

The bank has complied with AS 26 (Intangible Assets) and the disclosures required under the Standard are as follows:

(₹ In Million)

	31.03.2018	31.03.2017
a) Acquired Application Software		
Opening Balance at cost	169.9	137.0
Add Additions during the year	38.6	32.9
Less Disposals during the year	Nil	Nil
Less Amortisation to date	124.5	97.3
Net Carrying Amount	84.0	72.6
b) Internally Generated Software		
Opening Balance at cost	127.0	117.5
Add Additions during the year	19.6	9.5
Less Disposals during the year	Nil	Nil
Less Amortisation to date	111.7	101.7
Net Carrying Amount	34.9	25.3
Total Carrying Amount	118.9	97.9

4.5Accounting Standard 28 - Impairment of Assets

In the opinion of the bank/as per valuation reports from approved valuers, there is no material impairment to the fixed assets as at 31.03.2018 requiring recognition in terms of Accounting Standard 28 ¯ Impairment of Assets.

4.6Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

4.6.1 Description of Contingent Liabilities

a) Claims against the bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by Income tax and other statutory authorities and disputed by the bank.

b) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, (currency swaps, Forward exchange contracts and currency futures) on its own account and forward exchange contracts for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.

c) Guarantee given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligation.

d) Acceptances, endorsements and other obligations

These include documentary credit issued by the bank on behalf of its customers and bills drawn by the Bank˘s customers that are accepted or endorsed by the Bank.

e) Other items for which the bank is contingently liable

Includes income tax/service tax appeals filed by the bank, capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

f) The Bank˘s pending litigations comprise of claims against the Bank by the clients and proceedings pending with

Income Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Refer Annexure 1 for amounts relating to contingent liability.

5. Additional Disclosures as per RBI Guidelines

5.1 Details of provisions and contingencies debited in Profit and Loss Account during the Year

(₹ In Milllion)

		31.03.2018	31.03.2017
a	Provisions towards NPA/write offs	2381.4	2418.8
b	Depreciation and write off of investments	319.1	155.7
c	Provision for Income tax (Including Deferred Tax)	(678.1)	(424.5)
d	Provision for Standard Assets	(3.2)	(71.9)
e	Provision for diminution on Restructured Advances	(4.0)	(13.2)
f	Other provisions	(1.1)	32.1
	Total	2014.1	2097.0

5.2 Floating Provisions

a) Opening Balance in floating provisions account	Nil
b) Quantum of floating provisions made in the accounting year	Nil
c) Purpose & amount of draw down made during the accounting year	Nil
d) Closing balance in floating provisions account	Nil

5.3 Draw Down from Reserves -

The Bank has not drawn from Reserves any amount other than from general reserves as detailed in paragraphs 10

5.4 Disclosure of complaints

A. Customer Complaints (Other than ATM)

	31.03.2018	31.03.2017
a) No. of complaints pending at the beginning of the year	29	22
b) No. of complaints received during the year	432	392
c) No. of complaints redressed during the year	436	385
d) No. of complaints pending at the end of the year	25	29

B. ATM Complaints

	31.03.2018	31.03.2017
a) No. of ATMs complaints pending at the beginning of the year	Nil	Nil
b) No. of ATMs complaints received during the year	9270	4391
c) No. of ATMs complaints redressed during the year	9270	4391
d) No. of ATMs complaints pending at the end of the year	Nil	Nil

C Awards passed by the Banking Ombudsman

	31.03.2018	31.03.2017
a) No. of unimplemented Awards at the beginning of the year	Nil	Nil
b) No. of Awards passed by the Banking Ombudsmen during the year	Nil	Nil
c) No. of Awards implemented during the year	Nil	Nil
d) No. of unimplemented Awards at the end of the year	Nil	Nil

5.5 Disclosure of Letter of Comforts (LOCs) issued by banks

Not applicable since the bank has no subsidiaries.

5.6 Provisioning Coverage Ratio

	As on 31.03.2018	As on 31.03.2017
Provisioning Coverage Ratio	75.83 %	65.50 %

5.7 Income from Bancassurance

(₹ In Million)

Sl.No.	Nature of Income	12 months ended 31.03.2018	12 months ended 31.03.2017
1.	From Selling Life Insurance Policies	66.0	48.2
2.	From Selling Non Life Insurance Policies	3.1	2.8
3.	From Selling Mutual Fund Products	0.0	0.0
4.	Others	Nil	Nil
5.	Total	69.1	51.0

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

	As on 31.03.2018	As on 31.03.2017
Total Deposits of twenty largest depositors (₹ In Million)	7513.9	10523..0
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	5.11%	7.06%

5.8.2 Concentration of Advances

	As on 31.03.2018	As on 31.03.2017
Total Advances of twenty largest borrowers (₹ in Million)	14543.7	10041.8
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	13.87%	10.85%

5.8.3 Concentration of Exposures

	As on 31.03.2018	As on 31.03.2017
Total Exposures to twenty largest borrowers/customers (₹ In Million)	16511.6	11835.6
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	15.06%	11.52%

5.8.4 Concentration of NPAs

(₹ In Million)

	As on 31.03.2018	As on 31.03.2017
Total Exposures to top four NPA Accounts	973.8	1051.9

5.9 Sector-wise advances

(As compiled by the management and relied upon by the auditors) (Amount in Million)

Priority Sector	Outstanding Total Advances	Gross NPA	Gross NPA (%)
Agriculture and allied activities	16087.7	961.5	5.98
Advances to industries sector eligible as priority sector lending	6434.0	1156.4	17.97
Services	13104.3	2588.9	19.76
Personal loans	3045.1	804.0	26.40
Sub-total(A)	38671.1	5510.7	14.25
Non Priority Sector			
Agriculture and allied activities			
Industry	6566.9	863.2	13.15
Services	29080.4	707.5	2.43
Personal loans	22534.0	559.9	2.48
Sub-total(B)	58181.4	2130.6	3.66
Total (A+B)	96852.5	7641.3	7.89

5.10 Movement of NPA

(₹ In Millions)

Particulars	2017-18	2016-17
Opening Balance of Gross NPA	6001.0	4469.1
Additions (Fresh NPAs) during the year	2811.6	3670.0
Sub-total (A)	8812.6	8139.1
Less:-		
(i) Upgradations	90.8	232.3
(ii) Recoveries (excluding recoveries made from upgraded accounts)	1030.2	518.3
(iii) Technical/ Prudential Write-offs	0.0	1357.9
(iv) Write-offs other than those under (iii) above	50.3	29.6
Sub-total (B)	1171.3	2138.1
Closing balance of Gross NPA (A ¯ B)	7641.3	6001.0

5.11Movement of technical write offs and recoveries:

s(₹ in Million)

Particulars	2017-18	2016-17
Opening balance of technical/prudential written off accounts	3549.1	2250.3
Add: Technical/Prudential write-offs during the year	Nil	1357.9
Sub-total(A)	3549.1	3608.2
Less-Recoveries/ write off made from previously technical/Prudential written offs accounts during the year (including sale to ARCs)(B)(1)	277.1	59.1
Closing balance (A-B)	3272.0	3549.1

5.12 Overseas Assets, NPAs and Revenue (₹ in Million)

Particulars	31.03.2018	31.03.2017
Total Assets	272.6	191.2
Total NPAs	Nil	Nil
Total Revenues	6.2	3.2

5.13 Off-balance Sheet SPVs sponsored

(which are required to be consolidated as per accounting norms)

Nil

5.14 Disclosure on Remuneration

Qualitative disclosures	(a)	Information relating to the composition and mandate of the Nomination &Remuneration Committee. Composition The Nomination & Remuneration Committee of the Board comprises of independent directors. Function and mandate The Nomination & Remuneration Committee of the Board inter alia, oversee the framing, review and implementation of compensation policy of the Bank including ESOS of the bank on behalf of the Board. The Committee should ensure that:- ¿ the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio; ¿ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully; ¿ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and ¿ remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy. Process The Nomination & Remuneration Committee works in close co-ordination with the Risk Management Committee of the Board to review the compensation practices every year in order to achieve effective alignment between remuneration and risks. The Nomination & Remuneration Committee will study the business and industry environment, analyze and categorize the risks and streamline the components of the compensation plan like proportion of the total variable compensation to be paid to MD & CEO,WTD¨s and Senior executives to ensure financial stability of the organization. Authority to invoke clawback arrangement The Nomination & Remuneration Committee of the Board also have the authority to ascertain whether the decision taken by the MD& CEO, WTD, Senior executives/ officers (Non IBA Package) have brought forth a negative contribution to the Bank. The Committee has vested with the powers to invoke the clawback arrangement, after taking into account relevant statutory and regulatory stipulations as applicable. Objectives The objectives of the remuneration policy are four fold: ¿ To align compensation with prudent risk taken. ¿ To ensure effective governance of the compensation in the organization. ¿ To ensure effective supervisory oversight and stakeholder engagement in compensation. ¿ To attract and retain talent.

		Key features ¿ To actively oversee the compensation systems design and operation. ¿ To monitor and review the compensation system to ensure that the system operates as intended. ¿ Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm. ¿ Supervisory review of compensation practices must be rigorous and sustained and deficiencies must be addressed promptly with supervisory action. ¿ Firms must disclose clear comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks. For the purpose of effectively aligning compensation structure with risk outcomes, the functionaries in the institution are arranged under the following four categories. 1) Managing Director & CEO 2) Senior Executives (Risk control and compliance staff) -Non IBA Package 3) Senior / Other Officers - Non IBA Package 4) Other officers and staff -On IBA package Clawback Arrangement/Compensation Recovery A clawback arrangement or a compensation recovery is provided in the policy[MD & CEO,WTD¨s and Senior executives/ officers (Non IBA Package)] which will entail the Bank to recover proportionate amount of variable compensation paid to the functionaries on account of an act or decision taken by the official which has brought forth a negative contribution to the bank at a prospective stage. The clawback arrangement is subject to the relevant statutory and regulatory stipulations as applicable. Limit on variable pay As per the policy, the variable compensation offered to an official would not exceed 70% of the total fixed compensation in a year. Severance pay and guaranteed bonus As per the policy, severance pay (other than gratuity or terminal entitlements or as entitled by statute) is not paid to any official of the organization except in those cases where it is mandatory by statute. Sign on bonus or joining bonus is limited to the first year and is paid only as Employee stock options. Hedging As per the policy, no compensation scheme or insurance facility would be provided by the Bank to employees to hedge their compensation structure to offset the risk alignment mechanism (deferral pay and clawback arrangements) embedded in their compensation arrangement. Committees to mitigate risks caused by an individual decision

		In order to further balance the impact of market or credit risks caused to the organization by an individual decision taken by a senior level executive, MD & CEO or a whole time director, the bank, as a promoted practice, has constituted various committees to take decisions on various aspects. Credit limits are sanctioned by committees at different levels. Investment decisions of the Bank are taken and monitored by Treasury & Investment Management Committee and there is an upper limit cut in treasury dealings where individual decisions can be taken. Interest rates on Asset and liability products for different buckets are decided and monitored by the ALCO. Banks˘ exposure to liquidity risk are also monitored by ALCO. <u>Compensation of risk control staff</u> Members of staff engaged in financial and risk control would be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. <u>Compensation of MD & CEO, whole time directors and senior executives (Non IBA), performance linkage</u> As per the policy, the compensation paid out to the referred functionaries is divided into three components 7. The fixed compensation is determined based on the industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span. 8. The variable compensation for MD & CEO and senior executives on Non ¯ IBA package basis are fixed based on performance and responsibility in the bank. The Bank˘s performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, NPA position and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance. 9. Employees Stock options as per the CSB Employees Stock Option Scheme 2013 (CSBESOS-2013) as approved by the Board. Approval from RBI is to be obtained to decide compensation for MD & CEO/ whole time directors. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to the Bank˘s Articles of Association read with the Section 197 of the Companies Act, 2013. <u>Compensation paid to Other Officers and staff members on IBA package</u> The compensation paid to other officials that include Award staff, Officers coming under Scale I to III and Senior executives coming under Scale IV to VII is fixed based on the periodic industry level settlements with Indian Banks Association. The variable compensation paid to functionaries is based on the Performance/Target Linked incentive scheme which has been formulated on the basis of performance parameters. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme.
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting. <u>Deferred compensation and Performance Linkage</u> (Non-IBA)

		In case of deferral arrangements of variable pay to MD & CEO, WTD˜s, Senior/other executives (Non IBA Package), the deferral period should not be less than three years. Compensation payable under deferral arrangements should vest no faster than on a pro rata basis. Clawback and deferral arrangements The provisions of clawback and deferral arrangements applicable to the referred functionaries (all Non IBA Package) are subject to relevant statutory and regulatory stipulations as applicable.			
	(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms. Bank uses an optimum mix of cash, ESOPS and variable pay to decide the compensation to MD & CEO /WTD and senior executives on Non ¯ IBA package. This is done to align the compensation of senior staff with their performance, risk and responsibility taken in higher assignments. The Officers in Scale I-VII as well as Award staff come under the purview of IBA package that is as per the Industry wide settlements. The variable compensation paid to functionaries is based on the Target/ Performance Linked incentive scheme which has been formulated on the basis of performance parameters as may be prescribed from time to time. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However , the grant of stock option is as per CSB Employees Stock Option Scheme			
				Current Year (FY 2017-18)	Previous Year (FY 2016-17)
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer / Other Risk Takers)	(g)	Number of meetings held by the Nomination & Remuneration Committee during the year and remuneration paid to its members.		6 ₹2,40,000	9 ₹4,60,000
	(h)	(i)	Number of employees having received a variable remuneration award during the year.	Nil	Nil
		(ii)	Number and total amount of sign-on awards made during the year.	Nil	Nil
		(iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	Nil	Nil
		(iv)	Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
	(i)	(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
		(ii)	Total amount of deferred remuneration paid out in the year.	Nil	Nil
	(j)	Breakdown of amount of remuneration awards for the year to show fixed and variable, deferred and non-deferred (on payment basis).		₹72,00,000 (Fixed)*@ Nil (Variable) Nil (Deferred& Non - Deferred)	₹52,05,161# (Fixed)* Nil (Variable) Nil (Deferred& Non - Deferred)
	(k)	(i)	Total amount of outstanding deferred	Nil	Nil

			remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.		
		(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
		(iii)	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil

* Fixed remuneration includes salary, consolidated benefit allowance, residential accommodation, Leave travel concession and Bank˘s contributions towards Provident fund.

Includes remuneration paid to Shri. Anand Krishnamurthy for the period from 01.04.2016 to 20.09.2016 and to Shri. C. VR. Rajendran for the period from 09.12.2016 to 31.03.2017.

@1. The Bank has subject to the approval of Reserve Bank of India; agreed to grant 2 % stock options, equivalent to 16,19,241 shares, as hiring grant to Managing Director &CEO. The exercise price of the options is fixed at 嗖75/- per share and option when granted would be vested and could be exercised only on achieving certain performance parameters.

2. The Bank has also subject to the approval of Reserve Bank of India agreed to grant additional stock options equivalent to upto 2(two) per cent of the enhanced paid up equity capital of the Bank as on the date of the grant, as reduced by the hiring grant stock options already agreed/granted to him as stated in point No 1 above. The grant of said option is further subject to fresh equity investment in the Bank over a period of the next three years from 09.12.2016 i.e, date of joining in the Bank as Managing Director & CEO. The exercise price of the options is fixed at 嗖75/- per share.

5.15 Disclosures relating to Securitisation - Not applicable to the Bank at this stage.

5.16 Credit Default Swaps ¯ Nil

5.17 Intra-Group Exposures - NA

5.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Unclaimed liabilities where amount due has been transferred to DEAF is reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Annexure 1 of the financial statements.

(嗖n Million)

Particulars	31.03.2018	31.03.2017
Opening balance of amounts transferred to DEAF	292.3	169.6
Add : Amounts transferred to DEAF during the year	74.2	125.5
Less : Amounts reimbursed by DEAF towards claims	7.9	2.8
Closing balance of amounts transferred to DEAF	358.6	292.3

5.19 Unhedged Foreign Currency Exposure

(A) Provisioning

In terms of RBI Circular DBOD No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and subsequent clarification vide circular DBOD No.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, based on the available data, available financial statements and declarations from borrowers wherever received, the bank is holding a provision of 嗖3.8 Million (Previous Year ¯嗖8.7 Million) towards Unhedged Foreign Currency Exposures.

(B) Capital Held

In terms of the aforementioned circulars, an additional capital of ¯嗖5.2 Million (Previous Year ¯嗖2.1 Million) has been held towards unhedged foreign currency exposures.

6 Liquidity Coverage Ratio
(As compiled by the management and relied upon by the auditors)

a) Quantitative Disclosures

(₹ in Million)

As on 31.03.2018		Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)		27055.6
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	116561.2	11573.9
(i)	Stable deposits	1644.9	82.2
(ii)	Less stable deposits	114916.3	11491.6
3	Unsecured wholesale funding, of which:	11029.9	2669.4
(i)	Operational deposits (all counterparties)	0.00	0.0
(ii)	Non-operational deposits (all counterparties)	11029.9	2669.4
(iii)	Unsecured debt	0.0	0.0
4	Secured wholesale funding	0.0	0.0
5	Additional requirements, of which	8189.6	779.3
(i)	Outflows related to derivative exposures and other collateral requirements	0.0	0.0
(ii)	outflows related to loss of funding on debt products	0.0	0.0
(iii)	Credit and liquidity facilities	8189.6	779.3
6	Other contractual funding obligations	0.0	0.0
7	Other contingent funding obligations	2831.4	84.9
8	TOTAL CASH OUTFLOWS		15107.5
	Cash Inflows		
9	Secured Lending (e.g. reverse repos)	2624.0	0.0
10	Inflows from fully performing exposures	7230.8	3996.6
11	Other cash inflows	0.0	0.0
12	TOTAL CASH INFLOWS	9854.8	3996.6
13	TOTAL HQLA		27055.6
14	TOTAL NET CASH OUTFLOWS		11110.9
15	LIQUIDITY COVERAGE RATIO (%)		243.50%

b) Qualitative disclosures

(i) Main drivers of LCR and evolution of contribution of inputs

The Liquidity Coverage Ratio (LCR) standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 days˘ time horizon under a significantly severe liquidity stress scenario, by which time it is assumed that proper corrective actions can be taken. The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

(ii) Intra period changes
The intra period changes are mainly on account of changes in unencumbered excess SLR positions.

(iii) The composition of High Quality Liquid Assets (HQLA)

Banks˘ High Quality Liquid Assets consists of the following
i. Cash
ii. Balance with RBI in excess of CRR requirement
iii. Unencumbered portion of investments in Government securities in excess of SLR requirement.
iv. Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility(MSF)
v. Investment in Government Securities held up to 9% of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

(iv) Concentration of funding
Banks˘ concentration from top 20 depositors stood at 5.11% of total deposits as on31st March 2018.

(v) Derivative exposure and potential collateral calls
Bank does not have derivative business except forward contracts.

(vi) Currency Mismatch in LCR
The bank does not have aggregate liabilities denominated in any foreign currency of 5 per cent or more of the bank˘s total liabilities and hence LCR in other currencies is not computed.

(vii) Centralisation of liquidity management
Banks˘ liquidity management and monitoring is centralized. Bank has a Board adopted liquidity management policy in line with RBI regulation and guidelines.

(viii) Other Inflows and outflows in the LCR calculation that are not captured in the template but which the bank considers relevant for its liquidity profile

Inflows and outflows are comprehensively captured in LCR template

10. Employee Stock Option Scheme (ESOS)

The shareholders of the Bank in the 92nd Annual General meeting of the Bank held on 23.09.2013 accorded sanction to frame and implement the Employees Stock Option Scheme and grant/issue options to eligible present and future employees of the Bank, such that the offer, issue and allotment of such shares pursuant to the option shall not exceed 5% of issued equity shares of the Bank from time to time. Accordingly, the Bank formulated a stock option scheme called `CSB Employees Stock Option Scheme 2013_(`ESOS 2013_ or `Scheme_)as per Board resolution dated April 8, 2014 and the same has been approved by shareholders vide postal ballot on August 18, 2014.The ESOS is equity settled where the employees will receive one equity share per option. The period of vesting shall range from a minimum of three years from the date of Grant and normally shall not exceed a maximum of five years (`Vesting Period_), unless the Nomination &Remuneration Committee decides for a longer/ shorter vesting period, subject to applicable laws. The Committee may, at its sole discretion, decide the proportion of shares, which shall vest each year during the vesting period (`Vesting Schedule_).The Stock option granted to employees vest over the period as decided by the Nomination &Remuneration Committee. The Exercise Period for the relevant Grant shall be a period commencing from the relevant Vesting Date for the respective tranche and shall end with the expiry of 10years from the relevant Grant Date or such other period as may be decided by the Committee for each Grant.

Stock option activity under the scheme during the year ended 31.03.2018 has been as follows:

Outstanding at the beginning of the year	330000
Granted during the year	Nil
Forfeited during the year	Nil
Exercised during the year	Nil
Outstanding at the end of the year	330000
Options exercisable at the end of the year	220064

Options outstanding at the beginning of the year carry an exercise price of 嗦147.25

Under intrinsic value method, since exercise price of the stock options granted under the ESOS is more than the underlying value of the shares, it has not resulted in any charge to the Profit and Loss Account for the year. If the Bank had adopted the Black-Scholes model based fair valuation, staff cost for the year would have been higher by by 嗦0.95 million and profit before tax would have been lower by the same extent.

The fair value of options granted during the period has been estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

Average Dividend Yield	0%
Expected Volatility	31.81%
Risk free interest rate	6.40%
Expected life of options	10 years
Expected forfeiture	Nil

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in CNX Bank Nifty over the last 10 years.

Impact of fair value method on net profit and EPS

Particulars	12 months ended 31.03.2018
Net Profit (Loss) as reported (₹ in Million)	(1270.9)
Proforma Net Profit (Loss)based on fair value approach (₹ in Million)	(1280.4)
Basic/Diluted EPS as reported (₹)	(15.70)
Basic/Diluted EPS (Proforma) (₹)	(15.82)

11. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

12. Provision for Long Term Contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

10. Disclosure for frauds

(Amount in Million)

No of frauds reported during FY 2017-18	30
Amount involved in such frauds	1168.8
Balance outstanding as on 31.03.2018	562.5
Quantum of provision made by debiting P&L	562.5
Unamortised provision debited from General Reserve	0.0

11. Details of Priority Sector Lending Certificate Purchased & Sold during the year

(Amount in Millions)

Scheme Type	PSLC General
PSLCs purchased during the year	Nil
PSLCs sold during the year	9000.0
Net PSLCs outstanding as on 31.03.2018	(9000.0)

12. Comparative Figures

The previous year˘s figures have been regrouped and recast wherever necessary to conform to current year˘s classification.

NOTES TO ACCOUNTS FOR FINANCIAL YEAR 2016-17

1.1 Capital Infusion

On 25.10.2016, the Bank has allotted 92,54,100 Equity Shares on Preferential basis for an issue price of 嗦120/- per share (嗦10/- towards share capital & 嗦110/- towards share premium) and mobilized 嗦1110.5 Million. An amount of 嗦92.5 Million has been collected towards Share Capital and 嗦1018.0 Million towards Share Premium out of the Issue.

The balance addition of ₹4.3 Million in share premium account represents reversal of excess amount appropriated towards expenses incurred in Pre IPO placement of shares during FY 2015-16.

Consequent to the above the paid up equity capital of the bank increased from ₹717.6 Million to ₹ 810.1 Million and Share Premium Account from ₹ 5452.8 Million to ₹ 6475.1 Million.

1.2 Investments

- The profit on sale of investments under Held to Maturity category amounting to ₹1868.3 Million (previous year ₹35.7 Million) and loss on sale of investments under Held to Maturity category amounting to ₹0.7 Million (Previous Year - ₹ 0.2 Million) has been taken to Profit and Loss account. Due to inadequacy of profits, the appropriation towards capital reserves is made only to the extent of ₹11.7 Million (previous year - ₹23.3 Million), being the net profit available for appropriation after transfer to statutory reserves. Had there been no change in the manner of appropriation, capital reserves as well as the debit balance in Profit & Loss Account would have been higher by ₹1206.2 Million.

- In respect of Investments in Held to Maturity category, the amount of amortization of excess of acquisition cost over face value is ₹153.7 Million (previous year ₹158.8 Million) which is netted against Income on Investments.

- Further provisions for depreciation on investments in the Available for Sale category investments amounting to ₹ 155.7 Million is debited to Profit & Loss account and excess provision amounting to ₹0.2 Million is credited to Profit & Loss account (previous year ₹ 148.4 Million depreciation is debited to Profit & Loss account).

- During the financial year 2016-17, the bank has transferred securities amounting to ₹6740.5 Million (previous year - Nil) from Held to Maturity category to Available for Sale category.

- UDAY bonds issued on conversion of advances to DISCOM companies on restructuring of advances in March 2016 which were not envisaged to be converted into SDL amounting to ₹365.7 Million are treated as standard assets and no further provision is made apart from 15% held in terms of RBI letter [DBR. BP. BC. No. 11660/21.04.132/2015-16, dated 17.03.2016]

1.3 Reconciliation

Reconciliation of inter-bank and inter-branch transactions has been completed up to 31st March 2017. Steps for elimination of outstanding entries are in progress. In the opinion of the management, since the outstanding entries to be eliminated are insignificant, no material consequential effect is anticipated.

1.4 Taxation

Claims against the bank not acknowledged as debt under contingent liabilities include disputed income tax liabilities of ₹ 268.8 Million (Previous Year - ₹272.1 Million) of which ₹ 212.5 Million (Previous Year - ₹ 185.1 Million) has been paid/adjusted and included under other assets. In respect of these claims, provision for tax is not considered necessary based on various judicial decisions on such disputes. Management does not envisage any liability in respect of such disputed issues.

Provision for income tax for the year is arrived at after due consideration of the various favourable judicial decisions on certain disputed issues.

2. Disclosures in terms of Reserve Bank of India Guidelines
2.1 Capital

Particulars	Basel III	
	31.03.2017	31.03.2016
i) Common Equity Tier 1 capital ratio (%)	10.31	9.28
ii) Tier 1 Capital ratio (%)	10.31	9.28
iii) Tier 2 Capital ratio (%)	0.62	0.81
iv) Total Capital ratio (CRAR) (%)	10.93	10.09
v) Percentage of the shareholding of the Government of India in public sector banks	N A	N A
vi) Amount of equity capital raised during the year	₹1110.5 Million	₹1137.0 Million
vii) Amount of Additional Tier 1 capital raised (during the year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii) Amount of Tier 2 capital raised (during the year); of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments:	Nil	Nil
[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

Particulars	BASEL II	
	31.03.2017	31.03.2016
i) Common Equity Tier 1 capital ratio (%)	10.32	9.29
ii) Tier 1 Capital ratio (%)	10.32	9.29
iii)Tier 2 Capital ratio (%)	0.63	0.84
iv)Total Capital ratio (CRAR) (%)	10.96	10.13
v)Percentage of the shareholding of the Government of India in public sector banks	Nil	Nil
vi) Amount of equity capital raised during the year	₹1110.5 Million	₹1137.0 Million
vii) Amount of Additional Tier 1 capital raised (during the year); of which		
PNCPS:	Nil	Nil
PDI:	Nil	Nil
viii)Amount of Tier 2 capital raised (during the year);of which		
Debt capital instrument:	Nil	Nil
Preference Share Capital Instruments:	Nil	Nil
[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]		

2.2 Investments

(₹in Million)

Items	31.03.2017	31.03.2016
(1) Value of Investments		
(i) Gross Value of Investments	57771.1	59440.7
(a) In India	57771.1	59440.7
(b) Outside India,	Nil	Nil
(ii) Provisions for Depreciation/Diminution	479.3	323.8
(a) In India	479.3	323.8
(b) Outside India,	Nil	Nil
(iii) Net Value of Investments	57291.8	59116.9
(a) In India	57291.8	59116.9
(b) Outside India.	--	--
(2) Movement of provisions held towards depreciation/ diminution on investments		
(i) Opening balance	323.8	211.3
(ii) Add: Provisions made during the year	155.7	152.5
(iii) Less: Write-off/ write-back of excess provisions during the year	0.2	40.0
Closing balance	479.3	323.8

2.2.1 Repo Transactions (In Face Value terms)

(₹in Million)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2017
Securities sold under Repo /Term Repo				
i. Government Securities	Nil	4090.0	998.4	Nil
ii Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repo/Term Reverse Repo				
i. Government Securities	Nil	21300.0	1887.9	3780.0
ii Corporate debt securities	Nil	Nil	Nil	Nil

2.2.2 Non-SLR Investment Portfolio

i) Issuer composition of Non SLR investments

(₹in Million)

No.	Issuer	Amount	Extent of Private Placement	Extent of :Below Investment Grade˘ Securities	Extent of :Unrated˘ Securities	Extent of :Unlisted˘ Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	809.3	509.2	Nil	365.7	509.2
(ii).	FIs	20.0	20.0	Nil	Nil	20.0
(iii).	Banks	2694.4	315.6	50.0	Nil	Nil
(iv).	Private Corporate	918.8	18.20	Nil	Nil	0.5
(v).	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil
(vi).	Others (Security receipts)	2767.4	2767.4	Nil	Nil	2767.4
(vii).	Provision held towards depreciation	479.3	XXX	XXX	XXX	XXX
	Total	6730.6	3630.4	50.0	365.7	3297.1

ii)Non performing Non-SLR investments (₹in Million)

Particulars	31.03.2017	31.03.2016
Opening balance	8.6	48.6
Additions during the year	18.2	Nil
Reductions during the year	8.6	40.0
Closing balance	18.2	8.6
Total provisions held	13.1	8.6

2.2.3 Sale of Financial Assets to Securitisation Company / Reconstruction Company

Book value of investments in Security receipts

(₹ in Million)

Particulars	Backed by NPAs/ SMA/SMA2 sold by the bank as underlying		Backed by NPAs/ SMA/ SMA2 sold by other banks/ financial institutions/ non-banking financial companies as underlying		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Book value of investments in security receipts	2767.4	2800.8	---	---	2767.4	2800.8

2.2.4 Sale and transfers to/from HTM Category:

The value of sales from HTM category in 2016-17 exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year requiring the following disclosures:

(₹in Million)

Market value of investments held in the HTM Category as on 31.03.2017	29764.9
Excess of book value over market value for which provision is not required to be made as per RBI guidelines.	1087.0

2.3. Derivatives: Nil

2.3.1 Forward Rate Agreement/ Interest Rate Swap: Nil

2.3.2 Exchange Traded Currency and Interest Rate Derivatives: Nil

2.3.3 Disclosures on risk exposure in derivatives: Nil

2.3.4 Qualitative & Quantitative Disclosure: Not Applicable

2.4. Asset Quality

2.4.1.1 Non-Performing Asset (₹ in Million)

Particulars	31.03.2017	31.03.2016
(i) Net NPAs to Net Advances (%)	4.12%	3.59%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	4469.1	4748.1
(b) Additions during the year	3670.0	2886.1
(c) Reductions during the year	2138.1	3165.1
(d) Closing balance	6001.0	4469.1
(iii) Movement of Net NPAs		
(a) Opening balance	2797.2	2455.4
(b) Additions during the year	1934.2	1946.3
(c) Reductions during the year	1436.6	1604.5
(d) Closing balance	3294.8	2797.2
(iv)Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1635.6	2250.8
(b) Provisions made during the year	2630.0	1612.4
(c) Write-off/ write-back of excess provisions	1597.1	2227.6
(d) Closing balance	2668.5	1635.6

2.4.1.2Divergence in Asset Classification and Provisioning for NPAs as per AFI in terms of RBI Circular RBI/2016-17/283 dated 18.04.2017 - NIL

2.4.2 PARTICULARS OF ACCOUNTS RESTRUCTURED/RESCHEDULED AS ON 31.03.2017

(Amount in Million)

Sl No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 (opening figure)	No. of Borrower	1	Nil	Nil	Nil	1	NIL					15	5	12	Nil	32	16	5	12	Nil	33
		Amount outstanding-Restructured facility	771.8	Nil	Nil	Nil	771.8						1018.7	16	401.9	Nil	1436.6	1790.5	16	401.9	Nil	2208.4
		Other facility	Nil	Nil	Nil	Nil	Nil						489.6	12.1	17.2	Nil	518.9	489.6	12.1	17.2	Nil	518.9
		Total	771.8	Nil	Nil	Nil	771.8						1508.3	28.1	419.1	Nil	1955.5	2280.1	28.1	419.1	Nil	2727.3
		Provision thereon	0.00	Nil	Nil	Nil	0.00						13.5	0.9	1.7	Nil	16.1	13.5	0.9	1.7	Nil	16.1
2	Fresh restructuring during the year	No. of Borrower	Nil	Nil	Nil	Nil	Nil	NIL					Nil	Nil	2	Nil	2	Nil	Nil	2	Nil	2
		Amount outstanding-Restructured facility	Nil	Nil	Nil	Nil	Nil						Nil	Nil	0.9	Nil	0.9	Nil	Nil	0.9	Nil	0.9
		Other facility	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Total	Nil	Nil	Nil	Nil	Nil						Nil	Nil	0.9	Nil	0.9	Nil	Nil	0.9	Nil	0.9
		Provision thereon	Nil	Nil	Nil	Nil	Nil						Nil	Nil	0.05	Nil	0.05	Nil	Nil	0.05	Nil	0.05
3	Upgradations to restructured standard category during the Year.	No. of Borrower	Nil	Nil	Nil	Nil	Nil	NIL					Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Amount outstanding-Restructured facility	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Other facility	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Total	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Provision thereon	Nil	Nil	Nil	Nil	Nil						Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Restructured standard advances	No. of Borrower	Nil				Nil	NIL					(5.00)				(5)	(5)				(5)

	which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next year.	Amount outstanding-Restructured facility	Nil				Nil		(34.9)				(34.9)	(34.9)				(34.9)
		Other facility	Nil				Nil		(5.3)				(5.3)	(5.3)				(5.3)
		Total	Nil				Nil		(40.2)				(40.2)	(40.2)				(40.2)
		Provision thereon	Nil				Nil		0.00				0.00	0.00				0.00
5	Down gradations of restructured accounts during theY ear.(Net)	No. of Borrower	(1)	Nil	1	Nil	0	NIL	(3)	(2)	5	Nil	0	(4)	(2)	6	Nil	0
		Amount outstanding-Restructured facility	(771.8)	Nil	771.8	Nil	0.00		(456.2)	(3.4)	459.6	Nil	0.00	(1228)	(3.4)	1231.4	Nil	0.00
		Other facility	Nil	Nil	Nil	Nil	0		(22.8)	0.00	22.8	Nil	0.00	(22.8)	0	22.8	Nil	0.00
		Total	(771.8)		771.8	Nil	0.00		(479)	(3.4)	482.4	Nil	0.00	(1250.8)	(3.4)	1254.2	Nil	0.00
		Provision thereon	Nil	Nil	0	Nil	0		(12.9)	(0.2)	13.1	Nil	0.00	(12.9)	(0.2)	13.1	Nil	0.00
6	Write-offs /Sale /Closed of restructured accounts during the FY .	No. of Borrower	Nil	Nil	1	Nil	1.00	NIL	(2)	(3)	(1)	Nil	(6)	(2)	(3)	(1)	Nil	(6.00)
		Amount outstanding-Restructured facility	Nil	Nil	(411.5)	Nil	(411.5)		(401.7)	(10.5)	(223.8)	Nil	(636)	(401.7)	(10.5)	(635.3)	Nil	(1047.5)
		Other facility	Nil	Nil	Nil	Nil	Nil		(444.2)	(14.2)	(26)	Nil	(484.4)	(444.2)	(14.2)	(26)	Nil	(484.4)
		Total	Nil	Nil	(411.5)	Nil	(411.5)		(845.9)	(24.7)	(249.8)	Nil	(1120.4)	(845.9)	(24.7)	(661.3)	Nil	(1531.9)
		Provision thereon	Nil	Nil	Nil	Nil	0.00		0.00	(0.7)	(0.00)	Nil	(0.7)	0.00	(0.7)	(0.00)	Nil	(0.7)
7	Changes in the account balance	No. of Borrower	Nil	Nil	Nil	Nil	Nil	NIL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		Amount outstanding-Restructured facility	Nil	Nil	(136.7)	Nil	(136.7)		(12.5)	Nil	(130.7)	Nil	(143.2)	(12.5)	Nil	(267.4)	Nil	(279.9)
		Other facility	Nil	Nil	Nil	Nil	0		(1.3)	Nil	35.8	Nil	34.5	(1.3)	Nil	35.8	Nil	34.5
		Total	Nil	Nil	(136.7)	Nil	(136.7)		(13.8)	Nil	(94.9)	Nil	(108.7)	(13.8)	Nil	(231.6)	Nil	(245.4)
		Provision thereon	Nil	Nil	0	Nil	0		(0.00)	Nil	(11.7)	Nil	(11.7)	(0.00)	Nil	(11.7)	Nil	(11.7)
8	Restructured	No. of	Nil	Nil	1	Nil	1	NIL	5	0	18	Nil	23	5	0	19	Nil	24

	accounts as on March 31st 2017 (closing figures*)	Borrower																	
		Amount outstanding-Restructured facility	Nil	Nil	223.6	Nil	223.6		113.4	0.00	507.8	Nil	621.2	113.4	0.00	731.4	Nil	844.8
		Other facility	Nil	Nil	Nil	Nil	Nil		16	0.00	49.8	Nil	65.8	16	0.00	49.8	Nil	65.8
		Total	Nil	Nil	223.6	Nil	223.6		129.4	0.00	557.7	Nil	687.1	129.4	0.00	781.3	Nil	910.7
		Provision thereon	Nil	Nil	Nil	Nil	Nil		0.6	0.00	3.1	Nil	3.6	0.6	0.00	3.1	Nil	3.6
*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable) #The total of SL no.5 (Down gradations of restructured accounts during the year.(Net)) is 0 since the movement is between the different categories only.																			

2.4.3 Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

	12 months ended 31.03.2017	12 months ended 31.03.2016
(i) No. of accounts	Nil	12
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC (₹in Million)	Nil	1421.1
(iii) Aggregate consideration (₹in Million)	Nil	890.0
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain/(loss) over net book value (₹in Million)	Nil	(531.1)

2.4.4 Details of non-performing financial assets purchased/sold from/to other banks-
Nil.

2.4.5 Provisions on Standard Assets

(₹in Million)

Particulars	31.03.2017	31.03.2016
Provisions held towards Standard Assets	346.4	418.2

2.5 Business Ratio

(As compiled by the management and relied upon by the auditors)

Particulars	12 Months ended 31.03.2017	12 Months ended 31.03.2016
(i)Interest Income as a percentage to Working Funds	8.13	9.13
(ii)Non-interest income as a percentage to Working Funds	1.71	0.64
(iii)Operating Profit as a percentage to Working Funds	0.92	(0.02)
(iv) Return on Assets (%)	(0.35)	(1.18)
(v) Business (Deposits plus advances) per employee	₹ 85.5 Million	₹ 77.3 Million
(vi) Profit /(Loss) per employee	₹(0.2)Million	₹ (0.7) Million

2.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(As compiled by the management and relied upon by the auditors) (₹in Miilion)

As on 31.03.2017	Day 1	2-7 Days	8 - 14 Days	15 to 30 days	31 days to 2 months	2 months to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	854.6	1514.1	1835.7	1786.4	2940.8	2710.7	8301.9	7241.9	44073.0	7015.9	70840.6	149115.6
Advances	129.5	834.6	1129.2	3139.8	3594.9	4035.7	8457.9	12695.3	33050.0	5150.7	7790.2	80007.8
Investments	0.0	731.5	964.0	3185.4	546.0	9336.9	6665.2	1412.1	4970.6	1277.5	28202.6	57291.8
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	418.0	0.0	0.0	418.0
Foreign Currency assets	308.5	1258.7	42.2	136.4	91.7	195.2	616.7	265.6	381.3	0.00	0.00	3296.3
Foreign Currency liabilities	223.6	260.2	1.5	192.8	53.4	233.3	661.1	689.5	853.6	129.2	0.00	3298.2

Note: Deposits have been classified as per behavioural maturity.

2.7 Exposures

2.7.1 Exposure to Real Estate Sector

(As compiled by the management and relied upon by the auditors) (₹in Million)

Category	31.03.2017	31.03.2016
a) Direct exposure		
(i) Residential Mortgages		
a) Priority sector	2299.7	2525.5
b) Non priority sector	1850.7	1705.7
(Of which staff housing loans)	(707.7)	(712.6)
c) Total	4150.4	4231.2
(ii) Commercial Real Estate	4191.7	5567.5
(iii) Investments in Mortgage Backed Securities (MBS) and other		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
b) Indirect Exposure		
Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	300.0	Nil
Total Exposure to Real Estate Sector	8642.1	9798.7

2.7.2 Exposure to Capital Market

(As compiled by the management and relied upon by the auditors) (₹in Million)

Sl No	Items	31.03.2017	31.03.2016
1	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.5	1.3
2	Advances against shares/bonds/debentures of other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds	0.8	0.9
3	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.0	0.0
4	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
6	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter˜s contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
7	Bridge loans to companies against expected equity flows/issues	Nil	Nil
8	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
9	Financing to stock brokers for margin trading	Nil	Nil
10	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	1.3	2.2

2.7.3 Risk category wise country exposure *

(As compiled by the management and relied upon by the auditors)

(₹in Million)

Risk Category	Exposure (Net) as at 31.03.2017	Provision held as at 31.03.2017	Exposure (Net) as at 31.03.2016	Provision held as at 31.03.2016
Insignificant	279.3	Nil	324.1	Nil
Low	111.9	Nil	43.4	Nil
Moderately Low	2.7	Nil	Nil	Nil
Moderate	Nil	Nil	Nil	Nil
Moderately High	Nil	Nil	Nil	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Total	393.9	Nil	367.5	Nil

* Based on categorization followed by Export Credit Guarantee Corporation of India Ltd

The bank is not having exposure to any country where the net funded exposure is 1 percent or more of the total assets and hence no provisioning is necessary for country risk, in accordance with the RBI guidelines.

2.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

(₹ in Million)

Name of Borrower	Exposure as on 31.03.2017			Exposure as on 31.03.2016		
	Advance Exposure	Investment Exposure	Total Exposure	Advance Exposure	Investment Exposure	Total Exposure
Phoenix Trust	Nil	1407.4	1407.4	Nil	1407.4	1407.4

2.7.5 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authorization etc. are available to the bank is Nil.

2.8 Miscellaneous

Amount of Provisions made for Income-tax during the year (₹ in Million)

	31.03.2017	31.03.2016
Provision for Income Tax(including Deferred Tax)	(424.5)	(1014.2)

2.8.1 Disclosure of Penalties imposed by RBI

The RBI had imposed a penalty of ₹1,000/- during the Financial Year 2016-17 on account of counterfeit note detected in the remittance of soiled notes at RBI by Singanellur Currency Chest.

3. Disclosures as per Accounting Standards where RBI has issued Guidelines in respect of items for :Notes to Accounts˘

3.1 Accounting Standard 5 ¯ Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies

There are no material prior period income/ expenditure requiring disclosure

3.2 Accounting Standard 9 ¯ Revenue Recognition

Income of certain items are recognized on cash basis the effect of which on the financial statements are not considered to be material.

3.3 Accounting Standard 15 (Revised) ¯Employee Benefits

3.3.1 Disclosures for Defined Contribution Plans ¯ Provident Fund & New Pension Scheme (Contributory)

Contributions to employee provident fund and new pension scheme (contributory), debited to Profit & Loss Account during the year amounts to₹ 49.8 Million (Previous Year- ₹ 55.4 Million). There is no deficit in the Income & Expenditure of the provident fund.

3.3.2 Disclosures for Defined Benefit Plans ¯ Pension, Gratuity & Long term Compensated Absences (Privilege Leave)

3.3.2.1 Amount recognised in Balance Sheet and Profit & Loss Account

The amount recognised in the balance sheet is as follows: (₹ in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Present Value of Obligations ¯ Closing	3155.2	3204.8	802.7	857	347.5	333.7
Fair Value of Plan Assets ¯ Closing	2869.4	2875.5	811.4	710.6	N.A	N.A.
Funded Status	285.8	329.3	(8.7)	146.4	347.5	333.7
Net Liability (Asset) recognised in Balance Sheet (included in Other Liabilities & Provisions)	285.8	329.3	(8.7)	146.4	347.5	333.7

The amount recognised in the statement of profit and loss account is as follows:

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Current Service Cost	594.4	626.4	34.4	43.3	107.0	75.7
Past Service Cost	N.A	N.A.	N.A.	N.A.	N.A.	N.A.
Interest Cost	200.3	202.2	56.8	55.6	18.7	31.6
Expected Return on Plan Assets	(215.7)	(233.5)	(53.2)	(68.5)	N.A.	N.A.
Net Actuarial Loss/(Gain) recognised in the year	31.8	178.2	3.3	160.4	56.2	(83.9)
Total, (included in Item `Payment to and provisions for employees_ of ¯ Operating Expenses)	610.8	773.3	41.3	190.8	181.9	23.4

3.3.2.2 Changes in Fair Value of Plan Assets

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Fair Value of Plan Assets at the beginning of the year	2875.5	2918.4	710.6	856.6	N.A.	N.A.
Expected Return on Plan Assets	215.7	233.5	53.2	68.5	N.A.	N.A.
Contributions	654.3	738.3	196.4	Nil	168.1	170.6
Benefits Paid	1067.1	1036.8	198.6	213.4	168.1	170.6
Actuarial (Loss)/Gain	191.0	22.1	49.8	(1.1)	N.A.	N.A.
Fair Value of Plan Assets at the end of the year	2869.4	2875.5	811.4	710.6	N.A.	N.A.

3.3.2.3 Changes in Present Value of Obligations (₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Present Value of Obligations at the beginning of the year	3204.8	3046.6	857.0	802.2	333.7	480.9
Interest Cost	200.3	202.2	56.8	55.6	18.7	31.6
Current Service Cost	594.4	626.4	34.4	43.3	107.0	75.7
Past Service Cost	N.A	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	1067.1	1036.8	198.6	213.4	168.1	170.6
Actuarial Loss/(Gain)	222.8	366.4	53.1	169.3	56.2	(83.9)
Present Value of Obligations at the end of the year	3155.2	3204.8	802.7	857.0	347.5	333.7

3.3.2.4 Movement in Net Liability Recognised in Balance Sheet

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Net Liability at the beginning of the period	329.3	218.2	146.4	(44.4)	333.7	480.9
Add Expenses Charged to Profit & Loss Account	610.8	773.3	41.3	190.8	181.9	23.4
Less Contributions	654.3	662.2	196.4	Nil	168.1	170.6
Net Liability (Asset) at the end of the period	285.8	329.3	(8.7)	146.4	347.5	333.7

3.3.2.5 Actual Return on Plan Assets

(₹in Million)

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Expected Return on Plan Assets	215.7	233.5	53.2	68.5	N.A.	N.A.
Actuarial Gain (Loss)	191.0	22.1	49.8	(1.1)	N.A.	N.A.
Actual Return on Plan Assets	406.7	255.6	103.0	67.4	N.A.	N.A.

3.3.2.6 Actuarial Assumptions

	Pension		Gratuity		Long term Compensated Absences (Privilege Leave)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Discount Rate (p.a.)	7.50%	8.00%	7.50%	8.00%	7.50%	8.00%
Expected Return on Plan Assets (p.a.)	7.50%	8.00%	7.50%	8.00%	N.A	N.A.
Future Salary Increases (p.a.)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality	In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).		In accordance with the standard table LIC (1994-96).	

3.3.2.7 Investment Percentage maintained by Pension & Gratuity Trust

	Pension		Gratuity	
	As on 31.03.2017	As on 31.03.2016	As on 31.03.2017	As on 31.03.2016
Life Insurance Companies	86.75%	85.23%	57.86%	49.53%
Central Govt. Securities	3.85%	3.76%	19.99%	23.07%
State Govt. Securities	5.80%	5.74%	10.05%	11.48%
Other Trust Securities (PSU)/Deposits with Banks etc.	3.60%	5.27%	12.10%	15.92%
Total	100.00%	100.00%	100.00%	100.00%

3.3.2.8 Experience Adjustments

(₹ in Million)

(i) Pension

	March 31				
	2017	2016	2015	2014	2013
Defined Benefit Obligations	3155.2	3204.8	3046.6	2802.3	2491.0
Plan Assets	2869.4	2875.5	2918.4	2612.2	1700.1
Surplus/(Deficit)	(285.8)	(329.3)	(218.2)	(200.6)	(632.0)
Experience adjustments on Plan Liabilities	(221.1)	(448.3)	(121.1)	(313.0)	(121.9)
Experience Adjustments on Plan Assets	205.3	62.9	63.4	21.6	48.7

(₹ in Million)

(ii) Gratuity

	March 31				
	2017	2016	2015	2014	2013
Defined Benefit Obligations	802.7	857.0	802.2	819.3	813.0
Plan Assets	811.4	710.6	856.6	768.2	655.7
Surplus/(Deficit)	8.7	(146.4)	44.4	(19.6)	(74.3)
Experience adjustments on Plan Liabilities	(49.6)	(187.7)	(8.6)	(79.9)	(44.1)
Experience Adjustments on Plan Assets	53.4	5.3	22.9	(8.3)	16.5

3.3.2.9 Expected Contributions

Bank˘s best estimates of contributions to the funds in of FY 2017-18are as follows:

Pension: ₹700 Million

Gratuity: ₹ 100 Million

3.3.3 Other Long term Employee Benefits

¿ As on 31.03.2017, the Bank holds provision of ₹43.1 Million (Previous Year - ₹39.6 Million) towards provision for Sick Leave and Leave Fare Concession based on actuarial valuation.

3.4 Accounting Standard 17 – Segment Reporting

Part A: Business Segments

(As compiled by the management and relied upon by the auditors) (₹ in Million)

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Business		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	6331.7	4183.3	3076.4	3236.9	6571.6	8268.4	195.3	187.1	16175.0	15875.7
Result	(10.2)	(1618.8)	(394.0)	(3.3)	1871.6	1586.5	49.7	(1.9)	1517.1	(37.5)
Unallocated expenses									Nil	Nil
Operating profit									1517.1	-37.5
Provisions other than tax									2521.5	2899.6
Provision for Tax									(424.5)	(1014.2)
Extraordinary profit/ loss									Nil	Nil
Net profit/ (Loss)									(579.9)	(1922.9)
OTHER INFORMATION										
Segment assets	62295.2	73771.3	22155.4	27281.6	65522.0	45080.0	30.6	69.6	150003.2	146202.5
Unallocated assets									7703.0	6662.1
Total assets									157706.2	152864.6
Segment liabilities	414.4	736.5	22713.9	37160.8	132505.2	112846.3	130.5	159.9	155764.1	150903.5
Unallocated liabilities									1942.1	1961.1
Total liabilities									157706.2	152864.6

Part B: Geographic segments
The Bank has no branches outside India.

3.5 Accounting Standard 18 ¯ Related Party disclosures

Name of the Party	Nature of Relationship
Mr. Anand Krishnamurthy (Managing Director & CEO)	Key Management Personnel (Resigned from the post of Managing Director & CEO of the Bank on 20.09.2016)
Mr. C. VR. Rajendran (Managing Director & CEO)	Key Management Personnel (Appointed as Managing Director & CEO of the Bank w.e.f. 09.12.2016)

Note: In accordance with the RBI Guidelines on compliance with Accounting Standards by the Banks, the details of transactions with parent, subsidiaries, associates, jointly controlled entity and relatives of Key Management Personnel have not been disclosed since there is only one entity in the respective category of the Key Management Personnel

3.6 Accounting Standard 21 - Consolidated Financial Statements (CFS) -

Not Applicable

3.7 Accounting Standard 22 ¯ Accounting for Taxes on Income

Net Deferred Tax Asset as on 31.03.2017 , computed in compliance with the Accounting Standard 22 on Accounting for Taxes on Income, amounts to ₹1832.2 Million , which is included in Other Assets.

Components of Net Deferred Tax Asset as on 31.03.2017 are as follows:

(₹in Million)

Deferred Tax Asset	31.03.2017	31.03.2016
Provision for Employee Benefits	123.3	117.9
Provision for Bad & doubtful debts	572.4	228.6
Provision for Standard Assets	119.9	144.7
Carry Forward Loss	1109.0	1098.1
Provision for contingencies	34.6	28.3
Total Deferred Tax Asset	1959.2	1617.6
Deferred Tax Liability		
Depreciation on Fixed Assets	44.8	47.3
Special Reserve u/s 36 (1)(viii)	82.2	82.2
Total Deferred Tax Liability	127.0	129.5
Net Deferred Tax Asset	1832.2	1488.1

3.8 Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements

Not Applicable

3.9 Accounting Standard 24 - Discontinuing Operations

Not Applicable

3.10 Accounting Standard 25 - Interim Financial Reporting

Bank has complied with the disclosures in connection with the half yearly review prescribed by RBI

4 Other Accounting Standards

4.1 Accounting Standard 10 ¯ Accounting for Fixed Assets

Disclosure related to revaluation of land and building owned by the bank.

(a) the effective date of the revaluation - 31.03.2016

(b) whether an independent valuer was involved - Land and building was valued by two independent valuers. Lower of the value arrived by the valuers is taken as the revalued amount.

(c) the methods and significant assumptions applied in estimating fair values of the items;

Asset	Details	Valuer 1	Valuer 2
Building	Method	Plinth area rates of CPWD	Plinth area method applicable to the type of structure, specification, services, amenities
	Depreciation	Based on the present condition and age of building.	Based on the age, condition and maintenance of the building
	Valuation	Plinth area rates of previous valuation taken as base rate	Composite market rate
Land	Method	Based on local enquiries, transactions in recent, past and valuers best of judgement	Based on location, level/shape/extent of the land, infrastructure /civic amenities availability, width of the abutting road, water potentialty, etc.
	Valuation	Present market value	Prevailing market rate based on the above

(d) the extent to which fair values of the items were determined directly by reference to observable prices in an active market or recent market transactions on arm˜s length terms or were estimated using other valuation techniques - Fair value as explained in item (c)above

(e) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders

Revaluation surplus as on 31.03.2017 ¯ 嗦1639.6 Million

Change for the period ¯ 嗦18.2 Million (transferred from Revaluation Reserve to General Reserves)

4.2 Accounting Standard 19 ¯ Leases

The Properties taken on lease/rental basis are renewable/ cancellable at the option of the Bank.

4.3Accounting Standard 20 ¯ Earnings per Share

Particulars	2016-17	2015-16
EPS-Basic /Diluted	₹(7.66)	₹(30.80)
Amount used as numerator- Profit / (Loss)after Tax (in Million)	(579.9)	(1922.9)
Nominal value per Equity Share	₹ 10	₹ 10
Weighted Average Number of Equity Shares used as denominator	7,57,13,866	6,24,26,232

4.4Accounting Standard 26 ¯ Intangible Assets

The bank has complied with AS 26 (Intangible Assets) and the disclosures required under the Standard are as follows:

(₹inMillion)

	31.03.2017	31.03.2016
a) Acquired Application Software		
Opening Balance at cost	137.0	108.2
Add Additions during the year	32.9	28.8
Less Disposals during the year	Nil	Nil
Less Amortisation to date	97.3	77.6
Net Carrying Amount	72.6	59.4
b) Internally Generated Software		
Opening Balance at cost	117.5	107.2
Add Additions during the year	9.5	10.3
Less Disposals during the year	Nil	Nil
Less Amortisation to date	101.7	93.6
Net Carrying Amount	25.3	23.9
Total Carrying Amount	97.9	83.3

4.5Accounting Standard 28 - Impairment of Assets

In the opinion of the bank/as per valuation reports from approved valuers, there is no material impairment to the fixed assets as at 31.03.2017 requiring recognition in terms of Accounting Standard 28 ¯ Impairment of Assets.

4.6Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets

Movements in significant provision heads have been disclosed at appropriate places in the Notes forming part of the accounts.

4.6.1 Description of Contingent Liabilities

a) Claims against the bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by Income tax and other statutory authorities and disputed by the bank.

b) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, (currency swaps, Forward exchange contracts and currency futures) on its own account and forward exchange contracts for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.

c) Guarantee given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligation.

d) Acceptances, endorsements and other obligations

These include documentary credit issued by the bank on behalf of its customers and bills drawn by the Bank˘s customers that are accepted or endorsed by the Bank.

e) Other items for which the bank is contingently liable

Includes income tax appeals filed by the bank, capital commitments and amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

f) The Bank˘s pending litigations comprise of claims against the Bank by the clients and proceedings pending with

Income Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Refer Annexure 1 for amounts relating to contingent liability.

5. Additional Disclosures as per RBI Guidelines

5.1 Details of provisions and contingencies debited in Profit and Loss Account during the Year

(₹ in Million)

		31.03.2017	31.03.2016
a	Provisions towards NPA/write offs	2418.8	2833.2
b	Drawal from Counter Cyclical Provisioning Buffer	--	--
c	Depreciation and write off of investments	155.7	148.4
d	Provision for Income tax (Including Deferred Tax)	(424.5)	(1014.2)
e	Provision for Standard Assets	(71.9)	(77.6)
f	Provision for diminution on Restructured Advances	(13.2)	(14.6)
g	Other provisions	32.1	10.2
	Total	2097.0	1885.4

5.2 Floating Provisions

a) Opening Balance in floating provisions account	Nil
b) Quantum of floating provisions made in the accounting year	Nil
c) Purpose & amount of draw down made during the accounting year	Nil
d) Closing balance in floating provisions account	Nil

5.3 Draw Down from Reserves -

The Bank has not drawn from Reserves any amount other than from general reserves as detailed in paragraphs 10

5.4 Disclosure of complaints

A. Customer Complaints (Other than ATM)

	31.03.2017	31.03.2016
a) No. of complaints pending at the beginning of the year	22	22
b) No. of complaints received during the year	392	253
c) No. of complaints redressed during the year	385	253
d) No. of complaints pending at the end of the year	29	22

B. ATM Complaints

	31.03.2017	31.03.2016
a) No. of ATMs complaints pending at the beginning of the year	Nil	Nil
b) No. of ATMs complaints received during the year	4391	1599
c) No. of ATMs complaints redressed during the year	4391	1599
d) No. of ATMs complaints pending at the end of the year	Nil	Nil

C. Awards passed by the Banking Ombudsman

	31.03.2017	31.03.2016
a) No. of unimplemented Awards at the beginning of the year	Nil	Nil
b) No. of Awards passed by the Banking Ombudsmen during the year	Nil	Nil
c) No. of Awards implemented during the year	Nil	Nil
d) No. of unimplemented Awards at the end of the year	Nil	Nil

5.5 Disclosure of Letter of Comforts (LOCs) issued by banks

Not applicable since the bank has no subsidiaries.

5.6 Provisioning Coverage Ratio

	As on 31.03.2017	As on 31.03.2016
Provisioning Coverage Ratio	65.50%	58.37%

5.7 Income from Bancassurance

(₹in Million)

Sl.No.	Nature of Income	12 months ended 31.03.2017	12 months ended 31.03.2016
1.	From Selling Life Insurance Policies	48.2	37.2
2.	From Selling Non Life Insurance Policies	2.8	2.3
3.	From Selling Mutual Fund Products	0.0	0.00
4.	Others	Nil	Nil
5.	Total	51.0	39.5

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

	As on 31.03.2017	As on 31.03.2016
Total Deposits of twenty largest depositors (₹ in Million)	10523.0	12641.0
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	7.06%	8.76%

5.8.2 Concentration of Advances

	As on 31.03.2017	As on 31.03.2016
Total Advances of twenty largest borrowers (₹ in Million)	10041.8	9903.3
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	10.85%	10.40%

5.8.3 Concentration of Exposures

	As on 31.03.2017	As on 31.03.2016
Total Exposures to twenty largest borrowers/customers (₹ in Million)	11835.6	11902.8
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	11.52%	11.77%

5.8.4 Concentration of NPAs

(₹in Million)

	As on 31.03.2017	As on 31.03.2016
Total Exposures to top four NPA Accounts	1051.9	954.9

5.9 Sector-wise advances
(As compiled by the management and relied upon by the auditors)

(Amount in Million)

	Sector	As on 31.03.2017		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	13177.6	619.8	4.70
2	Advances to industries sector eligible as priority sector lending	10232.4	748.0	7.31
3	Services	11182.2	1178.5	10.54
4	Personal loans	3252.9	292.9	9.00
	Sub-total (A)	37845.1	2839.2	7.50
B	Non Priority Sector			
1	Agriculture and allied activities			
2	Industry	10891.4	1034.7	9.50
3	Services	13862.9	1418.1	10.23
4	Personal loans	20116.5	709.0	3.52
	Sub-total (B)	44870.8	3161.8	7.05
	Total (A+B)	82715.9	6001.0	7.25

5.10 Movement of NPA

(₹in Million)

Particulars	2016-17	2015-16
Opening Balance of Gross NPA	4469.1	4748.1
Additions (Fresh NPAs) during the year	3956.7	2886.1
Sub-total (A)	8425.8	7634.2
Less: -		
(i) Upgradations	550.5	543.6
(ii) Recoveries (excluding recoveries made from upgraded accounts)	481.3	1374.9
(iii) Technical/ Prudential Write-offs	1357.9	1222.3
(iv) Write-offs other than those under (iii) above	35.1	24.3
Sub-total (B)	2424.8	3165.1
Closing balance of Gross NPA (A ¯ B)	6001.0	4469.1

5.11Movement of technical write offs and recoveries: (₹ in Million)

Particulars	2016-17	2015-16
Opening balance of technical/prudential written off accounts	2250.3	1565.2
Add: Technical/Prudential write-offs during the year	1357.9	1284.9
Sub-total(A)	3608.2	2850.1
Less-Recoveries/ write off made from previously technical/Prudential written offs accounts during the year (including sale to ARCs)(B)	59.1	599.8
Closing balance (A-B)	3549.1	2250.3

5.12 Overseas Assets, NPAs and Revenue (₹ in Million)

Particulars	31.03.2017	31.03.2016
Total Assets	191.2	382.1
Total NPAs	Nil	Nil
Total Revenues	3.2	2.1

5.13Off-balance Sheet SPVs sponsored

(which are required to be consolidated as per accounting norms)

Nil

5.14 Disclosure on Remuneration

Qualitative disclosures	(a)	Information relating to the composition and mandate of the Remuneration Committee. Composition The Nomination & Remuneration Committee of the Board comprises of independent directors. Function and mandate The Nomination & Remuneration Committee of the Board inter alia, oversee the framing, review and implementation of compensation policy of the Bank including ESOS of the bank on behalf of the Board. The Committee should ensure that:- ¿ the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio; ¿ the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully; ¿ relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and ¿ remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy. Process The Nomination & Remuneration Committee works in close co-ordination with the Risk Management Committee of the Board to review the compensation practices every year in order to achieve effective alignment between remuneration and risks. The Nomination & Remuneration Committee will study the business and industry environment, analyze and categorize the risks and streamline the components of the compensation plan like proportion of the total variable compensation to be paid to MD & CEO,WTD¨s and Senior executives to ensure financial stability of the organization. Authority to invoke clawback arrangement The Nomination & Remuneration Committee of the Board also have the authority to ascertain whether the decision taken by the MD& CEO, WTD, Senior executives/ officers (Non IBA Package) have brought forth a negative contribution to the Bank. The Committee has vested with the powers to invoke the clawback arrangement, after taking into account relevant statutory and regulatory stipulations as applicable. Objectives The objectives of the remuneration policy are four fold: ¿ To align compensation with prudent risk taken. ¿ To ensure effective governance of the compensation in the organization. ¿ To ensure effective supervisory oversight and stakeholder engagement in compensation.

		¿ To attract and retain talent. Key features ¿ To actively oversee the compensation systems design and operation. ¿ To monitor and review the compensation system to ensure that the system operates as intended. ¿ Staff engaged in financial and risk control must be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the firm. ¿ Supervisory review of compensation practices must be rigorous and sustained and deficiencies must be addressed promptly with supervisory action. ¿ Firms must disclose clear comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks. For the purpose of effectively aligning compensation structure with risk outcomes, the functionaries in the institution are arranged under the following five categories. 1) Managing Director & CEO/Whole time directors 2) Senior Executives (Risk control and compliance staff) -Non IBA Package 3) Senior Executives (Chief General Manager) -Non IBA Package 4) Senior / Other Officers - Non IBA Package 5)Other officers and staff -on IBA package Clawback Arrangement/Compensation Recovery A clawback arrangement or a compensation recovery is provided in the policy[MD & CEO,WTD¨s and Senior executives/ officers (Non IBA Package)] which will entail the Bank to recover proportionate amount of variable compensation paid to the functionaries on account of an act or decision taken by the official which has brought forth a negative contribution to the bank at a prospective stage. The clawback arrangement is subject to the relevant statutory and regulatory stipulations as applicable. Limit on variable pay The variable compensation offered to an official would not exceed 70% of the total fixed compensation in a year. Severance pay and guaranteed bonus Severance pay (other than gratuity or terminal entitlements or as entitled by statute) is not paid to any official of the organization except in those cases where it is mandatory by statute. Sign on bonus or joining bonus is limited to the first year and is paid only as Employee stock options. Hedging No compensation scheme or insurance facility would be provided by the Bank to employees to hedge their compensation structure to offset the risk alignment mechanism (deferral pay and clawback

		arrangements) embedded in their compensation arrangement. Committees to mitigate risks caused by an individual decision In order to further balance the impact of market or credit risks caused to the organization by an individual decision taken by a senior level executive, MD & CEO or a whole time director, the bank, as a promoted practice, has constituted various committees to take decisions on various aspects. Credit limits are sanctioned by committee at different levels. Investment decisions of the Bank are taken and monitored by Investment Committee and there is an upper limit cut in treasury dealings where individual decisions can be taken. Interest rates on Asset and liability products for different buckets are decided and monitored by the ALCO. Banks˘ exposure to liquidity risk are also monitored by ALCO. Compensation of risk control staff Members of staff engaged in financial and risk control would be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the bank. The mix of fixed and variable compensation for control function personnel should be weighted in favour of fixed compensation.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Compensation of MD & CEO, whole time directors and senior executives (Non IBA), performance linkage The compensation paid out to the referred functionaries is divided into three components 1. The fixed compensation is determined based on the industry standards, the exposure, skill sets, talent and qualification attained by the official over his/her career span. 2. The variable compensation for MD & CEO and senior executives on Non ¯ IBA package basis are fixed based on performance and responsibility in the bank. The Bank˘s performance is based on the various financial indicators like revenue earned, cost deployed, profit earned, NPA position and other intangible factors like leadership and employee development. Variable pay is paid purely based on performance. 3. Employees Stock options as per the CSB Employees Stock Option Scheme 2013 (CSBESOS-2013) as approved by the Board. Approval from RBI is to be obtained to decide compensation for MD & CEO/ whole time directors. The payment of compensation also requires approval of the shareholders of the Bank in the General Meeting pursuant to the Bank˘s Articles of Association read with the Section 197 of the Companies Act, 2013. Compensation paid to Other Officers and staff members on IBA package The compensation paid to other officials that include Award staff, Officers coming under Scale I to III and Senior executives coming under Scale IV to VII is fixed based on the periodic industry level settlements with Indian Bank Association. The variable compensation paid to functionaries is based on the Performance/Target Linked incentive scheme which has been formulated on the basis of performance parameters. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However, the grant of stock option is as per CSB Employees Stock Option Scheme.
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting. Deferred compensation and Performance Linkage (Non-IBA)

		In case of deferral arrangements of variable pay to MD & CEO, WTD's, Senior/other executives (Non IBA Package), the deferral period should not be less than three years. Compensation payable under deferral arrangements should vest no faster than on a pro rata basis. <u>Clawback and deferral arrangements</u> The provisions of clawback and deferral arrangements applicable to the referred functionaries (all Non IBA Package) are subject to relevant statutory and regulatory stipulations as applicable.				
	(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms. Bank uses an optimum mix of cash, ESOPS and variable pay to decide the compensation to MD & CEO /WTD and senior executives on Non - IBA package. This is done to align the compensation of senior staff with their performance, risk and responsibility taken in higher assignments. The Officers in Scale I-VII as well as Award staff come under the purview of IBA package that is as per the Industry wide settlements. The variable compensation paid to functionaries is based on the Target/ Performance Linked incentive scheme which has been formulated on the basis of performance parameters as may be prescribed from time to time. The ESOP scheme may be extended to the employees referred herein and form part of the overall performance management program at the discretion of the Board. However , the grant of stock option is as per CSB Employees Stock Option Scheme				
					Current Year (FY 2016-17)	Current Year (FY 2015-16)
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer / Other Risk Takers)	(g)	Number of meetings held by the Nomination & Remuneration Committee during the year and remuneration paid to its members.			9 ₹60,000	6 ₹40,000
	(h)	(i)	Number of employees having received a variable remuneration award during the year.		0	0
		(ii)	Number and total amount of sign-on awards made during the year.		Nil	Nil
		(iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus		Nil	Nil
		(iv)	Details of severance pay, in addition to accrued benefits, if any.		Nil	Nil
	(i)	(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.		Nil	Nil
		(ii)	Total amount of deferred remuneration paid out in the year.		Nil	Nil
	(j)	Breakdown of amount of remuneration awards for the year to show fixed and variable, deferred and non-deferred (on payment basis).			₹2,05,161 @ (Fixed)* Nil (Variable) Nil (Deferred)	₹1,01,935# (Fixed)* Nil (Variable) Nil (Deferred)
	(k)	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit		Nil	Nil

			adjustments.		
		(ii)	Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
		(iii)	Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil

#For the period from 04.07.2015 to 31.03.2016

@Includes Remuneration Paid to Shri. Anand Krishnamurthy for the period from 01.04.2016 to 20.09.2016 and to Shri. C. VR. Rajendran for the period from 09.12.2016 to 31.03.2017

* Fixed remuneration includes salary, consolidated benefit allowance, residential accommodation, Leave travel concession and Bank˜s contributions towards Provident fund.

$ Bank has not paid variable pay during the reporting period.

@The Bank has subject to the approval of Reserve Bank of India; agreed to grant 2 % stock options, equivalent to 16,19,241 shares, as hiring grant to Managing Director &CEO. The exercise price of the options is fixed at 嗦5/- per share and option when granted would be vested and could be exercised only on achieving certain performance parameters.

The Bank has also subject to the approval of Reserve Bank of India agreed to grant additional stock options equivalent to upto 2(two) per cent of the enhanced paid up equity capital of the Bank as on the date of the grant, as reduced by the hiring grant stock options already agreed/granted to him as stated in point No 1 above. The grant of said option is further subject to fresh equity investment in the Bank over a period of the next three years. The exercise price of the options is fixed at 嗦5/- per share.

5.15 Disclosures relating to Securitisation - Not applicable to the Bank at this stage.

5.16 Credit Default Swaps ¯ Nil

5.17 Intra-Group Exposures - NA

5.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Unclaimed liabilities where amount due has been transferred to DEAF is reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Annexure 1 of the financial statements.

(嗦in Millions)

Particulars	31.03.2017	31.03.2016
Opening balance of amounts transferred to DEAF	169.6	154.9
Add : Amounts transferred to DEAF during the year	125.5	16.2
Less : Amounts reimbursed by DEAF towards claims	2.8	1.5
Closing balance of amounts transferred to DEAF	292.3	169.6

5.19 Unhedged Foreign Currency Exposure

(A) Provisioning

In terms of RBI Circular DBOD No.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and subsequent clarification vide circular DBOD No.BP.BC.116/21.06.200/2013-14 dated 3rd June 2014, based on the available data, available financial statements and declarations from borrowers wherever received, the bank is holding a provision of 嗦8.7 Million (Previous Year - 嗦8.4 Million) towards Unhedged Foreign Currency Exposures.

(B) Capital Held

In terms of the aforementioned circulars, an additional capital of -嗦22.1 Million (Previous Year - 嗦21.7 Million) has been held towards unhedged foreign currency exposures.

6 Liquidity Coverage Ratio
(As compiled by the management and relied upon by the auditors)

a) Quantitative Disclosures

(₹ in Million)

As on 31.03.2017		Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)		32924.9
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	116188.5	11529.2
(i)	Stable deposits	1793.2	89.7
(ii)	Less stable deposits	114395.4	11439.5
3	Unsecured wholesale funding, of which:	16847.3	3259.5
(i)	Operational deposits (all counterparties)	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	16847.3	3259.5
(iii)	Unsecured debt	0.00	0.00
4	Secured wholesale funding	0.00	0.00
5	Additional requirements, of which	8337.2	786.4
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00
(ii)	outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	8337.2	786.4
6	Other contractual funding obligations	0.00	0.00
7	Other contingent funding obligations	2840.2	85.2
8	TOTAL CASH OUTFLOWS		15660.3
	Cash Inflows		
9	Secured Lending (e.g. reverse repos)	6377.3	0.00
10	Inflows from fully performing exposures	5210.6	2689.3
11	Other cash inflows	0.00	0.00
12	TOTAL CASH INFLOWS	11587.9	2689.3
13	TOTAL HQLA		32924.9
14	TOTAL NET CASH OUTFLOWS		12971.0
15	LIQUIDITY COVERAGE RATIO (%)		253.83%

b) Qualitative disclosures

(i) Main drivers of LCR and evolution of contribution of inputs

The Liquidity Coverage Ratio (LCR) standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 days˘ time horizon under a significantly severe liquidity stress scenario, by which time it is assumed that proper corrective actions can be taken. The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

(ii) Intra period changes

The intra period changes are mainly on account of changes in unencumbered excess SLR positions.

(iii) The composition of High Quality Liquid Assets (HQLA)

Banks˘ High Quality Liquid Assets consists of the following
i. Cash
ii. Balance with RBI in excess of CRR requirement
iii. Unencumbered portion of investments in Government securities in excess of SLR requirement.
iv. Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility(MSF)

v. Investment in Government Securities held up to 11% of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

(iv) Concentration of funding

Banks˘ concentration from top 20 depositors stood at 7.06% of total deposits as on31st March 2017.

(v) Derivative exposure and potential collateral calls

Bank does not have derivative business except forward contracts.

(vi) Currency Mismatch in LCR

The bank does not have aggregate liabilities denominated in any foreign currency of 5 per cent or more of the bank˘s total liabilities and hence LCR in other currencies is not computed.

(vii) Centralisation of liquidity management

Banks˘ liquidity management and monitoring is centralized. Bank has a Board adopted liquidity management policy in line with RBI regulation and guidelines.

(viii) Other Inflows and outflows in the LCR calculation that are not captured in the template but which the bank considers relevant for its liquidity profile

Inflows and outflows are comprehensively captured in LCR template

7. Employee Stock Option Scheme (ESOS)

The shareholders of the Bank in the 92nd Annual General meeting of the Bank held on 23.09.2013 accorded sanction to frame and implement the Employees Stock Option Scheme and grant/issue options to eligible present and future employees of the Bank, such that the offer, issue and allotment of such shares pursuant to the option shall not exceed 5% of issued equity shares of the Bank from time to time. Accordingly, the Bank formulated a stock option scheme called `CSB Employees Stock Option Scheme 2013_( `ESOS 2013_ or `Scheme_)as per Board resolution dated April 8, 2014 and the same has been approved by shareholders vide postal ballot on August 18, 2014.The ESOS is equity settled where the employees will receive one equity share per option. The period of vesting shall range from a minimum of three years from the date of Grant and normally shall not exceed a maximum of five years (`Vesting Period_), unless the Remuneration & Compensation Committee decides for a longer/ shorter vesting period, subject to applicable laws. The Committee may, at its sole discretion, decide the proportion of shares, which shall vest each year during the vesting period ( `Vesting Schedule_).The Stock option granted to employees vest over the period as decided by the Remuneration & Compensation Committee. The Exercise Period for the relevant Grant shall be a period commencing from the relevant Vesting Date for the respective tranche and shall end with the expiry of 10years from the relevant Grant Date or such other period as may be decided by the Committee for each Grant.

Stock option activity under the scheme during the year ended 31.03.2017 has been as follows:

Outstanding at the beginning of the year	820000
Granted during the year	Nil
Forfeited during the year	490000
Exercised during the year	Nil
Outstanding at the end of the year	330000
Options exercisable at the end of the year	110032

Options outstanding at the beginning of the year carry an exercise price of ₹147.25
Under intrinsic value method, since exercise price of the stock options granted under the ESOS is more than the underlying value of the shares, it has not resulted in any charge to the Profit and Loss Account for the year. If the bank had adopted the Black-Scholes model based fair valuation, staff cost and profit before tax for the year ended 31.03.2017 would have been lower by ₹9.5 Million .

The fair value of options granted during the period has been estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

Average Dividend Yield	0%
Expected Volatility	31.81%
Risk free interest rate	6.40%
Expected life of options	10 years
Expected forfeiture	Nil

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of returns on the shares over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in CNX Bank Nifty over the last 10 years.

Impact of fair value method on net profit and EPS

Particulars	12 months ended 31.03.2017
Net Profit (Loss) as reported (₹ in Million)	(579.9)
Proforma Net Profit (Loss) based on fair value approach (₹ in Million)	(589.4)
Basic/Diluted EPS as reported (₹)	(7.66)
Basic/Diluted EPS (Proforma) (₹)	(7.79)

8. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

9. Provision for Long Term Contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the bank has reviewed and recorded adequate provision as required under any Law/Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

10. Disclosure for frauds

(Amount in Million)

No of frauds reported during FY 2016-17	50
Amount involved in such frauds	205.1
Balance outstanding as on 31.03.2017	194.7
Quantum of provision made by debiting P&L (including provision made during the previous year ¯)	194.7
Unamortised provision debited from General Reserve	0.0

11. Details of Priority Sector Lending Certificate Purchased & Sold during the year

(Amount in Million)

Scheme Type	PSLC General
PSLCs purchased during the year	Nil
PSLCs sold during the year	5650.0
Net PSLCs outstanding as on 31.03.2017	(5650.0)

12. Comparative Figures

The previous year˘s figures have been regrouped and recast wherever necessary to conform to current year˘s classification.

OTHER FINANCIAL INFORMATION

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Other Explanatory Information forming part of Restated Financial Information

Annexure 1	Summary Statement of Contingent Liabilities
Annexure 2	Notes to adjustments carried out in Restated Statement of Profit & Loss and Assets & Liabilities
Annexure 3	Reconciliation of Audited Profit & Loss with Restated Profit & Loss
Annexure 4	Reconciliation of Audited profit available for appropriation with restated profits available for appropriation
Annexure 5	Adjustments not carried out in Restated Statement of Profit & Loss and Assets & Liabilities
Annexure 6	Statement of Share Capital
Annexure 7	Statement of Reserves and Surplus
Annexure 8	Summary of Accounting Ratios as restated.
Annexure 9	Capitalization Statement as at September 30, 2019
Annexure 10	Statement of Tax Shelter
Annexure 11	Statement of Borrowings
Annexure 12	Statement of Cash and Balances with RBI
Annexure 13	Statement of Balance with Bank and Money at Call and Short Notice
Annexure 14	Statement of Fixed Assets
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Annexure 16	Statement of Net Investments.
Annexure 17	Statement of Other Liabilities and Provisions
Annexure 18	Statement of Other Income
Annexure 19	Statement of Advances (Net)

The above statements form part of "Other Explanatory Information" referred to in our Examination report of even date on Restated Financial Statements of the Bank.

Annexure 1

Statement of Contingent Liabilities

(₹ in Million)

S. NO.	PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
	Contingent Liabilities				
1	Claims against the Bank not acknowledged as debt	393.77	402.38	371.75	387.86
2	Liability on account of outstanding forward exchange contracts	3,654.83	3,430.74	2,891.66	3,567.94
3	Guarantees given on behalf of constituents:				
	In India	2,546.84	2,140.99	2,094.34	2,271.68
	Outside India	-	-	-	-
4	Acceptance, Endorsement & other obligations	580.64	434.83	489.89	276.40
5	Other Items for which the Bank is contingently liable	619.02	676.58	729.93	766.24
	TOTAL	**7,795.10**	**7,085.52**	**6,577.57**	**7,270.12**
	Bills for collection	**818.08**	**822.51**	**713.61**	**666.22**

NOTES TO ADJUSTMENTS CARRIED OUT IN THE STATEMENT OF PROFIT & LOSS AND ASSETS & LIABILITIES

1. BASIS OF PREPARATION

The Restated financial statements

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the half year ended September 30, 2019 and

(b) have been prepared in accordance with the Banking Regulations Act, ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019).

2. ADJUSTMENTS CARRIED OUT IN THE STATEMENT OF PROFIT & LOSS AND BALANCE SHEET

1. Higher Provisioning on Non-Performing Advances:

Bank as a prudential measure decided to accelerate the provision for NPA over and above the provision requirements as per RBI guidelines. Accordingly, the accounting policy on provision for NPA was changed with effect from 01.04.2018. The financial results for the year ended 31.03.2017 and 31.03.2018 have been restated for the above change in accounting policy along with its corresponding effect on advances.

2. Higher Provisioning for Frauds:

As per RBI Circular DBR. No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016, in respect of provisioning pertaining to frauds, bank has the option to make the provisions over a period, not exceeding four quarters commencing from the quarter in which the fraud has been detected and debit other reserves in respect of amount remaining unprovided at the end of the financial year. However, as a prudential measure, Bank had opted to charge the entire amount of such provisioning required to profit & loss account. The financial results for the year ended 31.03.2017 and 31.03.2018 have been restated for the above change in accounting policy along with its corresponding effect on Reserves and other liabilities.

3. Higher provisioning on Security Receipts:

Bank as a prudential measure decided to ignore the appreciation in the value of Security Receipts held by the bank though netting of appreciation against depreciation on Security Receipts is permitted as per RBI guidelines. Accordingly, the accounting policy on depreciation on investments was changed with effect from 01.04.2018. The financial results for the year ended 31.03.2017 and 31.03.2018 have been restated for the above change in accounting policy along with its corresponding effect on investments.

Annexure 3

(₹ in Millions)

Table reflecting reconciliation of Audited Profit with Restated Profit and Loss

Particulars	**FINANCIAL YEAR ENDED 31ST MARCH**			**HALF YEAR ENDED**
	2017	**2018**	**2019**	**30.09.2019**
Net Profit after tax as per audited financial statements	**15.54**	**(974.69)**	**(1,974.19)**	**442.72**
Increase / (decrease) in profit as a result of adjustment for:				
Adjustment due to increase/decrease in provision for NPA	(527.22)	(343.50)	1,525.03	-
Adjustment due to change in SR valuation	(323.35)	16.76	306.59	-
Adjustment change in fraud recognition	(64.72)	(128.54)	193.25	-
Provision for deferred taxes on account of restatement of financial statements	319.84	159.09	(707.57)	-
Adjusted / Restated Net profit after tax	**(579.91)**	**(1,270.88)**	**(656.89)**	**442.72**

Annexure 4

(₹ in Millions)

Table reflecting reconciliation of Audited profits available for appropriation with Restated profits available for appropriation.

Particulars	**FINANCIAL YEAR ENDED 31ST MARCH**			**HALF YEAR ENDED**
	2017	**2018**	**2019**	**30.09.2019**
Opening Accumulated Profit available for appropriation as per audited financial statements	(2,190.70)	(2,190.70)	(3,165.39)	(5,139.59)
Increase / (decrease) in Opening Accumulated Profit on account of policy change of NPA provisioning, fraud recognition, SR valuation	(425.67)	(1,021.12)	(1,317.31)	-
Add : current year profit available for appropriation as per Audited Balance sheet	15.54	(974.69)	(1,974.19)	442.72
Increase / decrease in provisions and appropriations as a result of adjustments for -				
Transfer to Statutory Reserves and Capital Reserves	(15.54)			-
NPA Provision	(527.22)	(343.50)	1,525.03	-
Fraud recognition	(64.72)	(128.54)	193.25	-
SR valuation	(323.35)	16.76	306.59	-
Provision for deferred taxes on account of restatement of financial statements as per current practice in r/o tax provisions.	319.84	159.09	(707.57)	-
Adjusted / Restated balance of Accumulated Profit available for appropriation	**(3,211.82)**	**(4,482.70)**	**(5,139.59)**	**(4,696.87)**

Adjustments not carried out in the Statement of Restated Profit & Loss Account and Statement of Assets and Liabilities

1. Various guidelines / circulars / instructions and directions have been issued by The Reserve Bank of India from time to time. Such guidelines / circulars / instructions have prescribed the effective date, method of compliance, reporting, provisioning norms, disclosures etc. These being mandatory and statutory in nature, have been given effect to in the financial statements as prescribed / directed from the date of its applicability.

2. In accordance with the SEBI (ICDR) Regulations, 2018 changes in estimates has not been restated, as they are events of that corresponding year.

Annexure 6

Statement of Share Capital

(₹ in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
Authorized Capital :				
20,00,00,000 Equity shares of ₹ 10/- each (₹)	1,200.00*	2,000.00	2,000.00	2,000.00
Issued and Subscribed Capital				
Equity shares of ₹ 10/- each (₹)	809.62	809.62	1,007.94	1,722.25
Equity shares of ₹ 10/- each (Nos)	80.96	80.96	100.79	172.23
Called-up Capital				
Equity shares of ₹ 10/- each (₹)	809.62	809.62	859.20	1,722.25
Equity shares of ₹10/- each (Nos)	80.96	80.96	100.79	172.23
Less: Calls in arrears				
Less : Called up but not due				
Add : Forfeited Shares	0.52	0.52	0.52	0.52
Share Capital	**810.14**	**810.14**	**859.72**	**1722.77**
Share Warrants	-	-	**6513.41**	**-**

* 12, 00, 00,000 Equity shares of ₹ 10/- each (₹)

Annexure 7

Statement of Reserves and Surplus

(₹ in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
I Statutory Reserves				
Opening balance	1463.68	1467.56	1467.56	1467.56
Additions during the year	3.88	0.00	0.00	0.00
Deductions during the year	0.00	0.00	0.00	0.00
Total	**1467.56**	**1467.56**	**1467.56**	**1467.56**
II Capital Reserves				
Opening balance	705.65	717.31	717.31	717.31
Additions during the year	11.66	0.00	0.00	3.18
Deductions during the year	0.00	0.00	0.00	0.00
Total	**717.31**	**717.31**	**717.31**	**720.49**
III Revaluation Reserves				
Opening balance	1657.81	1639.59	1594.67	1578.25
Additions during the year	0.00	0.00	0.00	0.00
Deductions during the year	18.22	44.92	16.42	7.12
Total	**1639.59**	**1594.67**	**1578.25**	**1571.13**
IV Share Premium				
Opening balance	5452.82	6475.08	6475.08	7119.63
Additions during the year	1022.26	0.00	644.55	10569.64
Deductions during the year	0.00	0.00	0.00	0.00
Total	**6475.08**	**6475.08**	**7119.63**	**17689.27**
V Revenue and other Reserves				
Opening balance	1121.07	1139.30	1184.22	1200.64
Additions during the year	18.23	44.92	16.42	7.12
Deductions during the year	0.00	0.00	0.00	
Total	**1139.30**	**1184.22**	**1200.64**	**1207.76**
VI Balance in Profit and Loss Account	(3211.82)	(4482.70)	(5139.59)	(4696.87)
SUB TOTAL	**8227.02**	**6956.14**	**6943.80**	**17959.34**
Less: Revaluation Reserve	1639.59	1594.67	1578.25	1571.13
Less: Intangible Assets and Deferred Tax Asset	1936.11	2635.18	2998.73	2751.07
TOTAL	**4651.32**	**2726.29**	**2366.82**	**13637.14**

Summary of Accounting Ratios as Restated

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
Earnings per share (Basic) (₹)[1]	(7.66)	(15.70)	(7.90)	3.86*
Earnings per share (Diluted) (₹)[1]	(7.66)	(15.70)	(7.90)	3.86*
Return on net worth % [2]	(10.62)	(35.94)	(6.74)	2.88*
Net asset value per equity share (₹) [3]	67.46	43.68	73.54	89.19
EBITDA[4]	1716.96	949.63	349.62	1135.76
Weighted average number of equity shares outstanding during the year / period (₹ in Million)[5]	75.71	80.96	83.19	114.68
Net worth (₹ in Million)[6]	5461.46	3536.43	9739.95	15359.91
Total number of shares/warrants (based on paid up value) outstanding (₹ in Million) [7]	80.96	80.96	132.44	172.23

1. The ratios have been computed as below:
   Earnings per share (Rs) = Net profit or (Net loss) available to equity shareholders (after extra-ordinary items) / Weighted average number of equity shares outstanding during the year/period

   Earnings per share calculations are done in accordance with Accounting Standard 20 ―Earnings per Share notified under ―Companies (Accounting Standards) Rules, 2006

2. Return on net worth (%) = Net profit or (Net loss) after tax (after extra- ordinary items) / Net worth excluding revaluation reserve, Deferred Tax Asset and intangible assets at the end of the year or period .

3. Net asset value per equity share = Net Worth / Total No. of shares/warrants (based on paid up value)

4. EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization Margin

5. Weighted average number of equity shares = Number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares bought back or issued during the period multiplied by the time-weighting factor.

6. As per Summary Statement of Assets and Liabilities as restated for the years 31.03.2017, 31.03.2018, 31.03.2019 and for the half year ended 30.09.2019.

7. Including warrants compulsory convertible into equity shares to the extent of paid up value.

*Not Annualized

Annexure 9

Capitalisation Statement as Restated

(₹ in Million)

PARTICULARS	**Pre Issue (As on 30.09.2019)**	**Post Issue**
Short Term Debt	0.00	[●]
Long Term Debt	0.00	[●]
Total Debt	**0.00**	[●]
Share Holders' Funds		
Share Capital	1722.77	[●]
Share Warrants	0.00	[●]
Reserves & Surplus $	13637.13	[●]
Total Shareholders' fund	**15359.90**	[●]
Long Term Debt / Share Holder Funds	0 : 1	[●]
Total Debt / Share Holder Funds	0 : 1	[●]

$ Reserves & Surplus are arrived at after excluding the Revaluation Reserve & Deferred Tax Assets / Deferred Revenue Expenditure.

Annexure 10

Statement of Tax Shelter
As per Income Tax Return

(₹ in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	**2018**	**2019**	**30.09.2019**
Net Profit before Tax as per Audited Statements (A)	-89.13	-1493.65	-3000.95	689.33
Normal Applicable Tax Rates (%) (B)	34.61	34.94	34.94	34.94
Tax as per actual rate on profits (C=A*B)	0.00	0.00	0.00	240.88
ADJUSTMENTS				
Permanent Difference				
Share issue expenses	0.00	0.00	-8.78	-9.30
RBI penalty	0.00	-0.02	0.00	0.00
Total permanent difference (D)	**0.00**	**-0.02**	**-8.78**	**-9.30**
Timing Difference				
i) Difference between Tax and Book Depreciation	-21.07	-31.61	-4.45	-23.09
ii) Provision for Bad and doubtful debts/Bad debts written off	-396.58	-1749.33	490.21	1655.70
iii) Provision for leave benefits	-15.52	21.72	-57.62	53.74
iv) Provision for Standard /restructured Assets	85.09	7.21	-131.33	-20.73
v) Others	-35.56	11.20	-30.21	-6.93
Total timing difference (E)	**-383.64**	**-1740.81**	**266.59**	**1659.23**
Total Adjustments (F=D+E)	**-383.64**	**-1740.83**	**257.81**	**1649.93**
Tax Saving thereon (G=F*B/100)	-132.77	-608.32	90.09	576.55
Taxable Profit (H=A-F)	294.51	247.18	-3258.76	-960.60
Short Term Capital gain	0.00	34.64	0.92	0.00
Dividend Income	0.08	0.20	0.21	0.00
Income from House Property	0.16	0.09	0.17	0.00
Total Income (J)	**294.75**	**282.12**	**-3257.47**	**-960.60**
Carry Forward of Losses adjusted (K)	294.51	247.18	0.00	0.00
Carried Forward Unabsorbed Depreciation adjusted (L)	0.24	34.94	1.29	0.00
Net Taxable Profit (M=J-K-L)	0.00	0.00	0.00	0.00
Total tax as per return	0.00	0.00	0.00	0.00
Carried Forward Business losses	2537.12	2289.93	5387.82	6271.50
Carried Forward Unabsorbed Depreciation	341.02	306.08	465.66	542.58
Total Carried Forward loss and unabsorbed depreciation as per Return	2878.14	2596.02	5853.49	6814.08

Annexure 11

Statement of Borrowings

(₹ in Million)

Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
Subordinated Debt for Tier II Capital	418.00	418.00	-	-
Total	**418.00**	**418.00**	**-**	**-**

Annexure 12

Statement of Cash and Balances with RBI

(₹ in Million)

Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
Cash in hand(including foreign currency notes)	505.94	549.48	584.28	549.22
Balances with Reserve Bank of India				
[i] in Current Account	7,057.92	6,229.47	6,669.77	6,512.84
[ii] in Other Accounts	-	-	-	-
Total	**7,563.86**	**6,778.95**	**7,254.05**	**7,062.06**

Annexure 13

Statement of Balance with Bank and Money at Call and Short Notice

(₹ in Million)

Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
I. In India				
[i]Balances with banks				
(a) in Current Accounts	76.43	187.94	127.80	88.08
(b) in Other Deposit Accounts	500.00	0.00	0.25	0.25
	576.43	**187.94**	**128.05**	**88.33**
[ii]Money at call and short notice				
(a) with banks	0.00	0.00	0.00	0.00
(b) with other Institutions	3,780.00	4909.80	2250.00	0.00
	3,780.00	**4909.80**	**2250.00**	**0.00**
Total (i and ii)	**4,356.43**	**5097.74**	**2378.05**	**88.33**
II. Outside India				
(i) in Current Accounts	191.21	274.65	104.20	302.35
(ii) in Other Deposit Accounts	0.00	0.00	0.00	708.75
(iii) Money at call and short notice	0.00	0.00	0.00	0.00
Total	**191.21**	**274.65**	**104.20**	**1011.10**
Grand Total (I and II)	**4,547.64**	**5372.39**	**2482.25**	**1099.43**

Annexure 14

Statement of Fixed Assets

(₹ in Million)

Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
Premises				
At cost as on 31 st March of the preceding year	71.91	72.42	39.50	35.65
Appreciation on revaluation	1780.92	1780.92	1780.92	1780.92
Additions during the year	0.51	0.00	0.00	0.00
Deductions during the year	0.00	32.92	3.85	0.00
Depreciation to date	181.43	195.06	209.23	217.08
Total	**1671.91**	**1625.36**	**1607.34**	**1599.49**
Other Fixed Assets (including furniture and fixtures)				
At cost as on 31st March of the preceding year	1275.19	1360.16	1416.18	1496.04
Additions during the year	130.78	165.38	149.55	59.63
Deductions during the year	45.81	109.36	69.69	19.66
Depreciation to date	879.46	880.37	926.09	979.23
Total	**480.70**	**535.81**	**569.95**	**556.78**
Grand Total	**2,152.61**	**2161.17**	**2177.29**	**2156.27**

Annexure 15

Statement of Other Assets

(₹ in Million)

Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	**2018**	**2019**	**30.09.2019**
Interest accrued	891.79	706.69	819.49	942.47
Tax paid in advance/tax deducted at source	421.70	414.74	492.22	717.97
Stationery and stamps	12.06	19.02	21.91	20.75
Non-banking assets acquired in satisfaction of claims	309.01	300.50	296.77	297.64
Deposits placed with NABARD/SIDBI/NHB for meeting shortfall in Priority Sector Lending	5502.40	5848.16	5393.30	5160.48
Deferred tax asset	1832.22	2510.27	2841.43	2594.81
Others	743.05	783.12	904.38	1383.52
Total	**9712.23**	**10582.48**	**10769.50**	**11117.64**

Annexure 16

Statement of Investment (Net)

(₹ in Million)

Sl.No.	Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
		2017	2018	2019	30.09.2019
A	**Investments (Quoted)**	**Book Value**	**Book Value**	**Book Value**	
	SLR Securities				
1	GOI Treasury bills	20,009.37	0.00	1,504.06	277.71
2	GOI Securities(Dated)	24,887.24	22,612.40	21,746.33	25,734.21
3	State Govt. Securities(Dated)	5,664.53	11,316.97	10,434.94	10,348.06
	Non SLR Securities				
1	PSU Bonds	300.14	558.06	1,002.43	457.98
2	Bank Certificate of Deposits	2,374.41	2,888.13	2,328.49	2,669.68
3	Share	18.21	26.87	26.87	26.87
4	All others (Bonds, Commercial Paper)	1,220.13	1,194.99	1,787.71	2,311.48
	Total (A)	**54,474.03**	**38,597.42**	**38,830.83**	**41,825.99**
B	**Investments(Unquoted)**				
	Non SLR Securities				
1	PSU Bonds	509.20	332.90	156.60	156.60
2	Securities issued by ARC'S	2,767.38	2,678.71	2,110.21	1,969.27
3	Share	20.49	20.49	20.49	20.49
	Total (B)	**3,297.07**	**3,032.10**	**2,287.30**	**2,146.36**
	Total Gross Investment (A+B)	**57,771.10**	**41,629.52**	**41,118.14**	**43,972.35**
	Less: Prov. For Dep on Investment	479.29	796.60	842.02	831.32
	Total Net Investment	**57,291.81**	**40,832.92**	**40,276.12**	**43,141.03**
	Market Value of Investments	**Financial Year ended 31st March**			
C	**Investment (Quoted)**	**2017**	**2018**	**2019**	
	SLR Securities				
1	Treasury Bills	20,009.37	0.00	1,504.06	278.06
2	Central Govt. Securities	23,715.14	20,874.21	20,336.33	25,156.05
3	State Govt. Securities	5,738.14	10,962.94	10,244.15	10,416.39
	Non SLR Securities				
1	PSU Bonds	311.57	556.63	1,002.75	460.74
2	Bank Certificate of Deposits	2,374.41	2,888.13	2,328.49	2,671.05
3	Share	5.06	10.56	4.54	2.57
4	All others (Bonds, CP)	1,257.73	1,212.86	1,789.56	2,385.49
	Total (C)	**53,411.42**	**36,505.33**	**37,209.88**	**41,370.34**
D	**Investments(Unquoted)**				
	Non SLR Securities				
1	PSU Bonds	504.12	328.56	155.79	153.62
2	Securities issued by ARC'S	2,628.49	2,314.15	1,507.16	1,363.61
3	Share	23.40	29.93	38.83	51.01
	Total (D)	**3,156.01**	**2,672.64**	**1,701.78**	**1,568.24**
	Total Market Value (C+D)	**56,567.43**	**39,177.97**	**38,911.66**	**42,938.59**

Annexure 17

Statement of Other Liabilities and Provisions

(₹ in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	2018	2019	30.09.2019
I. Bills payable	130.51	183.44	155.30	111.52
II. Inter-office adjustments (net)	113.21	74.30	120.36	50.95
III. Interest accrued	632.52	646.16	677.14	735.93
IV. Contingent provisions against standard assets	346.37	343.21	472.40	492.84
IV. Others	1,482.56	1,238.59	2,130.72	1,383.23
Total	**2,705.17**	**2,485.70**	**3,555.92**	**2,774.47**

Annexure 18

Statement of Other Income

(₹ in Million)

PARTICULARS	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
Source Of Income	**2017**	**2018**	**2019**	**30.09.2019**
Commission, Exchange & Brokerage	204.93	233.55	272.42	137.09
Profit on sale of Investments (Net)	1959.06	27.25	80.06	129.58
Profit on sale of Land, Buildings & other Assets	-2.76	15.27	-7.52	-3.73
Profit on Exchange Transactions	93.42	88.05	70.47	37.30
Miscellaneous Income	557.36	890.08	943.75	543.92
Total	**2812.01**	**1254.20**	**1359.18**	**1359.18**
Break up of Miscellaneous Income				
Bad debts written off Recovered	56.22	269.18	307.70	226.00
Locker Rent Received	39.26	40.47	41.10	19.97
Rent Received (On building only)	0.23	0.15	0.27	0.09
Lease Rental Income	0.00	0.00	0.00	0.00
Processing Fee	193.26	184.38	205.22	108.73
Incidental Charges	0.27	0.00	0.08	0.00
Folio and Service Charges	19.76	50.63	46.74	20.88
Other charges	248.36	345.27	342.64	168.25
Total	**557.36**	**890.08**	**943.75**	**543.92**

Annexure 19

Statement of Advance (Net)

(₹ in Million)

Particulars	FINANCIAL YEAR ENDED 31ST MARCH			HALF YEAR ENDED
	2017	**2018**	**2019**	**30.09.2019**
A [i] Bills Purchased & discounted	5,791.56	7,755.92	8,233.32	8,707.32
[ii] Cash Credit, Overdraft and demand Loans	49,988.06	49,812.33	57,383.07	62,045.28
[iii] Term Loans	24,228.18	34,280.28	40,535.98	42,225.75
TOTAL	**80,007.80**	**91,848.53**	**1,06,152.37**	**1,12,978.35**
B [i] Secured by tangible assets (Includes advances against book debts)	70,514.76	79,549.36	92,713.35	98,901.41
[ii] Covered by Bank / Government guarantees	5,879.24	9,386.37	9,735.11	8,454.42
[iii] Unsecured	3,613.80	2,912.80	3,703.91	5,622.52
TOTAL	**80,007.80**	**91,848.53**	**1,06,152.37**	**1,12,978.35**
C. I. Advances in India				
[i] Priority sector	36,489.85	35,328.74	36,271.03	37,960.29
[ii] Public sector	404.49	336.14	273.31	241.92
[iii] Banks	503.32	681.38	343.82	48.18
[iv] Others	42,610.14	55,502.27	69,264.21	74,727.96
TOTAL	**80,007.80**	**91,848.53**	**1,06,152.37**	**1,12,978.35**
II. Advances outside India	-	-	-	-
GRAND TOTAL (C.I and II)	**80,007.80**	**91,848.53**	**1,06,152.37**	**1,12,978.35**

CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization as on September 30, 2019, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 403, 237 and 23, respectively.

(***₹ in million***)

Particulars	Pre-Offer (As on September 30, 2019)	Post-Offer
Short Term Debt	0.00	0.00
Long Term Debt	0.00	0.00
Total Debt	**0.00**	**0.00**
Share Capital	1,722.77	1,735.08
Share Warrants	0.00	0.00
Reserves & Surplus[$]	13,637.14	13,864.83
Total Shareholders' Fund	**15,359.91**	**15,599.91**
Long Term Debt /Share Holders Fund	0 : 1	0 : 1
Total Debt /Share Holders Fund	0 : 1	0 : 1

[$]*Reserves & Surplus are arrived at after excluding the Revaluation Reserve & Deferred Tax Assets / Deferred Revenue Expenditure.*

FINANCIAL INDEBTEDNESS

As on September 30, 2019, our Bank has unsecured borrowings in the nature of non-convertible debentures amounting to ₹1.40 million.

Pursuant to a resolution passed by the Board at its meeting held on November 3, 1999, our Board has been authorised to issue and allot unsecured, redeemable, non-convertible, subordinated deep discount bonds in the nature of debentures for an aggregate issue price of ₹ 8.4 million, at a price of ₹ 150 per bond ("**Deep Discount Bonds**"), subject to compliance with the guidelines issued by the RBI and other applicable laws. The Deep Discount Bonds were issued on a private placement basis.

Set forth is a brief description of the Deep Discount Bonds issued by our Bank as on September 30, 2019:

(*All amounts in ₹million except percentages*)

Sl. No.	Nature of borrowing	Date of allotment	Deemed date of allotment	Amount issued	Amount outstanding as on September 30, 2019	Date of Maturity/ Redemption	Coupon (%)
Deep Discount Bonds*							
1.	Deep Discount Bonds due in December, 2028	January 12, 2000	December 1, 1999	0.37	0.36	December 1, 2028	12.93[(1)]
2.	Deep Discount Bonds due in January, 2029	January 31, 2000	January 3, 2000	0.48	0.46	January 3, 2029	12.93[(1)]
3.	Deep Discount Bonds due in April 2029	May 11, 2000	April 3, 2000	0.60	0.58	April 3, 2029	12.93[(1)]
Total				**1.45**	**1.40**		

[(1)]*The effective annual rate of return on these instruments is 13.57%.*

***Deep Discount Bonds of ₹ 1.4 million are accounted under "Other liabilities and provisions" in the financial statements of our Bank, and accordingly, the Deep Discount Bonds do not form part of borrowings under the financial statements.*

For details on the borrowing powers of our Bank, see "*Our Management*" beginning on page 206. For details on outstanding borrowing amounts of our Bank for the last three Fiscals, see "*Financial Statements*" beginning on page 237.

Some of the conditions relating to the Deep Discount Bonds issued by our Bank are as follows:

1. ***Tenor & redemption:*** The Deep Discount Bonds are redeemable at the expiry of 29 years from the deemed date of allotment and the amount payable on redemption is ₹ 6,000 per bond (subject to TDS at applicable rates) applying a yield of 12.93% (quarterly compounded) to the issue price till the date of redemption.

2. ***Redemption on maturity:*** The Deep Discount Bonds do not carry any obligation, for interest or otherwise, after the date of redemption.

3. ***Rights of the bondholders:*** The bond holders are not entitled to any rights and privileges of Shareholders, other than those available to them under the applicable laws.

4. ***Modification of rights:*** The rights, privileges, terms and conditions attached to the Deep Discount Bonds may be varied, modified or abrogated with the written consent of those bond holders who hold at least three fourth of the outstanding amount of these bonds or with the sanction accorded pursuant to a resolution passed at the meeting of the bond holders. However, nothing in such consent or resolution shall be operative against our Bank where such consent or resolution modifies or varies the terms and conditions of the Deep Discount Bond, if the same are not acceptable to our Bank.

5. ***Future borrowings:*** Our Bank is entitled to borrow or raise loans or avail finance in whatever form and issue bonds, debentures, other securities in any manner having such ranking in priority, *pari passu* or

otherwise, and change the capital structure, including issue of shares of any class, according to such terms and conditions as our Bank may think appropriate, without the consent of or intimation to the debenture holders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information for each of Fiscals 2017, 2018 and 2019, and as of and for the six month period ended September 30, 2019, including the notes thereto and the report thereon, which appear elsewhere in this Prospectus. You should also read the section titled "Risk Factors" beginning on page 23, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Bank, unless otherwise stated, is based on Restated Financial Information.

Our Restated Financial Information, which are included in this Prospectus under "Financial Statements" have been prepared in accordance with Indian GAAP and SEBI ICDR Regulations. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our Restated Financial Information to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and US GAAP or IFRS as applied to our Restated Financial Information. Accordingly, the degree to which the financial statements in this Prospectus will provide meaningful information to a prospective investor in countries other than India depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our fiscal year ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please refer to section titled "Certain Conventions, Presentation of Financials, Industry and Market Data" beginning on page 15.

This discussion contains forward-looking statements and reflects our current plans and expectations. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed in sections titled "Forward-Looking Statements", "Risk Factors" and "Our Business" beginning on pages 17, 23 and 141, respectively.

Overview

We are one of the oldest private sector banks in India with a history of over 98 years and have a strong base in Kerala along with significant presence in Tamil Nadu, Karnataka, and Maharashtra. We offer a wide range of products and services to our overall customer base of 1.3 million as on September 30, 2019, with particular focus on SME, Retail, and NRI customers. We deliver our products and services through multiple channels, including 412 branches (excluding three service branches and three asset recovery branches) and 290 ATMs spread across 16 states and four union territories as on September 30, 2019, and various alternate channels such as micro ATMs, debit cards, internet banking, mobile banking, point of sale services and UPI. We believe with our focus on quality of service and nurturing long term relationship with our customers, we have developed a well-recognized and trusted brand in south India, particularly in the states of Kerala and Tamil Nadu.

While our Bank has a long operating history as a traditional bank, we are currently focusing on implementation of strategic changes in our business model to function efficiently as a full service new age private sector bank backed by our new marquee investor - FIHM, our Promoter. To this end, we are re-aligning our organizational set-up for efficiently driving our operations and business strategy, wherein branches will be responsible only for deposits, cross-selling and customer servicing and all loan products will be driven by dedicated teams, with each business team operating as a profit centre. We are in the process of rebranding ourselves to "CSB Bank Limited" to address region and community related perceptional issues associated with our previous brand name. We are engaged in lateral hiring along with hiring of new recruits by offering market based compensation with a performance linked variable pay component, including employee stock option plans, which will align our employees' interest with the performance of our Bank. In Fiscal 2019, we have also introduced a mechanism for review of performance by a special committee of all officer employees of our Bank on completion of 50 years of age, and thereafter on yearly basis after 53 years of age. Further, our Bank may on review by special committee, in its discretion, retire an officer employee any time after completion of 50 years of age and continuance in service up to age of 58 years is subject to

suitable service performance. We have also relocated our staff department and credit hub to Chennai, which we believe, will attract best talent and improve our productivity. We are also adopting a partnership based approach for sourcing business for certain products and for select operational functions instead of developing in-house capabilities for each function, which will help us to scale up in a more efficient manner. We are also expanding our products suite, services, and digital banking platform, with investments in technology aimed at improving our customers' experience, making it easier for them to interact with us, and offering them a range of products tailored to their financial needs.

We have four principal business areas, namely, (a) SME banking, (b) retail banking, (c) wholesale banking, and (d) treasury operations.

Under our SME banking business, we cater to financial institutions, agriculture and allied businesses, and vendors and dealers of corporates. We offer a wide range of products including term loans, working capital loans, invoice/bill discounting, letters of credit and bank guarantees. We believe that lending to SME customers enables us to diversify our credit risk due to relatively smaller individual exposures. SME business compared to other businesses offers higher yields, cross-selling, and associated business opportunities. All of our SME loans are given based on our assessment of borrowers' business, cash-flows, repayment capacity and are further secured with significant tangible security. Our agriculture finance portfolio helps us to meet our priority sector lending obligations, where we are required to lend 40% of our ANBC or credit equivalent amount of off balance sheet exposure, whichever is higher, towards priority sectors, out of which 18% of our ANBC or credit equivalent amount of off balance sheet exposure, whichever is higher, is required to be directed towards agriculture. As on September 30, 2019, our Bank had 412 branches (excluding three service branches and three asset recovery branches) in metro, urban, semi urban, and rural locations, which we believe are conveniently located in close proximity to a large proportion of our existing and target SME customer base. As a percentage of our total advances, loans to SME customers accounted for 43%, 37%, 32% and 29.47% as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. The SME loan book of our Bank has increased from ₹ 35,384 million as on March 31, 2017 to ₹ 35,989 million as on March 31, 2018 and decreased to ₹ 34,733 million as on March 31, 2019. Further, as on September 30, 2019, the SME loan book of our Bank was ₹ 33,605 million. We believe that the SME growth was impacted due to our cautious lending approach in difficult macro environment post demonetization and GST implementation and our focus was on low risk weighted products due to capital constraint and improving quality of SME exposures by lending to SMEs with higher credit rating.

Under our retail banking business, we offer a wide range of loan and deposit products to our retail and NRI customers. Our retail lending products include gold loans, vehicle loans including two wheeler loans, loans against properties, personal loans, housing loans, agricultural loans, and education loans. Our deposit products include current accounts, savings accounts, fixed deposits, recurring deposits, and corporate salary accounts. Our retail loans (including gold loans) constituted approximately 44%, 42%, and 45% and 46.23% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. Our Gold loans advances (including agriculture gold loans) have increased from ₹ 20,263 million as on March 31, 2017 to ₹ 33,331 million as on March 31, 2019 growing at CAGR of 28.3%. Further, our gold loans advances (including agriculture gold loans) as on September 30, 2019 was ₹ 37,818 million. Gold loan advances constituted 24%, 26%, 31% and 33.17% of our total advances as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively, and thus, remain a mainstay product for our Bank on the retail advances side. On the deposits side, CASA banking business constituted 24.78%, 27.03%, and 27.84% of our total deposits as on March 31, 2017, March 31, 2018, and March 31, 2019, respectively, and has grown at a CAGR of 7% during the last three Fiscals. Further, our CASA banking business constituted 28.19% of our total deposits as on September 30, 2019. As of March 31, 2019, our CASA ratio was standing at 27.84% and our retail deposits constituted 93.73% of our total term deposits, and these deposits have consistently exhibited renewal patterns of above 90%. Further, as of September 30, 2019, our CASA ratio was standing at 28.19% and our retail deposits constituted 92.93% of our total term deposits, and these deposits have consistently exhibited renewal patterns of above 97.86%. Further, NRI deposits have been a stable source of funding for our Bank constituting 23.98%, 25.74%, and 24.87% of our total deposits as on March 31, 2017, March 31, 2018, and March 31, 2019, respectively, and have grown at a CAGR of 3% during the last three Fiscals. Our NRI deposits constituted 24.59% of our total deposits as on September 30, 2019. For facilitating fund transfer services required by our NRI customers, we have remittance and rupee drawing arrangements with major exchange houses in the Middle East and also have tie ups with major money transfer agents, which enhances our capability to provide inward remittance services to our customers and strengthens our NRI business.

Under our wholesale banking business, we cater to large and mid-size corporates and other business entities (with credit requirement of ₹ 250 million and above). As a percentage of our total gross advances, wholesale banking advances accounted for 13%, 21%, 23% and 24.30% as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively.

Our treasury operations primarily consist of statutory reserves management, asset liability management, liquidity management, investment and trading of securities, and money market and foreign exchange activities. Our treasury operations are aimed at maintaining an optimum level of liquidity, while complying with the RBI mandated CRR and SLR. We maintain SLR through a portfolio of dated securities and treasury bills of the Government of India, state development loans, and other securities as may be permitted by the RBI from time to time, which we actively manage to optimize yield and benefit from price movements. We are also involved in the trading of securities and foreign exchange, and investment in sovereign debt instruments, commercial papers, mutual funds, certificates of deposits, bonds, and debentures to manage short-term surplus liquidity and to further optimize yield and generate profits thereon. The profits generated from the sale of investments (net) were ₹ 1,959.06 million, ₹ 27.25 million, ₹ 80.06 million and ₹ 129.58 million as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively.

We also distribute life insurance products of Edelweiss Tokio Life Insurance Company Limited, HDFC Life Insurance Company, and ICICI Prudential Life Insurance Company Limited, and general insurance products of ICICI Lombard General Insurance Company Limited and Reliance General Insurance Company Limited under contractual arrangements entered into with them, which increases our product portfolio and helps us to generate fee income. Our income from bancassurance was ₹ 51 million, ₹ 69 million, and ₹ 96 million for Fiscals 2017, 2018, and 2019, respectively and has grown at a CAGR of 37% during the last three Fiscals. Further, our income from bancassurance was ₹ 46.5 million as on September 30, 2019.

As on September 30, 2019, we had a network of 412 branches (excluding three service and three asset recovery branches) and 290 ATMs. Out of these 412 branches, 64 branches are in metropolitan areas, 86 branches are in urban areas, 220 branches are in semi-urban areas, and 42 branches are in rural areas. We have wide presence in India, with 267, 56, 30, 17, and 42 of these 412 branches located in the states of Kerala, Tamil Nadu, Maharashtra, Karnataka, and others, respectively. Further, as on September 30, 2019, we had organized all our branches under eight zonal offices.

In recent years, our growth was constrained by low capital adequacy and higher operating costs, which adversely impacted our financial performance. However, in last three Fiscals from Fiscal 2017 to Fiscal 2019, our Bank has improved its growth by focusing on better yield loan products with low risk and therefore, the surplus funds parked in investments were re-deployed to advances with particular focus on gold loans and corporate advances to entities with high credit ratings which have low risk weights to minimize capital consumption. We also launched new retail products like two wheeler finance in Fiscal 2019. Within deposits, we focused more on increasing CASA by deploying a dedicated team to mobilize CASA from institutional customers which helped us to reduce cost of deposits. Further we adopted a conscious strategy of repricing term deposits to manage its share in overall deposits given our low credit to deposit ratio in Fiscal 2017 and to further reduce cost of deposits. Further, we focused on upgrading technology platform to enhance customer servicing and experience by introducing various features like account portability, that is, flexibility for customizing account features, and upgradation of existing system for debit cards, addition of features like IMPS, E-Deposits, etc. for increasing ease in internet banking. We also focused on taking steps like up-skilling of existing employees by organizing training programmes to improve employee productivity and selective hiring of lateral talent along with hiring of new recruits in order to improve operating efficiency, we focused on rationalizing our branch infrastructure by closing down unprofitable branches and focused on increasing our reach via alternate channels such as ATMs, and digital channels, instead of additional branches. Further, we also started centralization and digitization of various operating processes to bring more efficiency. The revamped operating strategy resulted in revival of growth with gradual improvement in profitability despite our low capital adequacy and lead to turnaround in our core operating profit (profit before provisioning and tax, excluding profit on sale of investments) from ₹ -441.93 million in Fiscal 2017 to ₹ 53.52 million in Fiscal 2019. Our core operating profit (profit before provisioning and tax, excluding profit on sale of investments) was ₹ 906.15 million for the six month period ended September 30, 2019. The major performance highlights for the last three Fiscals and for the six month period ended September 30, 2019 are as follows:

Our total assets (gross) increased from ₹ 161,276 million as on March 31, 2017 to ₹ 169,112 million as on March 31, 2019. Further, our total assets (gross) were ₹ 177,555 million as on September 30, 2019.

On the deposits side, while our overall deposits grew at a slower pace from ₹ 149,116 million in Fiscal 2017 to ₹ 151,239 million in Fiscal 2019 due to our conscious strategy of reducing term deposits and focusing more on CASA, our CASA deposits increased from ₹ 36,946 million as on March 31, 2017 to ₹ 42,106 million as on March 31, 2019 and our CASA ratio improved from 24.78% in Fiscal 2017 to 27.84% in Fiscal 2019, leading to a significant reduction in our cost of deposits from 6.89% in Fiscal 2017 to 5.87% in Fiscal 2019.

Further, our overall deposits were ₹ 155,098 million for the six month period ended September 30, 2019. Our CASA deposits was ₹ 43,719 million as on September 30, 2019 and our CASA ratio was 28.19% for the six month period ended September 30, 2019, leading to a reduction in our cost of deposits to 5.91 % for the six month period ended September 30, 2019.

Our advances started growing again from Fiscal 2017. Our advances increased from ₹ 80,008 million in Fiscal 2017 to ₹ 106,152 million in Fiscal 2019. Further, our advances were ₹ 112,978 million for the six month period ended September 30, 2019. Our yield on advances decreased from 11.10% as on March 31, 2017 to 9.85% as on March 31, 2019. Further, our yield on advances was 10.22% as on September 30, 2019.

Our credit to deposit ratio increased from 53.65% in Fiscal 2017 to 70.19% in Fiscal 2019. Further, our credit to deposit ratio was 72.84% for the six month period ended September 30, 2019.

Our effective risk weight of standard advances decreased from 52.63% as on March 31, 2017 to 41.57% as on March 31, 2019. Further, our effective risk weight of standard advances was 39.97% as on September 30, 2019.

Our gross NPAs decreased to 4.87% as of March 31, 2019 from 7.25% as of March 31, 2017. Further, our gross NPAs was 2.86% as on September 30, 2019. The net NPAs decreased to 2.27% as of March 31, 2019 from 4.12% as of March 31, 2017. Further, our net NPAs was 1.96% as on September 30, 2019, while our provisioning coverage ratio was 65.50%, 75.83%, 78.16% and 79.45 % in respect of NPAs (including technical write-offs) as of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, respectively. We made total NPA provisioning of ₹ 6,871.1 million and total Write-offs including technical/prudential write offs of ₹ 4,437.9 million together amounting for ₹ 11,309 million from Fiscal 2017 to Fiscal 2019. The total NPA provisioning of the Bank was ₹ 556.3 million and total write-offs including technical/prudential write offs was ₹ 2,148.8 million, together amounting for ₹ 2,705.1 million for the six month period ended September 30, 2019. Our restated credit cost (total provisions other than tax divided by average total assets) was 1.57% in Fiscal 2017, 1.66% in Fiscal 2018 and declined to 0.65% in Fiscal 2019 led by provisioning & write offs in previous Fiscals in terms of our Restated Financial Information. Our restated credit cost was 0.38% (annualized) for the six month period ended September 30, 2019.

The net interest margin increased from 2.11% in Fiscal 2017 to 2.80% in Fiscal 2019 primarily on account of reduction in our cost of funds and increase in credit to deposit ratio. Further, our net interest margin was 3.43% for the six month period ended September 30, 2019. Our net interest income increased from ₹ 3,136.01 million in Fiscal 2017 to ₹ 4,399.55 million in Fiscal 2019. Further our net interest income was ₹ 2,795.20 million for the six month period ended September 30, 2019. Our non-interest income decreased from ₹ 2,812.01 million in Fiscal 2017 to ₹ 1,359.18 million in Fiscal 2019; however, excluding profit on sale of investments our non-interest income increased from ₹ 853 million in Fiscal 2017 to ₹ 1,279 million in Fiscal 2019. Our non-interest income was ₹ 844.15 million for the six month period ended September 30, 2019; however, excluding profit on sale of investments our non-interest income was ₹ 714.58 million for the six month period ended September 30, 2019.

Our cost to income ratio increased from 74.49% in Fiscal 2017 to 97.68% in Fiscal 2019. Further, cost to income ratio was 71.54% for the six month period ended September 30, 2019. However, excluding our treasury profits and extraordinary provision under AS15 of ₹ 873.2 million, cost to income ratio improved from 111% in Fiscal 2017 to 83.7% in Fiscal 2019.

Pursuant to a preferential allotment of Equity Shares and warrants to FIHM, we received ₹ 7,207.53 million in Fiscal 2019 and the balance amount of ₹ 4,869.29 million in second quarter of Fiscal 2020, which made us well capitalized

and improved our capital adequacy ratio (including capital conservation buffer), as per Basel III Norms, from 10.93% as of March 31, 2017 to 16.70% as of March 31, 2019. Our Tier I capital ratio has been further augmented post capital infusion in second quarter of Fiscal 2020. Further, as per the Basel III Norms, the CRAR, as assessed by our Bank as on September 30, 2019 was 22.77% (including capital conservation buffer). For further details, please see "*History and Certain Corporate Matters*" on page 197 of this Prospectus. We believe that this acquisition by FIHM in our Bank is first of a kind in the banking space in the country.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our Bank's asset portfolio, financial condition and results of operations have been, and are expected to be, influenced by numerous factors, including but not limited to those described below. These are expected to affect the overall growth prospects of our Bank, including its ability to expand its deposit base, the quality of its assets, the level of credit disbursed by our Bank, the value of its asset portfolio and its ability to implement its strategies.

The Indian economy and credit environment

India is the world's largest democracy in terms of population (approximately 1.34 billion) with GDP of approximately INR 190.1 trillion* in 2018-19 *(Source – RBI handbook of statistics on Indian Economy – 2018-19).* Economic liberalization measures, including industrial deregulation, privatization of state-owned enterprises and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged nearly 7% per year from 1997 to 2017. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Slightly less than half of the workforce is in agriculture, but services are the major source of economic growth, accounting for nearly two-thirds of India's output but employing less than one-third of its labour force. India has capitalized on its large educated English-speaking population to become a major exporter of information technology services, business outsourcing services, and software workers. India's economic growth slowed in 2011 because of a decline in investment caused by high interest rates, rising inflation, and investor pessimism about the government's commitment to further economic reforms and about slow world growth. Investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit. Growth rebounded in 2014 through 2016. The economy slowed again in 2017, due to shocks of "demonetisation" in 2016 and introduction of GST in 2017. The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. *(Source: CIA World Factbook).*
*Note: *Data for 2018-19 are Provisional Estimates.*

The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26% per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices *(Source: Economic Survey 2017-18, Published by Ministry of Finance*)

India's long-term GDP growth has become more stable, diversified, and resilient. Over the next few years, India is expected to grow at well over 7% per year, with progress being buttressed by dynamic reforms in the macroeconomic, fiscal, tax and business environments. In recent years, India has made a significant dent in poverty levels, with extreme poverty dropping from 46% to an estimated 13.4% over the two decades before 2015. *(Source: World Bank overview on Indian Economy - https://www.worldbank.org/en/country/india/overview)*

Regulations governing the Indian banking industry

Our operations are regulated extensively by the RBI. The RBI is actively involved in the management of the Indian economy. Accordingly, we are subject to:

- Two categories of statutory reserve requirements: CRR and SLR. Under these requirements, the banks are required to maintain CRR on a daily basis which is a specified percentage of their demand and time liabilities ("**DTL**"), by way of a balance in a current account with the RBI. The basic objective of the CRR

and the SLR requirements is to ensure that banks hold sufficient liquid resources to meet any unexpected contingencies. At present the required CRR is 4%, while the stipulated SLR is 18.50%. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% effective from the fortnight beginning April 16, 2016. The RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day during which the default continues. In addition, under the RBI's regulations, our liabilities are subject to a SLR requirement, according to which 18.50% of our NDTL need to be invested in Government securities, state Government securities and other securities approved by the RBI from time to time. In case of default in the maintenance of CRR on average basis during the fortnight, penal interest will be recovered as envisaged under Section 42(3) of the RBI Act. Any increase in the CRR requirements from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations.

- Requirements to lend to certain priority sectors: In terms of the *Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2016 dated July 7, 2016*, as amended ("**Priority Lending Circular**"), priority sectors for scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others as specified in the Priority Lending Circular. Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the aforementioned master direction, the priority sector lending targets are linked to ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. This has to be achieved in a phased manner by 2020 as prescribed in the directions. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. By way of a notification dated September 20, 2019, the RBI has, in relation to export credit, enhanced the sanctioned limit, for classification of export credit under priority sector lending, from ₹ 250 million per borrower to ₹ 400 million per borrower and removed the existing criteria of 'units having turnover of up to ₹ 1 billion.

The Government's monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of our advances and deposits. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting the monetary policy. A monetary policy designed to combat inflation typically results in an increase in RBI lending rates. Further, in addition to having gradually established more stringent capital adequacy requirements, the RBI has also instituted several prudential measures to moderate credit growth including increase in risk weights for capital adequacy computation and general provisioning for various asset classes. For further information, see the section titled "*Key Regulation and Policies in India*" beginning on page 183.

Competition in the Indian banking industry

We operate in a highly competitive environment and face competition from public and private sector Indian scheduled commercial banks, foreign commercial banks and small finance banks in all our products and services. We also face competition in some of our products and services from NBFCs, post office savings schemes, exchange houses, micro-financing institutions, co-operative banks and other entities operating in the financial sector.

Further liberalization of the Indian financial sector could also lead to a greater presence or new entries of Indian and foreign banks offering a wider range of products and services, which could adversely affect our competitive environment. For instance, the RBI had come out with a set of guidelines for licensing of new banks in the private sector in February 2013. Pursuant to these guidelines, the RBI granted in-principle approval to set up two new private sector banks on April 2, 2014.

Further, the RBI gave in-principle approval to 11 entities to launch payments banks in August 2015 and to 10 entities to launch small finance banks in September 2015. The RBI has also issued guidelines for 'on-tap' licensing of universal banks in the private sector in August, 2016.

We also compete with foreign banks with operations in India. In November 2013, the RBI released a framework for the setting up of wholly owned subsidiaries in India by foreign banks. The framework encourages foreign banks to establish a presence in India by granting rights similar to those received by Indian banks, subject to certain restrictions and safeguards. Under the current framework, wholly owned subsidiaries of foreign banks are allowed to raise rupee resources through issue of non-equity capital instruments. Further, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centres (except at a few locations considered sensitive on security considerations) without having the need for prior permission from RBI in each case, subject to certain reporting requirements. The guidelines may result in increased competition from foreign banks.

Our future success will depend in large part on our ability to respond in an effective and timely manner and our ability to compete effectively. Increased competitive pressure may have an adverse impact on our business, financial condition and results of operations.

Concentration of our advances and deposits.

As of March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, our total advances to the 20 largest borrowers were ₹ 10,041.8 million, ₹ 14,543.7 million ₹ 16,196.7 million and ₹ 18,121.0 million, respectively. The percentage of advances to the 20 largest borrowers to total advances of our Bank accounted for approximately 10.85%, 13.87% 13.50% and 15.47%, as of March 31, 2017, March 31, 2018 March 31, 2019 and September 30, 2019, respectively. We cannot assure you that these borrowers will continue to honour their commitments and there will be no defaults in future. We cannot assure you that there will not be any delay in payments of interest and/or principal from these borrowers.

If any or a substantial number of our 20 largest borrowers do not repay or delay in making payments, we may be required to classify their accounts as NPA and make necessary provisions for the same.

As of March 31, 2017, March 31, 2018 March 31, 2019, and September 30, 2019, our total deposits of the 20 largest depositors were ₹ 10,523 million, ₹ 7,513.9 million ₹ 10,364.3 million, and ₹ 10,815.8 million respectively. The percentage of deposits of the 20 largest depositors to total deposits of our Bank accounted for approximately 7.06%, 5.11% 6.85%, and 6.97%, as of March 31, 2017, March 31, 2018 March 31, 2019 and September 30, 2019, respectively. We cannot assure you that there will not be any premature withdrawal or non-renewal of deposits from these depositors.

If any or a substantial number of our top 20 depositors withdraw their deposits or do not roll over their time deposits upon maturity, we may be required to seek more expensive sources of funding, including paying higher interest rates in order to attract and/or retain further deposits, and we cannot assure you that we will be able to obtain additional funding on commercially reasonable terms as and when required. In such an event, our Bank's liquidity position, financial condition, business and results of operations may be materially and adversely affected.

As on September 30, 2019, our gross advances extended to top five industry and service sectors is shown in the table below. Furthermore, we have exposure to (a) agriculture, MSMEs, education, and housing, sectors which the RBI categorizes as priority sectors, and (b) NBFCs. As on September 30, 2019, priority sector advances (including eligible investments) aggregated to ₹ 38,770.06 million, which represented 45.86% of our ANBC.

Industry/Service Sector	Gross advances (₹ in million)	Exposure as % of Total Advances
	As on September 30, 2019	
A. Industries		
Textiles	4,360.41	3.82
Food Processing	3,287.12	2.88
Chemicals and Chemical Products (Dyes, Paints, etc.)	1,521.04	1.33
Infrastructure	1,265.48	1.11
Construction	1,260.51	1.11
B. Services		

Industry/Service Sector	Gross advances (₹ in million)	Exposure as % of Total Advances
	As on September 30, 2019	
NBFC including HFCs	20,701.71	18.15
Trade (Wholesale and retail)	8,953.31	7.85
Commercial Real Estate	2,555.42	2.24
Tourism, Hotel and Restaurants	1,710.12	1.50
Transport Operators	743.86	0.65

Further, in the first half of Fiscal 2019, we faced challenges arising out of excess liquidity deployed in short term instruments, resulting in spreads and capital constraints limiting its capacity to grow advances. However, we addressed this by growing advances with low risk weights like gold loans and discounted bills, to companies with high credit ratings.

Accordingly, we financed fresh/ additional credit facilities, with an exposure of ₹ 6,658.9 million to housing finance companies, details of which are given below:

External Rating	No. of Accounts	Fresh exposure (in ₹ million)	Risk weight (%)
AAA	3	3,499.9	20
AA	3	1,649.9	30
A	5	1,436.6	50
BBB	1	72.5	100
Total	**12**	**6,658.9**	

Considering the liquidity position, we had deployed funds in housing finance companies with a good rating and carry low risk weight and consequently there was an increase in the indirect exposure to NHB/housing finance companies from Fiscal 2018 to Fiscal 2019. Major exposures were in AAA, AA and A rated companies with risk weight ranging from 20% to 50%. All these accounts were standard and regular without any arrears in repayment.

Priority sector lending

In accordance with the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2016 dated July 7, 2016, as amended, all banks in India, including us, are subject to directed lending regulations. We are required to lend a minimum of 40% of our ANBC to 'priority sectors'. Our priority sectors advances include advance for agriculture, loans to micro and small enterprises, housing loans and educational loans, social infrastructure and renewable energy. Further, RBI had also mandated sub-target of 18% of our ANBC to agriculture, 8% to small and marginal farmers, 7.5% to micro enterprises and 10% to weaker sections.

As on March 31, 2017, March 31, 2018, March 31, 2019 and September 2019, our lending to priority sectors constituted 44.22% (i.e., ₹ 37,697.5 million), 42.96% (i.e., ₹ 35,519.3 million), 40.71% (i.e. ₹ 38,040.9 million), 45.86% (i.e. ₹ 43930.47 million) respectively, of our ANBC, including 20.14% (i.e., ₹ 17,170.8 million), 20.53% (i.e., ₹ 16,973.8 million), 20.94% (i.e., ₹ 19,563.4 million) and 24.75% (i.e., ₹ 23,708.60 million) respectively, to the agricultural sector.

Further, as on March 31, 2017, March 31, 2018, March 31, 2019, and September 30, 2019, of our total NPAs, 10.33% (i.e., ₹ 619.8 million), 12.59% (i.e., ₹ 961.5 million), 11.69% (i.e., ₹ 620.7 million), and 2.01% (i.e., ₹ 410.2 million), respectively, were towards agricultural sector (excluding RIDF).

We have experienced instances of shortfalls in our directed lending to priority sectors in the past. Any shortfall in lending to priority sectors shall be allocated for contribution to the RIDF established with NABARD and other funds with NABARD/NHB/SIDBI/MUDRA Ltd, as decided by the RBI from time to time. Our investment in such deposits as on March 31, 2019 and September 30, 2019, was ₹ 5,393 million and ₹ 5,160.48 million, respectively.

Further, non-achievement of lending targets to priority sectors may also be considered as a factor by RBI while deciding to grant regulatory clearances and approvals for various purposes. For a list of the material approvals and licenses required from the RBI under the Banking Regulation Act and the RBI Act, see the section titled "*Government and Other Approvals*" beginning on page 587. We cannot assure you that we will be able to meet the lending targets towards priority sectors. In case we are unable to meet such targets, we may have to deposit the shortfall with any one of such agencies, resulting in reduced interest income on such advances and refusal of RBI to grant us regulatory clearances and approvals in the future.

Additionally, any adverse performance by our priority sector borrowers could significantly increase our NPAs, which may materially and adversely affect our business, results of operations and financial condition.

Interest rate

Our net interest income amounted to 19.39%, 27.06%, 29.66% and 34.23% of our total income in Fiscal 2017, Fiscal 2018 and Fiscal 2019 and for the six month period ended September 30, 2019, respectively. Net interest income represents the excess of interest earned from interest-earning assets (such as performing loans and investments) over the interest paid on interest-bearing customer deposits and borrowings. Our net interest margin for Fiscals 2017, 2018, 2019 and for the six month period ended September 30, 2019 was 2.11%, 2.57%, 2.80% and 3.43%, respectively. Net interest margin represents a percentage of net interest income over average working funds.

Interest rates are sensitive to many factors beyond our control, including RBI's monetary policy, domestic and international economic and political conditions as well as other factors. Volatility and changes in market interest rates could disproportionately affect the interest we earn on our assets as compared to the interest we pay on our liabilities. The difference could result in an increase in interest expense relative to interest income leading to a reduction in net interest income. Accordingly, volatility in interest rates could materially and adversely affect our business and financial performance. An increase in interest rates may also adversely affect the rate of growth of important sectors of the Indian economy, such as corporate, retail and agricultural sectors, which may materially and adversely impact our business. Such increase in the interest rates may lead to inability of the Borrower to repay the interest income and this will further affect our interest income and net interest income.

Our sources of funding have primarily been customer deposits. Our cost of funds is sensitive to interest rate fluctuations, which exposes us to the risk of a reduction in spreads. In addition, attracting customer deposits in the Indian banking industry is competitive. The rates that we must pay to attract deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy, and inflation. If we fail to achieve or sustain continued growth of our deposit base, we may be forced to rely more heavily on more expensive sources of funding, such as the wholesale market, which could materially and adversely affect our profitability and business.

Capital Adequacy

We are subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or CRAR. The RBI has prescribed conditions for the Basel III capital regulation framework in India, which came into effect on April 1, 2013, and subject to a series of transitional arrangements to be phased in over a period of time, will be fully implemented by March 31, 2020.

The Basel III Norms require, among other things, higher levels of Tier I capital and common equity, capital conservation buffers, maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries, changes in the structure of non-equity instruments eligible for inclusion in Tier I capital, and loss absorbency features for non-equity Tier I and Tier II capital. As of March 31, 2019, banks are required to maintain a common equity Tier 1 adequacy ratio of 5.50%, minimum Tier 1 capital ratio of 7.00%, minimum total capital ratio of 9.00%, and a capital conservation buffer of 1.875%. As of September 30, 2019, banks are required to maintain a common equity Tier 1 adequacy ratio of 5.50%, minimum Tier 1 capital ratio of 7.0%, minimum total capital ratio of 9.00%, and a capital conservation buffer of 1.875%.

We have not been able to maintain the minimum prescribed CRAR under the Basel III Norms in past. As on March 31, 2018, our CRAR under the Basel III Norms was 8.33% (including capital conservation buffer), as compared to the minimum prescribed regulatory requirement of 10.875% (which includes a capital conservation buffer of 1.875%). However, as on March 31, 2019 and September 30, 2019, our CRAR under the Basel III Norms was 16.70% and 22.77% (including capital conservation buffer), as compared to the minimum prescribed regulatory requirement of 10.875% (which includes a capital conservation buffer of 1.875%); but there can be no assurance that we will be able to maintain our CRAR above the minimum prescribed regulatory requirements in future.

Due to increase of size of assets and accordingly the risk weighted assets, there is an impact on the CRAR under the Basel III Norms. Further, any adverse developments could affect our ability to continue to satisfy the capital adequacy requirements, including deterioration in our asset quality, decline in the values of our investments or applicable risk weight for different asset classes. In case the CRAR falls further below the regulatory minimum requirement in future, we may be constrained in further expanding our business.

The RBI or any other relevant authority may implement the package of reforms, including the terms which capital securities are required to have, in a manner that is different from that which is currently envisaged, or may impose more onerous requirements. There can be no assurance that we will be able to comply with such requirements or that any breach of applicable laws and regulations will not adversely affect our reputation, business, financial condition and result of operations. If we fail to meet capital adequacy requirements, as may be prescribed by RBI from time to time, RBI may take certain actions, including restricting our lending and investment activities, further balance sheet growth, and the payment of dividends by us. These actions could also materially and adversely affect our reputation, results of operations, and financial condition.

Significant Accounting Policies

1. General

a) The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of our Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time, the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 so far as they apply to our Bank and practices generally prevalent in the banking industry in India.

b) Going Concern Assumption, Historical cost convention and Accrual basis of accounting have been consistently applied while preparing and presenting the financial statements, except as stated in paragraph 10 –"Recognition of Revenue and Expenditure".

2. Use of estimates

The preparation of our financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingent liabilities at the date of the financial statements. Our management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Transactions involving foreign exchange

a) Monetary assets and liabilities including contingent liabilities have been translated at the exchange rates prevailing at the close of the year as advised by FEDAI and the effect is accounted in Profit and Loss Account.

b) Income and Expenditure items denominated in foreign currencies have been accounted at the exchange rates prevailing on the date of transaction.

c) Outstanding foreign exchange forward contracts are revalued at the rates applicable on the closing date as advised by FEDAI. The resultant profit/loss is taken into Profit and Loss Account.

d) Contingent Liabilities on guarantees, letters of credit, acceptances and endorsements are reported at the exchange rates prevailing at the close of the year.

4. Investments

a) ***Accounting and classification***

All Investments are accounted for on settlement dates. In terms of RBI guidelines, the entire investments portfolio has been classified under three categories for valuation purpose, viz., "Held to Maturity", "Available for sale" and "Held for Trading" at the time of its purchase. However, for disclosure in the Balance Sheet, investments are classified under six groups – Govt. Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries/Joint Venture and Others.

b) ***Cost of acquisition***

Costs such as brokerage pertaining to investments, paid at the time of acquisition are charged to the profit and loss account.

c) ***Basis of Classification***

Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category. Investments that our Bank intends to hold till maturity are classified under the HTM category. Securities which are not classified in the above categories are classified under the AFS category.

d) ***Transfer between categories***

Reclassification of investments from one category to the other, if done, is in accordance with the RBI guidelines. Transfer of scrips from AFS/HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS/HFT category, the investments held under HTM at a discount are transferred to AFS/HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/HFT at the amortized cost. Transfer of investments from AFS to HFT or vice versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

e) ***Valuation of Securities***

(i) Investments in "Held to Maturity" category are accounted for at acquisition cost or at amortized cost, if acquired at a premium. In case the cost is higher than the face value, the premium is amortized over the period remaining to maturity using Constant Yield Method. Such amortization of premium is adjusted against income under the head "Income on Investments". Where the face value is higher than the cost, the discount is ignored and is accounted only on maturity date of the instrument.

(ii) Securities classified as "Available for Sale" are marked to market scrip-wise on a quarterly basis other than shares which is done on a weekly basis and net depreciation in each category is provided for, while net appreciation is ignored.

(iii) Individual scrips in "Held for Trading" category are marked to market at daily intervals and net depreciation in each category is provided for, while net appreciation is ignored.

(iv) Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost.

(v) Security receipts are valued as per the Net Asset Value ("**NAV**") obtained from the issuing Reconstruction Company/Securitization Company. Depreciation in each scrip is provided for while appreciation is ignored.

(vi) Profit on sale of investments in 'Held to Maturity' category is recognised in the Profit and Loss Account and an equivalent amount net of taxes and transfer to Statutory Reserves is appropriated to Capital Reserve.

(vii) Investments are also classified as Performing and Non Performing as per the guidelines of RBI and provisions on Non Performing investments are made as per the provisioning norms of RBI.

(viii) As per RBI circular [FMOD.MAOG. No. 116/01.01.001/2016-17, dated November 10, 2016], our Bank is classifying Repo / Reverse Repo under LAF scheme in Schedule 4 [Borrowings] and Schedule 7 [Balances with Banks and Money at call and short notice], respectively.

5. Advances

a) Advances have been classified as 'Performing' and 'Non Performing Advances' ("**NPA**") in accordance with the applicable regulatory guidelines. NPAs are further classified in to Sub-standard, Doubtful and Loss assets in terms of applicable regulatory guidelines.

b) Provision for NPA comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. In respect of identified NPAs provision is recognized at borrower level on the basis of ageing of loans. The provisioning done is at or higher than the minimum rate prescribed under the RBI guidelines.

c) The amount of advances shown in the Balance Sheet is net of provisions, interest suspense, ECGC claims received and discount on assignment transactions.

d) Provision on Standard Assets is maintained as per RBI guidelines.

e) In respect of Rescheduled/ Restructured Advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI Guidelines. The said provision is reduced to arrive at net advances. In case of advances to stressed sectors, the Bank has recognized provision in line with RBI guidelines. These provisions are included under in Item No. IV 'Others', of Schedule – Other Liabilities and Provisions.

f) Amounts recovered against debts written off in earlier years are recognised as revenue.

g) The sale of financial assets (including Non Performing Advances) to Reconstruction Company (RC)/ Securitisation Company (SC) are accounted as per the extant guidelines of Reserve Bank of India from time to time.

h) Policy on Managing Currency induced credit risk: As per Credit Policy of the bank forward exchange cover is insisted on all Foreign Currency loans of USD 2 Mio or above unless there is natural hedge by way of export/other earnings. For foreign currency loans of less than USD 2 Mio, forward exchange cover is optional to the borrower subject to furnishing of an unconditional undertaking to bear the exchange loss if any.

i) In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure, wherever applicable and in accordance with RBI Guidelines.

6. Fixed Assets and Depreciation

a) Fixed Assets other than premises are carried at cost less accumulated depreciation. Cost includes cost of purchase and all directly attributable costs of bringing the asset to its working condition for its intended use.

b) Premises are stated at revalued amount. Appreciation on revaluation of premises is credited to Revaluation Reserve. The additional depreciation on the revalued portion of buildings is charged to Profit and Loss Account and an equivalent amount is withdrawn from Revaluation Reserve and credited to General Reserve.

c) Subsequent expenditure incurred on fixed assets put to use is capitalized only when it represents an improvement which increases the future benefits from the existing asset beyond its previously assessed standard of performance or an extension which becomes an integral part of the asset.

d) Depreciation on additions to fixed assets is provided on pro rata basis. No depreciation is charged on the fixed assets sold/discarded during the year, except for premises and motor vehicles which are depreciated on a pro-rata basis.

e) The bank has adopted the revised useful life of assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II.

Type of Fixed Asset	Useful Life Considered (Years)	Useful Life as per Schedule II (Years)	Depreciation Method
Premises	58 Years	60 Years	Written Down Value
Servers & Networks	3 Years	6 Years	Straight Line
ATMs	8 Years	15 Years	Straight Line

7. Intangible Assets

Accounting and amortization of computer software are in accordance with the provisions of Accounting Standard 26 – Intangible Assets, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

a) Application Software purchased is amortized over a period of 5 years on pro rata basis under Straight Line Method.

b) Internally Generated Application Software is accounted as an intangible asset and is amortized over a period of 5 years on pro rata basis under Straight Line Method from the date the software becomes Available for Use. If the software is still in the development phase and has not become Available for Use, no amortization is charged to Profit and Loss Account.

8. Non-banking Assets

In the case of Non Banking Assets, diminution in value, if any, is provided for.

9. Employee Benefits

9.1 *Short Term Employee Benefits*

The undiscounted amount of short-term employee benefits which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.

9.2 *Long term Employee Benefits*

a) Defined Contribution Plan - Provident Fund and New Pension Scheme (Contributory) are the defined contribution plans of the bank. In addition to contribution for the period, shortfall, if any, in the Provident Fund Trust is charged to Profit and Loss Account of the Bank.

b) Defined Benefit Plans - Liabilities towards Gratuity, Pension and Leave benefits to employees are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of each financial year. Projected Unit Credit Method is used by the actuary for valuing the obligations in case of Pension, Gratuity and Long term Compensated Absences and other long term employee benefits. Discount rate used to arrive at the present value of estimated future cash flows is arrived at by reference to market yields on balance sheet date on government bonds of term consistent with estimated term of the obligations as per para 78 of AS

15 Employee Benefits. Actuarial Gains/Losses are immediately taken to the profit and loss account and are not deferred.

Brief description of the defined benefit plans:

i) Pension - Pension is payable to the employees who have specifically opted for the same. For becoming eligible for pension, the employee should have served the bank for a minimum period of 10 years in the case of retirement on superannuation and 20 years in other cases. At the time of retirement or death of the pension eligible employee, the pension trust purchases annuity from insurance company, out of the contributions made by the bank.

ii) Gratuity - Gratuity is payable to all employees on termination of employment due to retirement, death or resignation, provided that the employee has continuously served the bank for a minimum period of 5 years.

iii) Long term compensated absences and other long term employee benefits viz:

a. Privilege Leave
b. Leave fare concession
c. Sick Leave

are based on actuarial valuation at the end of the financial year.

9.3 **Employee Stock Options ("ESOPs")**

The accounting for shares granted under Employee Stock Option Scheme is done as per the ICAI Guidance note on ESOP. Our Bank has applied the intrinsic value method to arrive at the compensation cost of ESOP granted to the employees of our Bank. Intrinsic value is the amount by which the value of the underlying shares as determined by an independent valuer exceeds the exercise price of the options. Compensation cost so determined is amortized over the vesting period of the option granted.

10. Recognition of Revenue and Expenditure

Revenue is recognised to the extent it is probable that the economic benefits will flow to the bank and the revenue can be reliably measured.

a) Interest/discount on advances/bills is recognised on accrual basis except on non-performing assets in which case the income is recognised as per prudential norms issued by RBI. Exchange, Brokerage, Commission and Rent on lockers are recognised on cash basis.

b) Income on Investments (other than dividend on shares and mutual funds and income on non performing investments) is recognised on accrual basis. Dividend income is recognized when the right to receive payment is established.

c) Recovery in Non Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts, sale to Asset Reconstruction Companies and accounts under One Time Settlement where recovery is appropriated based on the court decree / terms of agreement.

d) In the case of purchase of loans from other banks/NBFCs through direct assignment of cash flows, bank recognizes interest income on the basis of original IRR/actual collection record of the pool. The discount, if any, on such purchase is recognised in proportion to the principal received.

e) In case of Asset Sale to ARCs, where the sales is at a price higher than the net book value (NBV), (i.e. outstanding less provision held) and consideration is received in cash, the excess provision on NPA is credited to Profit and loss account. If consideration is other than cash, the excess provision is retained. If the sale is at a price below the NBV, the shortfall is debited to Profit and Loss Account, as per the option given by RBI.

f) Legal expenses incurred on suit filed accounts are expensed in profit and loss account as per RBI guidelines. Such amount when recovered is treated as income.

11. Taxes On Income

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The impact of changes in the deferred tax assets and liabilities is recognized in the Profit and Loss Account.

Deferred tax assets are recognized and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax asset can be realized against future profits.

12. Segment Information

Bank has adopted RBI's revised guidelines on segment reporting issued in April 2007 and accordingly four business segments viz. Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations have been considered as reportable segments. Advances classified as corporate as per Basel III norms are grouped in Corporate/Wholesale Banking assets while all other advances are grouped as Retail Banking Assets. Deposits of ₹ 20 million and above are classified as corporate/wholesale banking liabilities (to conform to ALM classification adopted by the bank) and all other deposits are grouped as retail banking liabilities. Deposits of borrowers classified as corporate as per Basel II norms are treated as wholesale deposits regardless of amount. For arriving at segment results, income and expenditure that cannot be directly identified with a particular segment are allocated on appropriate basis.

13. Impairment of Assets

Impairment losses, if any, on Fixed Assets (including revalued assets) are recognized in accordance with the Accounting Standard 28 'Impairment of Assets' specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 and charged to Profit and Loss Account.

14. Accounting for provisions, contingent liabilities and contingent assets

a) As per the Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', specified under Section 133 of the Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules, 2014 our Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

b) Contingent assets are not recognized in the financial statements.

While computing the provision requirement pertaining to fraud accounts, adjustment is made for "financial collateral eligible under BASEL III Capital regulations-Capital charge for credit risk (standardized approach)", if available and amount so arrived at is charged fully to Profit and Loss Account, in the same quarter of detection.

15. Earnings per share

Our Bank reports basic and diluted Earnings per equity share in accordance with the Accounting Standard 20 on "Earnings per share" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share ("**EPS**") reported is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the results are anti-dilutive.

16. Share Issue Expenses

The share issue expenses are adjusted from share premium account in terms of Section 52 of the Companies Act, 2013, in cases where RBI approval is obtained.

17. Net Profit/Loss

The net profit/loss disclosed in the Profit and Loss Account is after:

(i) provision for taxes;
(ii) provision for standard, restructured and non-performing assets;
(iii) provision for depreciation on investments; and
(iv) other usual and necessary provisions.

Results of Operations

The table below sets forth a summary of our financial results containing significant items of our income and expenditure for Fiscals 2017, 2018, 2019 and for the six month period ended September 30, 2019, based on our Restated Financial Information included in the section titled "*Financial Statements*" beginning on page 237.

(₹ in million, except percentages)

Particulars	**Fiscal 2017**		**Fiscal 2018**		**Fiscal 2019**		**Six month period ended September 30, 2019**	
Income	**Amount**	**% of the total income**	**Amount**	**% of the total income**	**Amount**	**% of the total income**	**Amount**	**% of the total income**
Interest earned (A)	13,363.0	82.62	12,968.1	91.18	13,475.1	90.84	7,323.0	89.7
Interest expended (B)	10,227.0	63.23	9,120.0	64.12	9,075.6	61.18	4,527.8	55.4
Net Interest Income (C= A-B)	3,136.0	19.39	3,848.1	27.06	4,399.5	29.66	2,795.2	34.2
Other income (D)	2,812.0	17.38	1,254.2	8.82	1,359.2	9.16	844.1	10.3
Total income (E = A+D)	16,175.0	100.00	14,222.3	100.00	14,834.3	100.00	8,167.1	100.0
Operating expenses (F)	4,430.9	27.39	4,359.0	30.65	5,625.1	37.92	2,603.6	31.9
Total expenditure (excluding provisions and contingencies) **(G = B+F)**	14,657.8	90.62	13,479.0	94.77	14,700.7	99.10	7,131.4	87.3
Provisions	2,521.6	15.59	2,692.2	18.93	1,109.7	7.48	346.4	4.2

Particulars	Fiscal 2017		Fiscal 2018		Fiscal 2019		Six month period ended September 30, 2019	
Income	**Amount**	**% of the total income**	**Amount**	**% of the total income**	**Amount**	**% of the total income**	**Amount**	**% of the total income**
and contingencies (other than provisions for tax) (H)								
Provision for tax (I)	-424.5	-2.62	-678.0	-4.77	-319.2	-2.15	246.6	3.0
Net profit/ (loss) after tax (E-G-H-I)	-579.9	-3.59	-1,270.9	-8.94	-656.9	-4.43	442.7	5.4

Six month period ended September 30, 2019

Income

Our total income for the six month period ended September 30, 2019 was ₹ 8,167.1 million.

Revenue from Operations

Our interest earned is ₹ 7,323.0 million for the six month period ended September 30, 2019. The yield on advances was 10.22% (annualized) for the six month period ended September 30, 2019. Further, our interest expended is ₹ 4,527.8 million for the six month period ended September 30, 2019. The cost of deposits was 5.91% (annualized) for the six month period ended September 30, 2019.

Other Income

(₹ in million)

Particulars	Six month period ended September 30, 2019
Commission, exchange & brokerage	137.1
Profit on sale of investments (net)	129.6
Profit on sale of land, buildings & other assets	-3.7
Profit on exchange transactions	37.3
Bad debts written off recovered	226.0
Locker rent received	20.0
Rent received (on building only)	0.1
Processing Fee	108.7
Folio and service charges	20.9
Other charges	168.1
Total	**844.1**

Other income for the six month period ended September 30, 2019 was ₹ 844.1 million primarily comprising of recovery of bad debts written of ₹ 226.0 million, profit on sale of investments of ₹ 129.6 million, processing fee of ₹ 108.7 million and commission/brokerage of ₹ 137.1 million.

Expenses

Our total expense for the six month period ended September 30, 2019 was ₹ 7131.4 million.

Operating expense

Our operating expense for the six month period ended September 30, 2019 was ₹ 2,603.6 million primarily comprising of ₹ 1,681.43 million towards staff cost, ₹ 278.0 million towards rent tax and lighting, ₹ 100.0 million towards depreciation.

Provisions and contingencies (other than provision for tax)

Provisions and contingencies (other than provision for tax) for the six month period ended September 30, 2019 was ₹ 346.4 million.

Provision for tax (including deferred tax)

The provision for tax (including deferred tax) for the six month period ended September 30, 2019 was ₹ 246.6 million.

Net profit for the period

Our net profit after tax for the six month period ended September 30, 2019 was ₹ 442.7 million.

Components of Income and Expenditure

Income

Our income consists of interest earned and other income.

Interest earned includes interest and discounts on advances and bills made to our customers, income on investments, interest on balances with the RBI and other inter-bank lending and other interest income (which primarily includes interest income received from reverse repo lending, Clearcorp Repo Order Matching System ("**CROMS**") lending, RIDF & other funds and refunds of income tax). Our investment portfolio consists primarily of dated central government and state government securities, other approved securities, bonds issued by public sector undertakings/private companies, security receipts issued by asset restructuring companies, bank certificate of deposits, equity shares and other investments such as commercial papers. We meet our SLR requirements through investments in dated central and state government securities, and treasury bills.

Our other income consists of commission, exchange and brokerage fees, from trade finance, bancassurance, ATM/Debit cards, issue of demand drafts etc., profit from sale of investments, profit from sale of land, buildings and other assets (including sale of non-banking assets), profits from exchange transactions and miscellaneous income. Our miscellaneous income consists primarily of recovery of bad debts written off, lease rental income, locker rents, processing fees on our banking products and other charges and income such as incidental charges (including charges for non-maintenance of minimum balance) and other income such as gold appraisal fee, folio charges, service charges, etc.

Expenditure

Our expenditure consists of interest expended and operating expenses.

Our interest expended consists of the interest paid on deposits, interest paid on borrowings from the RBI and other inter-bank counterparties/financial institutions and other interest expenses (including interest paid on CBLO borrowings and tier II bonds issued by us).

Our non-interest expenditure consists principally of operating expenses, which includes payments to and provisions for employees, rent, taxes and lighting, printing and stationery, depreciation on our Bank's properties/assets, directors' fees and auditors' fees and expenses, law charges, repairs and maintenance, insurance, postage and telecommunications, advertising fees and publicity, and other expenses, which consist primarily of travelling and

inspection expenses, business promotion expenses, expenses on security and watchmen, clearing house expenses, wages paid to temporary labour and facility management charges.

Provisions and contingencies

Provisioning for standard assets, non-performing assets, depreciation/write-offs on investments, diminution in restructured advances, income tax (including deferred tax) and others are included in provisions and contingencies.

Results for Fiscal 2019 compared with Fiscal 2018

Summary of Performance

(₹ in million, except percentages)

Particulars	Fiscal 2018	Fiscal 2019	% Change
Net interest income	3,848.1	4,399.5	14.33
Other income	1,254.2	1,359.2	8.37
Operating expenses	4,359.0	5,625.1	29.05
Provisions and contingencies (other than provisions for tax)	2,692.2	1,109.7	(58.78)
Provision for tax	(678.0)	(319.2)	52.92
Net profit/(loss) after tax	(1,270.9)	(656.9)	48.31

Net Interest Income

Our net interest income increased by 14.33% from ₹ 3,848.1 million in Fiscal 2018 to ₹ 4,399.5 million in Fiscal 2019. The following table sets forth the main components of our Bank's net interest income for the periods indicated.

(₹ in million, except percentages)

Particulars	Fiscal 2018	Fiscal 2019	% Change
Interest/discount on advance/bills	9,128.1	9,686.2	6.11
Income on investments	3,362.0	3,473.7	3.32
Interest on balance with RBI and other inter-bank lending	59.4	23.7	(60.10)
Interest on others	418.5	291.6	(30.32)
Interest earned (A)	12,968.1	13,475.2	3.91
Interest on deposits	8,972.6	8,618.3	(3.95)
Interest on RBI/inter-bank borrowings	49.3	314.9	538.74
Others	98.1	142.5	45.26
Interest expended (B)	9,120.0	9,075.6	(0.49)
Net interest income (C=A-B)	3,848.1	4,399.5	14.33

Interest earned

Our interest earned increased by 3.91% from ₹ 12,968.1 million in Fiscal 2018 to ₹ 13,475.2 million in Fiscal 2019. The increase in interest earned was primarily due to the following:

- Our interest earned from advances and discounts on bills increased by 6.11% from ₹ 9,128.1 million in Fiscal 2018 to ₹ 9,686.2 million in Fiscal 2019, primarily due to an increase in average advances from ₹ 88,708.4 million in Fiscal 2018 to ₹ 98,349.3 million in Fiscal 2019. Average advances are monthly average of the advances.

- Our income on investments increased by 3.32% from ₹ 3,362.0 million in Fiscal 2018 to ₹ 3,473.7 million in Fiscal 2019 primarily due to increase in yield on short term investments, our yield on investments increased from 6.39% in Fiscal 2018 to 6.63% in Fiscal 2019.

- Our interest on balances with RBI and other inter-bank lending decreased by 60.10% from ₹ 59.4 million in Fiscal 2018 to ₹ 23.7 million in Fiscal 2019 primarily due to decrease in inter-bank and call money deployments.

- Our other interest earned decreased by 30.32% from ₹ 418.5 million in Fiscal 2018 to ₹ 291.6 million in Fiscal 2019 due to reduction in reverse repo deployments with RBI from ₹ 1,948.5 million to ₹ 489.3 million.

Interest Expended

Our interest expended decreased by 0.49% from ₹ 9,120.0 million in Fiscal 2018 to ₹ 9,075.6 million in Fiscal 2019. The decrease in interest expended was primarily due to the following:

- Our interest expense on deposits decreased by 3.95% from ₹ 8,972.6 million in Fiscal 2018 to ₹ 8,618.3 million in Fiscal 2019 primarily due to decrease in average term deposits from ₹ 108,875.8 million in Fiscal 2018 to ₹ 106,708.8 million in Fiscal 2019 and decrease in cost of term deposits from 7.07% in Fiscal 2018 to 6.80% as on Fiscal 2019 and decrease in cost of savings deposits from 3.99% in Fiscal 2018 to 3.93% in Fiscal 2019. Average figures are based on average monthly balances.

- Interest expense on RBI and inter-bank borrowings increased by 538.74% from ₹ 49.3 million in Fiscal 2018 to ₹ 314.9 million in Fiscal 2019 primarily due to increase in average borrowings from banks and RBI from ₹ 498.9 million in Fiscal 2018 to ₹ 4,417.08 million in Fiscal 2019. Average figures are based on average monthly balances.

- Interest expenditure on our other borrowings increased by 45.26% from ₹ 98.1 million in Fiscal 2018 to ₹ 142.5 million in Fiscal 2019 primarily due to increase in the average borrowings from other institutions from ₹ 766.5 million in Fiscal 2018 to ₹ 1,125.2 million and increase in interest paid on call money borrowed from other institutions from ₹ 25.5 million in Fiscal 2018 to ₹ 75.0 million in Fiscal 2019. Average figures are based on average monthly balances.

Other Income

(₹in million)

Particulars	Fiscal 2018	Fiscal 2019
Commission, exchange & brokerage	233.5	272.4
Profit on sale of investments (net)	27.2	80.1
Profit on sale of land, buildings & other assets	15.3	-7.5
Profit on exchange transactions	88.1	70.5
Bad debts written off recovered	269.2	307.7
Locker rent received	40.5	41.1
Rent received (on building only)	0.1	0.3
Lease rental income	0.0	0.0
Processing Fee	184.4	205.2
Incidental charges	0.0	0.1
Folio and service charges	50.6	46.7
Other charges	345.3	342.6
Total	**1,254.2**	**1,359.2**

Our other income increased by 8.37% from ₹ 1,254.2 million in Fiscal 2018 to ₹ 1,359.2 million in Fiscal 2019.The increase in other income was primarily due to the following:

- Our profit on sale of investments increased by 193.79% from ₹ 27.25 million in Fiscal 2018 to ₹ 80.06 million in Fiscal 2019 primarily due to profit from sale of T-bill.

- Our miscellaneous income increased by 6.03% from ₹ 890.1 million in Fiscal 2018 to ₹ 943.8 million in Fiscal 2019 primarily due to, *inter alia*, increase in bad debts recovery from written off accounts from ₹ 269.2 million in Fiscal 2018 to ₹ 307.7 million in Fiscal 2019 and also increase in processing fee earned for loans and other credit facilities from ₹ 184.4 million in Fiscal 2018 to ₹ 205.2 million in Fiscal 2019 on account of concerted efforts to plug revenue leakages. Profit on exchange transactions decreased by 19.97% from ₹ 88.1 million in Fiscal 2018 to ₹ 70.5 million in Fiscal 2019. Profit on sale of land building and other assets decreased 149.23% from ₹ 15.3 million in Fiscal 2018 to ₹ (-)7.5 million in Fiscal 2019.

- Commission/brokerage on bancassurance increased by 39.22% from ₹ 69.1 million in Fiscal 2018 to ₹ 96.2 million in Fiscal 2019 mainly due to increase in volume of insurance business.

Operating expenses

Our operating expenses increased by 29.05% from ₹ 4,359.0 million in Fiscal 2018 to ₹ 5,625.1 million in Fiscal 2019. The increase in our operating expenses was primarily due to the following:

- Our expenses related to payments and provisions for employees increased by 33.99% from ₹ 2,869.1 million in Fiscal 2018 to ₹ 3,844.3 million in Fiscal 2019, primarily due to increase in provision due to reduction of retirement age from 60 years to 58 years, decrease in return on plan assets and decrease in discount rate used for arriving present value of obligation liability, resulting in the increase in the provision for employee benefit amounting to ₹ 546.1 million and also on account of increase in dearness allowance rates by 7% during the year amounting to ₹ 327.1 million.

- Our other expenditure included in operating expenses increased by 45.42% from ₹ 451.0 million in Fiscal 2018 to ₹ 655.8 million in Fiscal 2019 primarily due to (i) write off of management fees paid to asset recovery companies to ₹ 71.0 million in Fiscal 2019, (ii) penalty imposed by RBI for delay in adherence of directives of SWIFT related operational controls amounting to ₹ 40 million in Fiscal 2019, (iii) increase in management charges from ₹ 39.7 million in Fiscal 2018 to ₹ 67.0 million in Fiscal 2019, and (iv) servicer fees paid for assignment transactions amounting to ₹ 9.6 million in Fiscal 2019. Rent tax and lighting had increased by 10.19% from ₹ 459.1 million in Fiscal 2018 to ₹ 505.9 million in Fiscal 2019. The increase in rent is mainly due to shifting of branches from first floor to ground floor for better customer service. Lighting has increased due to renovation/ air conditioning of branches.

Provisions and contingencies (other than provision for tax)

Provisions and contingencies (other than provision for tax) decreased by 58.78% from ₹ 2,692.2 million in Fiscal 2018 to ₹ 1,109.7 million in Fiscal 2019 primarily due to decrease in provision for NPA from ₹ 2,381.4 million in Fiscal 2018 to ₹ 901.3 million in Fiscal 2019. Slippages decreased from ₹ 2,811.6 million in Fiscal 2018 to ₹ 1,974.5 million in Fiscal 2019. Our gross NPA ratio decreased from 7.89% as at March 31, 2018 to 4.87% as at March 31, 2019, and our net NPA ratio decreased from 2.87% as at March 31, 2018 to 2.27% as at March 31, 2019. Our provision coverage ratio has increased to 78.16% as on March 31, 2019 from 75.83% as on March 31, 2018.

(₹ in million)

	Fiscal 2017	Fiscal 2018	Fiscal 2019
Gross NPA	7.25	7.89	4.87
Net NPA	4.12	2.87	2.27

During Fiscal 2019, our Bank changed its accounting policies and accelerated the provisioning in respect of (i) non-performing advances, (ii) frauds, and (iii) security receipts. The impact of the changes have been incorporated in the Restated Financial Information for Fiscal 2019. For further details, please see the section titled "*Other Financial Information – Annexure II*" on page 382 of this Prospectus.

Provision for tax (including deferred tax)

Provision for tax increased by 52.93% from ₹ (678.0) million in Fiscal 2018 to ₹ (319.2) million in Fiscal 2019 primarily due to decrease in deferred tax assets.

Net loss after tax

As a result of the factors mentioned above, our net loss after tax decreased by 48.31% from ₹ (1,270.9) million in Fiscal 2018 to ₹ (656.9) million in Fiscal 2019.

Results for Fiscal 2018 compared with Fiscal 2017

Summary of Performance

(₹in million, except percentages)

Particulars	Fiscal 2017	Fiscal 2018	% Change
Net interest income	3,136.0	3,848.1	22.71
Other income	2,812.0	1,254.2	(55.40)
Operating expenses	4,430.9	4,359.0	(1.62)
Provisions and contingencies (other than provisions for tax)	2,521.6	2,692.2	6.77
Provision for tax	(424.5)	(678.0)	(59.72)
Net profit/(loss) after tax	(579.9)	(1,270.9)	119.16

Net Interest Income

Our net interest income increased by 22.71% from ₹ 3,136.0 million in Fiscal 2017 to ₹ 3,848.1 million in Fiscal 2018. The following table sets forth the main components of our Bank's net interest income for the periods indicated.

(₹in million, except percentages)

Particulars	Fiscal 2017	Fiscal 2018	% Change
Interest/discount on advance/bills	8,808.8	9,128.1	3.63
Income on investments	4,125.6	3,362.0	(18.51)
Interest on balance with RBI and other inter-bank lending	26.9	59.4	120.82
Interest on others	401.6	418.5	4.21
Interest earned (A)	13,362.9	12,968.1	(2.95)
Interest on deposits	10,041.5	8,972.6	(10.64)
Interest on RBI/inter-bank borrowings	92.7	49.3	(46.82)
Others	92.7	98.1	5.83
Interest expended (B)	10,226.9	9,120.0	(10.82)
Net interest income (C=A-B)	3,136.0	3,848.1	22.71

Interest earned

Our interest earned decreased by 2.95% from ₹ 13,362.9 million in Fiscal 2017 to ₹ 12,968.1 million in Fiscal 2018. The decrease in interest earned was primarily due to the following:

- Our interest earned from advances and discounts on bills increased by 3.63% from ₹ 8,808.8 million in Fiscal 2017 to ₹ 9,128.1 million in Fiscal 2018, primarily due to an increase in average advances from ₹

79,336.5 million in Fiscal 2017 to ₹ 88,708.4 million in Fiscal 2018. Average advances are monthly average of the advances.

- Our income on investments decreased by 18.51% from ₹ 4,125.6 million in Fiscal 2017 to ₹ 3,362.0 million in Fiscal 2018 decrease in investments in T Bills and other investments aggregating to around 14% of investment portfolio. Our yield on investments decreased from 6.63% in Fiscal 2017 to 6.39% in Fiscal 2018.

- Our interest on balances with RBI and other inter-bank lending increased by 120.82% from ₹ 26.9 million in Fiscal 2017 to ₹ 59.4 million in Fiscal 2018 primarily due to increase in inter-bank and call money deployments.

- Our other interest earned increased by 4.21% from ₹ 401.6 million in Fiscal 2017 to ₹ 418.5 million in Fiscal 2018. Increase is mainly on account of interest earned on reverse repo lending by 6.05% from ₹ 117.2 million in Fiscal 2017 to ₹ 124.2 million in Fiscal 2018.

Interest Expended

Our interest expended decreased by 10.82% from ₹ 10,226.9 million in Fiscal 2017 to ₹ 9,120.0 million in Fiscal 2018. The decrease in interest expended was primarily due to the following:

- Our interest expense on deposits decreased by 10.64% from ₹ 10,041.5 million in Fiscal 2017 to ₹ 8,972.6 million in Fiscal 2018 primarily due to decrease in average term deposits from ₹ 113,165.4 million in Fiscal 2017 to ₹ 108,875.8 million in Fiscal 2018 and also on account of decrease in cost of term deposits from 7.80% in Fiscal 2017 to 7.07% in Fiscal 2018. Average figures are based on average monthly balances.

- Interest expense on RBI and inter-bank borrowings decreased by 46.82% from ₹ 92.7 million in Fiscal 2017 to ₹ 49.3 million in Fiscal 2018 primarily due to decrease in average borrowings from RBI from ₹ 1,174.5 million in Fiscal 2017 to ₹ 436.4 million in Fiscal 2018. Interest expenditure on our other borrowings increased by 5.82% from ₹ 92.7 million in Fiscal 2017 to ₹ 98.1 million in Fiscal 2018 mainly due to increase in average borrowings in CROMs from ₹ 266.2 million in Fiscal 2017 to ₹ 476.98 million in Fiscal 2018. Average figures are based on average monthly balances.

Other Income

The following table sets forth the main components of our Bank's other income for the periods indicated.

(₹ in million)

Particulars	**Fiscal 2017**	**Fiscal 2018**
Commission, Exchange and brokerage	204.9	233.5
Profit on sale of Investments (Net)	1,959.1	27.2
Profit on sale of land, buildings and other assets	-2.8	15.3
Profit on exchange transactions	93.4	88.1
Bad debts written off recovered	56.2	269.2
Locker rent received	39.3	40.5
Rent received (on building only)	0.2	0.1
Lease rental income	0.0	0.0
Processing fee	193.3	184.4
Incidental charges	0.3	0.0
Folio and service charges	19.8	50.6
Other charges	248.3	345.3
Total	**2,812.0**	**1,254.2**

Our other income decreased by 55.4% from ₹ 2,812.0 million in Fiscal 2017 to ₹ 1,254.2 million in Fiscal 2018.The decrease in other income was primarily due to the following:

- Our profit on sales of investments decreased by 98.61% from ₹ 1,959.1 million in Fiscal 2017 to ₹ 27.2 million in Fiscal 2018 primarily due to hardening of yields.

- Our miscellaneous income increased by 59.70% from ₹ 557.4 million in Fiscal 2017 to ₹ 890.1 million in Fiscal 2018 primarily due to increase in bad debts recovery from written off accounts from ₹ 56.2 million in Fiscal 2017 to ₹ 269.2 million in Fiscal 2018, increase in premium received on sale of priority sector lending certificate ("**PSLC**") from ₹ 27.4 million in Fiscal 2017 to ₹ 76.5 million in Fiscal 2018 also increase in gold loan related charges from ₹ 18 million in Fiscal 2017 to ₹ 46.6 million in Fiscal 2018. Folio charges and service charges increased from ₹ 19.8 million in Fiscal 2017 to ₹ 50.6 million in Fiscal 2018.

Operating expenses

Our operating expenses decreased by 1.6% from ₹ 4,430.9 million in Fiscal 2017 to ₹ 4,359 million in Fiscal 2018. The decrease in our operating expenses was primarily due to the following:

- Our expenses related to payments and provisions for employees decreased by 2.27% from ₹ 2,935.81 million in Fiscal 2017 to ₹ 2,869.05 million in Fiscal 2018, primarily due to decrease in overall basic pay for employees from ₹ 1,103.1 million in Fiscal 2017 to ₹ 1,023.1 million in Fiscal 2018, decrease in leave fare concession ("**LFC**") from ₹ 24.8 million in Fiscal 2017 to ₹ 17.9 million in Fiscal 2018.

- Rent, taxes and lighting expenses increased by 10.72% from ₹ 414.62 million in Fiscal 2017 to ₹ 459.07 million in Fiscal 2018 primarily due to renewal of lease agreements for existing branches.

- Our other expenditure included in operating expenses decreased by 12.08% from ₹ 513 million in Fiscal 2017 to ₹ 451 million in Fiscal 2018 primarily due to decrease in travelling and inspection expenses from ₹ 117.2 million in Fiscal 2017 to ₹ 73.5 million in Fiscal 2018 and decrease in expenses towards security arrangements of our branches and ATMs from ₹ 70.1 million in Fiscal 2017 to ₹ 57.8 million in Fiscal 2018. In Fiscal 2017 there was an extraordinary debit of ₹ 54.0 million on account of expenses related to cancelled initial public offering.

Provisions and contingencies (other than provision for tax)

Provisions and contingencies (other than provision for tax) increased by 6.77% from ₹ 2,521.6 million in Fiscal 2017 to ₹ 2,692.2 million in Fiscal 2018 primarily due to increase in provisioning for depreciation/write offs on investments, increase in provision for standard advances. Our provision coverage ratio improved from 65.50% as on March 31, 2017 to 75.83% as on March 31, 2018. Our gross NPA ratio increased from 7.25% as at March 31, 2017 to 7.89% as at March 31, 2018, and our net NPA ratio decreased from 4.12% as at March 31, 2017 to 2.87% as at March 31, 2018.

Provision for tax (including deferred tax)

Provision for tax (including deferred tax) decreased by 59.72% from ₹ (424.5) million in Fiscal 2017 to ₹ (678.05) million in Fiscal 2018 primarily due to increase in deferred tax assets from ₹ 1,832.2 million as on March 31, 2017 to ₹ 2,510.3 million as on March 31, 2018.

Net loss after tax

As a result of the factors mentioned above, our net loss after tax increased by 119.2% from ₹ 579.9 million in Fiscal 2017 to ₹ 1,270.9 million in Fiscal 2018.

Financial Condition

Assets

The following table sets forth the principal components of the assets as of March 31, 2017, 2018, 2019 and as of September 30, 2019:

(₹in million)

Particulars	As at March 31, 2017		As at March 31, 2018		As at March 31, 2019		As at September 30, 2019	
	Amount	% of the total assets	Amount	% of the total assets	Amount	% of the total assets	Amount	% of the total assets
Cash in hand	505.9	0.32%	549.5	0.36%	584.3	0.36%	549.2	0.32%
Balance with the RBI	7,057.9	4.48%	6,229.5	4.06%	6,669.8	4.05%	6,512.8	3.76%
Balances with banks in India	576.4	0.37%	187.9	0.12%	128.0	0.08%	88.3	0.05%
Balances with banks outside India	191.2	0.12%	274.7	0.18%	104.2	0.06%	1,011.1	0.58%
Money at Call and Short Notice	3,780.0	2.40%	4,909.8	3.20%	2,250.0	1.37%	0.0	0.00%
Net Investments in India	57,291.8	36.33%	40,832.9	26.63%	40,276.1	24.48%	43,141.0	24.90%
Advances	80,007.8	50.73%	91,848.5	59.90%	106,152.4	64.52%	112,978.4	65.22%
Net fixed assets (less: revaluation reserve)	513.0	0.33%	566.5	0.37%	599.0	0.36%	585.2	0.34%
Net other assets (less: deferred tax and intangible assets)	7,776.1	4.93%	7,947.3	5.18%	7,770.8	4.72%	8,366.6	4.83%
Total	157,700.3	100.00%	153,346.6	100.00%	164,534.6	100.00%	173,232.6	100.00%

Total assets (net) decreased by 2.76% from ₹ 157,700.3 million as of March 31, 2017 compared to ₹ 153,346.6 million as of March 31, 2018, and thereafter increased by 7.30% from ₹ 153,346.6 million as of March 31, 2018 to ₹ 164,534.6 million as of March 31, 2019. The decrease in total assets (net) as on March 31, 2018 as compared to March 31, 2017 was primarily on account of decrease in net investment by 28.73% from ₹ 57,291.8 million as on March 31, 2017 to ₹ 40,832.9 million as on March 31, 2018. The increase in total assets (net) as on March 31, 2019 as compared to March 31, 2018 was primarily on account of increase in net advances by 15.57% from ₹ 91,848.5 million as on March 31, 2018 to ₹ 106,152.4 million as on March 31, 2019.

Our cash in hand increased by 8.61% from ₹ 505.9 million as of March 31, 2017 to ₹ 549.5 million as of March 31, 2018 and further increased by 6.33% from ₹ 549.5 million as of March 31, 2018 to ₹ 584.3 million as of March 31, 2019. The fluctuations in cash balances are a function of volatility in customer remittances.

Our balances with RBI decreased by 11.74% from ₹ 7,057.9 million as of March 31, 2017 to ₹ 6,229.5 million as of March 31, 2018. However, it increased by 7.07% from ₹ 6,229.5 million as of March 31, 2018 to ₹ 6,669.8 million as of March 31, 2019. The balances maintained with RBI account were mainly a function of the treasury management activities by our Bank in the ordinary course of business and prevailing CRR requirements.

Our balances with banks in India decreased by 67.4% from ₹ 576.4 million as of March 31, 2017 to ₹ 187.9 million as of March 31, 2018. It further decreased by 31.87% from ₹ 187.9 million as of March 31, 2018 to ₹ 128 million as of March 31, 2019 and by 31.02% from ₹ 128.0 million as of March 31, 2019. The money at call and short notice has increased by 29.89% from ₹ 3,780.0 million as on March 31, 2017 to ₹ 4,909.8 million as on March 31, 2018 and decreased by 54.17% from ₹ 4,909.8 million as on March 31, 2018 to ₹ 2,250.0 million as on March 31, 2019. Such decrease was mainly on account of variance in balances of reverse repo (₹ 3,780 million as on March 31, 2017, ₹ 4,510 million as on March 31, 2018 and ₹ 2,250 million as on March 31, 2019). In the event of an arbitrage opportunity money is borrowed at low cost and lent at higher rates.

Our balances with banks outside India increased by 43.64% from ₹ 191.2 million as of March 31, 2017 to ₹ 274.7 million as of March 31, 2018. However, it decreased by 62.06% from ₹ 274.7 million as of March 31, 2018 to ₹ 104.2 million as of March 31, 2019 on account of increase in deployments of foreign currency loans.

Our net investments decreased by 28.73% from ₹ 57,291.8 million as of March 31, 2017 to ₹ 40,832.9 million as of March 31, 2018 and it decreased by 1.36% from ₹ 40,832.9 million as at March 31, 2018 to ₹ 40,276.1 million as of March 31, 2019. The decrease in investments is mainly due to the redeployment of funds parked in short term investments to advances.

Our advances increased by 14.80% from ₹ 80,007.8 million as of March 31, 2017 to ₹ 91,848.5 million as of March 31, 2018 to ₹ 106,152.4 million as of March 31, 2019. The increase in advances is mainly on account of increase in corporate advances from ₹ 10,355.5 million as on March 31, 2017 to ₹ 19,388.0 million as on March 31, 2018 and further increased to ₹ 25,369.0 million as on March 31, 2019. Our gold loan portfolio increased from ₹ 20,262.9 million in Fiscal 2017 to ₹ 24,836.3 million in Fiscal 2018 to ₹ 33,331.0 million in Fiscal 2019.

Our net fixed assets increased by 10.43% from ₹ 513.0 million as of March 31, 2017 to ₹ 566.5 million as of March 31, 2018 and it increased by 5.74% from ₹ 566.5 million as of March 31, 2018 to ₹ 599.0 million as of March 31, 2019. The increase was on account of additions in number of ATMs and fixed assets for our offices and branches.

Our net other assets increased by 2.20% from ₹ 7,776.1 million as of March 31, 2017 to ₹ 7,947.3 million as of March 31, 2018 primarily on account of increase in deposits placed with NABARD/SIDBI/NHB for meeting shortfall in priority sector lending from ₹ 5,502.4 million as on March 31, 2017 to ₹ 5,848.16 million as on March 31, 2018. Our net other asset decreased by 2.22% from ₹ 7,947.3 million as of March 31, 2018 to ₹ 7770.8 million as of March 31, 2019 primarily on account of decrease in deposits placed with NABARD/SIDBI/NHB for meeting shortfall in priority sector lending from ₹ 5,848.2 million as on March 31, 2018 to ₹ 5,393.3 million as on March 31, 2019.

The total assets (net) as on September 30, 2019 were ₹ 173,232.6 million. Our cash in hand was ₹ 549.2 million as on September 30, 2019. Our balances with RBI were ₹ 6,512.8 million as on September 30, 2019. Our balance with banks in India was ₹ 88.3 million as of September 30, 2019 and our balances with banks outside India ₹ 1,011.1 million as on September 30, 2019. The money at call and short notice was nil as on September 30, 2019. Our net investments were ₹ 43,141.0 million as on September 30, 2019 which include our investment in AIF amounted to ₹ 501.2 million as on September 30, 2019. Our advances was ₹ 11,2978.4 million as of September 30, 2019 which includes our gold loan portfolio amounting to ₹ 3,7818.3 million for the six month period ended September 30, 2019. Our net fixed assets was ₹ 585.2 million as on September 30, 2019 and our net other assets was ₹ 8,366.6 million as on September 30, 2019.

Liabilities and shareholders' equity

The following table sets forth the principal components of liabilities and shareholders' equity as of March 31, 2017, 2018, 2019 and September 30, 2019:

(₹in million)

Particulars	As at March 31, 2017	As at March 31, 2018	As at March 31, 2019	As at September 30, 2019

	Amount	% of total liabilities	Amount	% of total liabilities	Amount	% of total liabilities	Amount	% of total liabilities
Share Capital (A)	810.1	0.51%	810.1	0.53%	859.7	0.52%	1,722.8	0.99%
Warrant Capital (B)*	-	-	-	-	6,513.4	3.96%	0.0	0.00%
Reserves and surplus (C)	4,651.4	2.95%	2,726.3	1.78%	2,366.8	1.44%	13,637.1	7.87%
Shareholders' funds (excluding revaluation reserves, intangible assets and deferred tax and debit balance in profit and loss account) (A+B+C)	**5,461.5**	**3.46%**	**3,536.4**	**2.31%**	**9,739.9**	**5.92%**	**15,359.9**	**8.87%**
Deposits	149,115.6	94.55%	146,906.5	95.8 %	151,238.7	91.92%	15,5098.2	89.53%
Borrowings	418.0	0.27%	418.0	0. 27%	-	-	-	-
Other liabilities and provisions	2,705.2	1.72%	2,485.7	1.62%	3,555.9	2.16%	2,774.5	1.60%
Total liabilities and shareholder funds	**157,700.3**	**100.00 %**	**153,346.6**	**100.00 %**	**164,534.5**	**100.00%**	**173,232.6**	**100.00%**

**The Warrants shall be compulsorily convertible on payment of the final consideration and under any circumstances shall not exceed 18 months from the date of the RBI letter dated July 12, 2018.*

For details on Allotment of Equity Shares pursuant to conversion of warrants exchangeable into Equity Shares issued by our Bank to FIHM, please see the section titled "*Capital Structure - Share capital history of our Bank*" on page 75.

Total shareholders' funds increased by 175.42% from ₹ 3,536.4 million as of March 31, 2018 to ₹ 9,739.9 million as of March 31, 2019 primarily due to capital infusion amounting to ₹ 7,207.5 million which was offset by the increase in accumulated loss from ₹ 4,482.7 million to ₹ 5,139.59 million and increase in deferred tax assets held from ₹ 2,510.3 million to ₹ 2,841.5 million primarily on account of increase in carry forward loss.

Our deposits (comprising of demand deposits from banks and others, savings deposits and term deposits from banks and others) decreased by 1.48% from ₹ 149,115.6 million as of March 31, 2017 to ₹ 146,906.5 million as of March 31, 2018. The deposits increased by 2.86% to ₹ 151,238.7 million as of March 31, 2019 from ₹ 146,906.5 million as of March 31, 2018. The term deposits from others decreased from ₹ 111,986.4 million in Fiscal 2017 to ₹ 107,141.0 million in Fiscal 2018 which resulted in the decrease in total deposits. The decrease in term deposits in Fiscal 2018 was offset by the increase in savings deposits from ₹ 30,868.3 million to ₹ 33,425.1 million. The increase in deposits during Fiscal 2019 was primarily due to increase in savings deposits from ₹ 33,425.1 million in Fiscal 2018 to ₹ 35,935.0 million in Fiscal 2019 as well as increase in term deposits from banks from ₹ 58.9 million to ₹ 1,900.5 million during the same period.

Our borrowings comprises of subordinate tier II bonds amounting to ₹ 418 million as on March 31, 2017 and March 31, 2018. However, our Bank did not have any borrowings as on March 31, 2019.

Our other liabilities and provisions decreased by 8.11% from ₹ 2,705.2 million as of March 31, 2017 to ₹ 2,485.7 million as of March 31, 2018 and increased by 43.06% from ₹ 2,485.7 million as of March 31, 2018 to ₹ 3,555.9 million as of March 31, 2019. The other liabilities and provisions increased in Fiscal 2019 primarily due to provision created for superannuation benefits amounting to ₹ 746.2 million and increase in contingent provisions against standard assets from ₹ 343.2 million as of March 31, 2018 to ₹ 472.4 million as of March 31, 2019.

The total shareholders' fund was ₹ 15,359.9 million as on September 30, 2019. The deposits for the six month period ended September 30, 2019 was ₹ 15,5098.2 million. Our Bank did not have any borrowings as on September 30, 2019. Our other liabilities and provisions was ₹ 2,774.5 million as on September 30, 2019.

Liquidity, capital resources and capital adequacy

We regularly monitor our funding levels to ensure we are able to satisfy the requirements of our loan disbursements and those that would arise upon maturity of our liabilities. Further, since we are regulated by RBI, we need to comply with various liquidity guidelines and ratios as prescribed by RBI from time to time. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by deposits and borrowings from banks and financial institutions, deposits from customers and retained earnings. Surplus funds, if any, are invested in accordance with our investment policy.

In addition, we monitor and manage our asset-liability gap with respect to our maturing assets and liabilities. As of September 30, 2019, our assets in the nature of advances, investments and foreign currency assets maturing within one year exceeded our liabilities in the nature of deposits, borrowing and foreign currency liabilities maturing within the same period by ₹ 49,553.3 million. As of September 30, 2019, our assets maturing between one year to five years exceeded our liabilities maturing within the same period by ₹ 1,486.0 million. As of September 30, 2019, our liabilities maturing over five years exceeded our assets maturing within the same period by ₹ 50,018.4 million.

We are also subject to the capital adequacy requirements of the RBI. As per capital adequacy guidelines under Basel III framework, by March 31, 2019 and September 30, 2019, we are required to maintain a minimum capital adequacy ratio of 10.875% (including 1.88% of Capital Conservation Buffer (CB)), with minimum Common Equity Tier I (CET I) CAR of 5.5% (7.38% including CB) respectively. These guidelines on Basel III framework are to be implemented in a phased manner. The minimum CAR required to be maintained by our Bank for Fiscal 2019 and for the six month period ended September 30, 2019 is 10.875% and with minimum CET I of 5.5%.

Our capital adequacy ratios are as follows:

Particulars	As at March 31, 2017	As at March 31, 2018	As at March 31, 2019	As at September 30, 2019
(Basel II)				
Risk weighted assets *(₹ million)*	67,752.1	73,642.5	70,414.8	73,409.1
Total Capital *(₹ million)*	7,424.4	6,140.8	11,805.5	16,878.1
Tier-I Capital *(₹ million)*	6,994.4	5,797.6	11,333.1	16,385.2
Tier-II Capital *(₹ million)*	430.0	343.2	472.4	492.8
Total CRAR	10.96	8.34	16.77	22.99
Tier I CRAR	10.32	7.87	16.09	22.32
Tier II CRAR	0.64	0.47	0.67	0.67
(Basel III)				
Risk weighted assets *(₹ million)*	67,841.1	73,683.1	70,678.0	74,110.7
Total Capital *(₹ million)*	7,414.4	6,140.8	11,805.5	16,878.1

Particulars	As at March 31, 2017	As at March 31, 2018	As at March 31, 2019	As at September 30, 2019
Tier-I Capital *(₹ million)*	6,994.4	5,797.6	11,333.1	16,385.2
Tier-II Capital *(₹ million)*	420.0	343.2	472.4	492.8
Total CRAR	10.93	8.33	16.70	22.77
Tier I CRAR	10.31	7.87	16.03	22.11
Tier II CRAR	0.62	0.46	0.67	0.66

For details on the required minimum capital ratios for scheduled commercial banks as stipulated by the Basel III Capital Regulations, see section titled "*Key Regulations and Policies in India*" beginning on page 183.

Cash flows

Cash Flow Data

The following table sets forth certain information about our cash flows, as restated for the periods indicated.

(*in ₹ million*)

Particulars	As of March 31,			September 30, 2019
	2017	2018	2019	
Net cash from / (used in) operating activities	3,954.2	268.4	(8,932.4)	(6,409.9)
Net cash from / (used in) investing activities	(169.9)	(177.9)	(221.4)	(84.2)
Net cash from / (used in) financing activities	1,064.3	(50.7)	6,738.8	4,919.3
Cash and cash equivalents at end of period	12,111.5	12,151.3	9,736.3	8,161.5

For the six month period ended September 30, 2019

As at September 30, 2019, we had cash and cash equivalents of ₹ 8,161.5 million.

Our profit before taxation was ₹ 689.3 million for the six month period ended September 30, 2019. This amount was adjusted for non-cash items and non-operating expenses including ₹ 75.1 million for depreciation on fixed assets, ₹ 24.9 million for amortization of intangible assets, ₹ 346.4 million for provisions and contingencies, and ₹ 3.8 million for other adjustments. Our operating profit before working capital changes was ₹ 1,139.6 million. We also generated cash from working capital changes including ₹ 3,859.5 million from deposits, which was offset by working capital changes for advances of ₹ 7,124.6 million, ₹ 2,888.9 million from investments, ₹ 367.6 million from other assets and ₹ 802.0 million from other liabilities. Further we have paid taxes worth ₹ 225.7 million. As a result of the foregoing, net cash used from operating activities was ₹ 6,409.9 million for the six month period ended September 30, 2019.

the six month period ended September 30, 2019, net cash used in investing activities was ₹ 84.2 million. This was primarily due to ₹ 86.0 million used for purchase of fixed assets and intangible assets, partially offset by the generation of ₹1.8 million from the sale of fixed assets.

Net cash generated in financing activities was ₹ 4,919.3 million for the six month period ended September 30, 2019. This was primarily due to issuance of equity share capital of ₹ 198.7 million, share premium gained from issuance of Equity Shares of ₹ 1,933.6 million and proceeds from issue of equity share warrants ₹ 2,786.9 million.

Fiscal year ended March 31, 2019

As at March 31, 2019, we had cash and cash equivalents of ₹ 9,736.3 million.

Our restated profit before taxation was ₹ (976.1) million for Fiscal 2019. This amount was adjusted for non-cash items and non-operating expenses including ₹ 121.7 million for depreciation on fixed assets, ₹ 43.6 million for amortization of intangible assets, ₹ 1,109.7 million for provisions and contingencies, ₹ 50.7 million for interest on tier II bonds and ₹ 6.6 million for other adjustments. Our operating profit before working capital changes was ₹ 356.23 million. We also generated cash from working capital changes including ₹ 4,332.2 million from deposits, ₹ 510.9 million from investments, ₹ 253.9 million from other assets and ₹ 908.6 million from other liabilities, which was offset by working capital changes for advances of ₹ 15,204.9 million. Further we have paid taxes worth ₹ 89.44 million. As a result of the foregoing, net cash used from operating activities was ₹ 8,932.4 million for Fiscal 2019.

For Fiscal 2019, net cash used in investing activities was ₹ 221.4 million. This was primarily due to ₹ 226.5 million used for purchase of fixed assets and intangible assets, partially offset by the generation of ₹ 5.1 million from the sale of fixed assets.

Net cash generated in financing activities was ₹ 6,738.8 million for Fiscal 2019. This was primarily due to issuance of equity share capital of ₹ 49.6 million, share premium gained from issuance of Equity Shares of ₹ 644.5 million and proceeds from issue of equity share warrants of ₹ 6,513.4 million which was partially offset by ₹ 418.0 million for redemption of tier II bonds and ₹ 50.7 million which was used to pay interest on tier II bonds.

Fiscal year ended March 31, 2018

As at March 31, 2018, we had cash and cash equivalents of ₹ 12,151.3 million.

Our restated profit before taxation was ₹ (1,948.9) million for Fiscal 2018. This amount was adjusted for non-cash items and non-operating expenses including ₹ 118.4 million for depreciation on fixed assets, ₹ 37.3 million for amortization of intangible assets, ₹ 2,692.2 million for provisions and contingencies, ₹ 50.7 million for interest on tier II bonds and ₹ (8.2) million for other adjustments. Our operating profit before working capital changes was ₹ 941.5 million. We also generated cash from working capital changes including ₹ 16,139.8 million from investments, which was offset by working capital changes of advances of ₹ 14,219.4 million, deposits of ₹ 2,209.1 million, other assets of ₹ 178.3 million, ₹ 213.0 million from other liabilities. Further we have paid tax for ₹ 7.0 million. As a result of the foregoing, net cash generated from operating activities was ₹ 268.4 million for Fiscal 2018.

For Fiscal 2018, net cash used in investing activities was ₹ 177.9 million. This was due to ₹ 223.7 million used for purchase of fixed assets and intangible assets, partially offset by the generation of ₹ 45.8 million from the sale of fixed assets.

Net cash used in financing activities was ₹ 50.7 million for Fiscal 2018. This was used to pay interest on tier II bonds and ₹ 50.7 million used for payment of dividends (including taxes on dividends).

Fiscal year ended March 31, 2017

As at March 31, 2017, we had cash and cash equivalents of ₹ 12,111.5 million.

Our restated profit before taxation was ₹ (1,004.4) million for Fiscal 2017. This amount was adjusted for non-cash items and non-operating expenses including ₹ 121.5 million for depreciation on fixed assets, ₹ 27.8 million for amortization of intangible assets, ₹ 2,521.6 million for provisions and contingencies, ₹ 50.6 million for interest on tier II bonds and ₹ 4.7 million for other adjustments. Our operating profit before working capital changes was ₹ 1,721.7 million. We also generated cash from working capital changes including ₹ 4,731.6 million from deposits and ₹ 2,419.4 million from investments, which was offset by working capital changes of other liabilities of ₹ 107.6 million, advances of ₹ 4,477.6 million and other assets of ₹ 291.9 million. Further, there was refund of taxes of ₹ 41.3 million. As a result of the foregoing, net cash generated from operating activities was ₹ 3,954.2 million for Fiscal 2017.

For Fiscal 2017, net cash used in investing activities was ₹ 173.72 million. This was primarily due to ₹ 173.7 million used for purchase of fixed assets and intangible assets and reduced by the amounts of fixed assets sold.

Net cash generated in financing activities was ₹ 1,064.3 million for Fiscal 2017. This was primarily due to issuance of equity share capital of ₹ 92.5 million, share premium gained from issuance of Equity Shares of ₹ 1,022.3 million, which was partially offset by ₹ 50.6 million used to pay interest on tier II bonds.

Qualitative Disclosure about Risk and Risk Management

Interest rate risk

Since a substantial portion of our rupee liabilities are fixed rate bearing and we have a mix of floating and fixed-rate assets (with rupee advances substantially floating rate bearing and investments wholly fixed rate bearing), movements in domestic interest rates constitute the main source of interest rate risk. We assess and manage the interest rate risk on our balance sheet through the process of asset-liability management. Our asset liability management policy, which has been approved and adopted by our Board of Directors, sets forth the broad guidelines for asset liability management activities. The asset liability management function, *inter alia*, categorizes all rate sensitive assets and liabilities into various time period categories according to interest rate sensitivity. We follow RBI guidelines for managing our asset and liability position. Our cost of borrowings has been and will be negatively impacted by an increase in interest rates. Exposure to fluctuations in interest rates is measured primarily by way of gap analysis, providing a static view of the maturity profile of our assets and liabilities. An interest rate sensitivity report is prepared by classifying all assets and liabilities into various categories according to interest rate sensitivity for reporting on a monthly basis to the ALCO. The difference between the amounts of assets and liabilities maturing in any maturity category provides a measure of the extent to which we are exposed to the risk of potential changes in the margins on new assets and liabilities.

Our asset and liability management committee meets on a monthly basis and reviews the interest rate and liquidity gap positions on the book, formulates a view on interest rates, reviews the business profile and its impact on asset liability management and determines the asset liability management strategy, in light of the then-current and expected business environment.

Liquidity risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying deposits and borrowings. This could be due to a decline in the expected collection, or our inability to raise adequate resources at an appropriate price. This risk is minimized through a mix of strategies, including reducing reliance on bulk deposits, maintaining adequate stock of liquid assets and following a forward-looking borrowing programme based on projected loans and maturing obligations. We monitor liquidity risk through our asset liability management function aided by liquidity gap reports. This involves the categorization of all assets and liabilities in different maturity profiles, and evaluating them for any mismatches in any particular maturities, especially in the short term. Our Liquidity Management Policy is based on RBI guidelines and the ALCO's guidelines and establishes the maximum allowed mismatches in the various maturities.

Exchange rate risk

The majority of our assets are financed in rupees and, therefore, we do not have any significant exchange rate risk on our asset portfolio. We do not directly hedge exposures individually, though we manage our foreign currency positions on a portfolio basis. As a financial intermediary, we are exposed to exchange rate risk on our merchant and proprietary transactions, which we manage through methods such as maintaining currency wise intra-day and overnight limits on uncovered positions specified by our Board of Directors. Some of these transactions also result in credit exposure on counterparties, which is managed by setting suitable counterparty limits. Notwithstanding the above, changes in exchange rates, including between the Rupee and the U.S. Dollar or any other foreign currency, can affect the general economy, which could have an adverse impact on our business.

Indebtedness, contractual obligations, commitments, contingent liabilities and off-balance sheet arrangements

The following table summarizes our indebtedness, contractual obligations and commitments to make future payments as of September 30, 2019, and the effect that such obligation and commitments are expected to have on

liquidity and cash flow in future periods.

(*in ₹ million*)

Particulars	Fiscal 2017	Fiscal 2018	Fiscal 2019	September 30, 2019
Subordinated Debt	418	418	Nil	Nil
Refinance from NABARD/NHB	Nil	Nil	Nil	Nil
Repo borrowing	Nil	Nil	Nil	Nil
Total Contractual Obligations	Nil	Nil	Nil	Nil

Contingent liabilities

As of September 30, 2019, we had the following contingent liabilities which have not been provided for in our financial information.

(*in ₹ million*)

Particulars	As of September 30, 2019
Claims against our Bank not acknowledged as debt	387.86
Liability on account of outstanding forward exchange contracts	3,567.94
Guarantees given on behalf of constituents	
In India	2,271.68
Outside India	Nil
Acceptance, Endorsement and other obligations	276.40
Other Items for which our Bank is contingently liable	766.24
Total	**7,270.12**
Bills for collection	666.22

Off-balance sheet arrangements

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with other entities that have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

For details of the related party transactions, as per the requirements under Indian GAAP '*Related Party Disclosures'* issued by the ICAI and as reported in the Restated Financial Information, see *"Financial Statements"* on page 237.

Significant developments after September 30, 2019 that may affect our future results of operations

We believe that there are no developments or circumstances that have arisen subsequent to September 30, 2019 which have material and adverse effect or are likely to affect the trading or profitability of our Bank, or the value of assets or our ability to pay liabilities within 12 months from the date of this Prospectus.

Unusual or infrequent events or transactions

There have been no unusual or infrequent transactions that have taken place during the last three Fiscals or during the six month period ended September 30, 2019 except for the sale of investments in HTM category in Fiscal 2017 taking advantage of the favourable yield movements which had resulted in profit on sale of investments of ₹ 1,868.3 million.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 23 and 403, respectively, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23 and 403, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23 and 403, respectively, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in income from operations during the last three Fiscal years are as explained in this section titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 403.

Total turnover of each major industry segment in which the issuer operates

For details of the total turnover, please refer to the section titled "*Financial Statements*" beginning on page 237.

New products or business segment

Except as stated in the section titled "*Our Business*" beginning on page 141, we have not entered into any agreements for new products or business segments or publicly announced introduction of any new products or services.

Seasonality of business

Our business is not seasonal in nature.

Significant dependence on single supplier /customer

See the section titled "*Risk Factors – We have regional concentration in southern India, especially Kerala. Any adverse change in the economic condition of Kerala and other states in southern India can impact our results of operations. Additionally, we may not be successful in expanding our operations to other parts of India which could have an adverse effect on our business, financial condition and results of operations*" and "*Risk Factors –We have concentration of loans to and deposits from certain customers, which expose us to risk of credit losses and premature withdrawal of deposits from these customers which could materially and adversely affect our asset quality, financial condition and results of operations*" on pages 24 and 29, respectively.

Competitive conditions

For details of our competitors, please refer to the discussions of our competition in the sections titled "*Risk Factors*" and "*Our Business*" beginning on pages 23 and 141, respectively.

SELECTED STATISTICAL INFORMATION

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The following information should be read together with our financial statements included in this Prospectus as well as the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning from page 403. The amounts presented in this section are based on our financial statements prepared in accordance with Indian GAAP and internally generated statistical data. These amounts do not give effect to the adjustment to our net profits as a result of their statement of our unconsolidated financial statements in connection with this Offer. Average figures are based on average monthly balances of 12 months.

Average Balance Sheet and Net Interest Margin

(₹ in million)

	Year ending March 31, 2017			Year ending March 31, 2018		
Assets (Interest Earning)	**Average Balance**	**Interest Income/ Interest expense**	**Average yield/ cost**	**Average Balance**	**Interest Income/ Interest expense**	**Average yield/ cost**
Advances	79336.5	8808.8	11.10	88708.4	9128.1	10.29
Investments	62208.2	4125.6	6.63	52573.6	3362.0	6.39
Others(RIDF, Interbank deposits ,call money reverse repo etc)	7170.8	428.5	5.98	8570.7	477.9	5.58
Total Interest Earning Assets (Other than Interest Bearing)	**148715.5**	**13362.9**	**8.99**	**149852.7**	**12968.1**	**8.65**
Fixed assets (Including Revaluation reserve)	2138.5	-	-	2234.0	-	-
Other assets	11793.4	-	-	11717.7	-	-
Total Non-interest earning Assets	**13931.9**	**-**	**-**	**13951.7**	**-**	**-**
Total Assets	162647.5	13362.9	8.22	163804.4	12968.1	7.92
Less: Revaluation Reserves	1655.4	-	-	1635.8	-	-
Net Total Assets	160992.0	13362.9	8.30	162168.5	12968.1	8.00
Liabilities (Interest Bearing)						
Deposits	145727.8	10041.5	6.89	146351.6	8972.6	6.13
of which:-						
Demand	4405.4	-	-	5564.0	-	-
Saving	28157.0	1123.1	3.99	31911.8	1272.3	3.99
Term	113165.4	8918.3	7.88	108875.8	7700.3	7.07
Borrowings (Other than Tier-II Bonds)	1879.8	136.6	7.26	1338.3	98.5	7.36
Tier- II Bonds	418.0	48.9	11.70	418.0	48.9	11.70
Total Interest bearing Liabilities	148025.6	10226.9	6.91	148107.9	9120.0	6.16

Assets (Interest Earning)	Year ending March 31, 2017			Year ending March 31, 2018		
	Average Balance	Interest Income/ Interest expense	Average yield/ cost	Average Balance	Interest Income/Interest expense	Average yield/ cost
Capital & Reserves	9868.8	-	-	9810.9	-	-
Other Liabilities	4753.1	-	-	5885.5	-	-
Total Liabilities	162647.5	-	-	163804.4	-	-
Net Interest Income	-	3136.0		-	3848.1	-
Net Interest Margin	-	2.11		-	2.57	-
Net profit before tax	-	(1,004.4)		-	(1,948.9)	-
Net profit After tax	-	(579.9)		-	(1,270.9)	-

Assets (Interest Earning)	Year ending March 31, 2019			Half Year ending September 30, 2019		
	Average Balance	Interest Income/ Interest expense	Average yield/ cost	Average Balance	Interest Income/ Interest expense	Average yield/ cost*
Advances	98349.3	9686.2	9.85	109882.7	5631.3	10.22
Investments	52385.0	3473.7	6.63	46281.5	1534.0	6.61
Others(RIDF, Interbank deposits ,call money reverse repo etc)	6254.6	315.3	5.04	6457.8	157.7	4.87
Total Interest Earning Assets (Other than Interest Bearing)	**156988.9**	**13475.2**	**8.58**	**162622.0**	**7323.0**	**8.98**
Fixed assets (Including Revaluation reserve)	2302.2	-	-	2323.1		
Other assets	12467.3	-	-	15947.4		
Total Non-interest earning Assets	14769.5	-	-	18270.5		
Total Assets	171758.5	13475.2	7.85	180892.5	7323.0	8.07
Less: Revaluation Reserves	1590.1	-	-	1578.2		
Net Total Assets	170168.5	13475.2	7.92	179314.3	7323.0	8.15
Liabilities (Interest Bearing)						
Deposits	146703.0	8618.3	5.87	151343.2	4483.1	5.91
of which:-						
Demand	5265.9	-	-	5778.2		

Saving	34728.3	1363.9	3.93	36110.4	705.9	3.90
Term	106708.8	7254.4	6.80	109454.6	3777.2	6.88
Borrowings (Other than Tier-II Bonds)	5542.3	408.6	7.37	1956.9	44.7	4.56
Tier- II Bonds	416.9	48.8	11.70	0.0	0.0	0.00
Total Interest bearing Liabilities	152662.2	9075.6	5.94	153300.1	4527.8	5.89

	Year ending March 31, 2019		Half Year ending September 30, 2019			
Assets (Interest Earning)	**Average Balance**	**Interest Income/ Interest expense**	**Average yield/ cost**	**Average Balance**	**Interest Income/ Interest expense**	**Average yield/ cost**
Capital & Reserves	10739.7	-	-	16457.9		-
Other Liabilities	8356.6	-	-	11134.5		-
Total Liabilities	171758.5	-	-	180892.5		-
Net Interest Income	-	4399.5	-	-	2795.2	-
Net Interest Margin	-	2.80	-	-	3.43	-
Net profit before tax	-	(976.1)	-	-	689.3	-
Net profit After tax	-	(656.9)	-	-	442.7	-

Average Balances are defined as average monthly balances for the items listed in the table.

****Annualised***

Analysis of Changes In Interest Income & Interest Expense Volume And Rate Analysis

The following table sets forth, for the periods indicated, the allocation of the changes in our interest income and interest expense between average volume and changes in average rates. The changes in net interest income between periods have been reflected as attributed either to volume or rate changes. For the purposes of this table, changes that are due to both volume and rate have been allocated solely to changes in rate.

(₹ in million)

	Fiscal 2017 Vs Fiscal 2016			Fiscal 2018 Vs Fiscal 2017			Fiscal 2019 Vs Fiscal 2018		
	Net Changes in Interest income or expense	**Change due to change in average rate**	**Changes due to change in average volume**	**Net Changes in Interest income or expense**	**Change due to change in average rate**	**Changes due to change in average volume**	**Net Changes in Interest income or expense**	**Change due to change in average rate**	**Changes due to change in average volume**
Interest Income :	(1,466)	(950.0)	(515.9)	(394.9)	(880.2)	485.3	507.1	(343.8)	850.9
Advances	(1,703)	(842.2)	(861.2)	319.3	(721.2)	1,040.6	558.0	(434.0)	992.1
Investments	181	(154.0)	335.1	(763.6)	(124.6)	(639.0)	111.6	123.7	(12.1)
Others	56	46.2	10.2	49.3	(34.3)	83.7	(162.6)	(33.4)	(129.1)
Interest Expense :	(1,366)	(1,122.6)	(243.2)	(1,106.9)	(879.3)	(227.6)	(44.4)	(312.7)	268.3
Deposits	(1,315)	(1,126.2)	(189.2)	(1,068.9)	(880.6)	(188.3)	(354.3)	(313.4)	(41.0)

	Fiscal 2017 Vs Fiscal 2016			Fiscal 2018 Vs Fiscal 2017			Fiscal 2019 Vs Fiscal 2018		
	Net Changes in Interest income or expense	**Change due to change in average rate**	**Changes due to change in average volume**	**Net Changes in Interest income or expense**	**Change due to change in average rate**	**Changes due to change in average volume**	**Net Changes in Interest income or expense**	**Change due to change in average rate**	**Changes due to change in average volume**
Demand Deposits	-	-	-	-	-	-	-	-	-
Saving Deposits	184	(7.1)	190.9	149.1	(0.6)	149.8	91.6	(20.7)	112.3
Term Deposits	(1,499)	(1,119.1)	(380.1)	(1,218.0)	(880.0)	(338.1)	(445.9)	(292.7)	(153.3)
Borrowings	(50)	3.6	(54.0)	(38.1)	1.3	(39.3)	310.1	0.6	309.4
Tier-II Bonds	-	-	-	(0.0)	(0.0)	-	(0.1)	(0.0)	(0.1)
Net Interest Income	(100)	172.6	(272.7)	712.0	(0.8)	712.9	551.5	(31.0)	582.5

Yields, Spreads And Margins

(₹ in million)

For the Period ended	2017	2018	2019	30.09.2019
1).Interest Income	13362.9	12968.1	13475.2	7323.0
2)Average Interest earning Assets	148715.5	149852.7	156988.9	162622.0
3)Interest Expense	10226.9	9120.0	9075.6	4527.8
4)Average interest bearing Liabilities	148025.6	148107.9	152662.2	153300.1
5)Net Interest Income (1-3)	3136.0	3848.1	4399.5	2795.2
6)Net Profit After Tax	(579.9)	(1,270.9)	(656.9)	442.7
7)Average Net Total assets (Net of Revaluation Reserve)	160992.02	162168.51	170168.48	179314.3
8)Average Share Capital & Reserves (Net of Revaluation Reserve)	8213.36	8175.07	9149.64	14879.7
9)Average interest earning assets as % of average net total assets (2 / 7)	92.37%	92.41%	92.26%	90.69%
10)Average interest bearing liabilities as % of average net total assets (4 / 7)	91.95%	91.33%	89.71%	85.49%
11)Average interest earning assets as % of average interest bearing liabilities [2 / 4)	100.47%	101.18%	102.83%	106.08%
12)Yield (1 / 2)	8.99%	8.65%	8.58%	8.98%
13)Average Cost of Loan Funds (3 / 4)	6.91%	6.16%	5.94%	5.89%
14)Spread [12-13]	2.08%	2.50%	2.64%	3.09%
15)Net Interest Income/Average earning assets (5/ 2)	2.11%	2.57%	2.80%	3.43%
16)Return on average net total assets [6 / 7]	(0.36)%	(0.78)%	(0.39)%	0.49%
17)Average Share Capital & Reserves to Average Total Net Assets [8 / 7]	5.10%	5.04%	5.38%	8.30%
18)Profit Available for Equity shareholders to Average Equity Share Holders fund [6/8]	(7.06)%	(15.55)%	(7.18)%	5.93%
19) Cost to Income	74.49%	85.43%	97.68%	71.54%
20) Cost to Income (Excluding treasury profits and increase in AS-15)#	111.08%	85.89%	83.68%	59.21%
21) Credit to Deposit	53.65%	62.52%	70.19%	72.84%

computed after excluding profit on sale of investments, incremental portion of DA and increase in As-15 provision on account of various reasons like reduction of retirement age of officers from 60 years to 58 years during year 2018-19, decrease in return on plan assets, decrease in discount rate used for arriving present value of obligation liability etc.

Total Deposits

(₹ in million)

	As at 31.03.2017		As at 31.03.2018		As at 31.03.2019		As at 30.09.2019	
	Balance O/S	**% of Total**	**Balance O/S**	**% of Total**	**Balance O/S**	**% of Total**	**Balance O/S**	**% of Total**
Demand Deposit (A)	6077.5	4.08%	6281.5	4.28%	6170.9	4.08%	6593.9	4.25%
From Banks	6.3	0.00%	5.2	0.00%	5.3	0.00%	13.4	0.01%
From Others	6071.2	4.07%	6276.3	4.27%	6165.6	4.08%	6580.5	4.24%
Savings Deposits (B)	30868.3	20.70%	33425.1	22.75%	35935.0	23.76%	37125.2	23.94%
CASA(A+B)	**36945.8**	**24.78%**	**39706.5**	**27.03%**	**42105.9**	**27.84%**	**43719.1**	**28.19%**
Term Deposits	112169.8	75.22%	107199.9	72.97%	109132.8	72.16%	111379.1	71.81%
From Banks	183.4	0.12%	58.9	0.04%	1900.5	1.26%	1830.0	1.18%
From Others	111986.4	75.10%	107141.0	72.93%	107232.3	70.90%	109549.1	70.63%
Total Deposits	**149115.6**	**100.00%**	**146906.5**	**100.00%**	**151238.7**	**100.00%**	**155098.2**	**100.00%**

Break-up of Deposits

Break-up of Deposits of the Bank for the last 3 years and for the half year ended September 30, 2019 are as under.

(₹ in million)

Particulars	**31-Mar-17**	**31-Mar-18**	**31-Mar-19**	**30-Sep-19**
Demand Deposits (Including Demand Deposit From Banks)	6077.5	6281.5	6170.9	6593.9
Saving Bank Deposits	30868.3	33425.1	35935.0	37125.2
Term Deposits	112169.8	107199.9	109132.8	111379.1
- Bulk	5697.8	3514.9	6846.8	7,875.7
- Retail	106472.0	103685.0	102286.0	1,03,503.4
Total	**149115.6**	**146906.5**	**151238.7**	**155098.2**

Maturity Profile of Deposits (Behavioural maturity of Deposits)

Maturity profile of deposits at the end of last 3 fiscal years and for the half year ended September 30, 2019 are as under:

(₹ in million)

	Year ended 31-Mar-17		Year ended 31-Mar-18		Year ended 31-Mar-19		Half Year ended 30-Sep-19	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Upto 1 year	27186.1	18.23%	21506.1	14.64%	16115.2	10.66%	14083.5	9.08%
1 year to 3 years	44073.0	29.56%	41275.7	28.10%	44278.7	29.28%	46421.4	29.93%
3 years to 5 years	7015.9	4.71%	4243.5	2.89%	1724.1	1.14%	2122.7	1.37%
Over 5 years	70840.6	47.51%	79881.2	54.38%	89120.7	58.93%	92470.6	59.62%

	Year ended 31-Mar-17		Year ended 31-Mar-18		Year ended 31-Mar-19		Half Year ended 30-Sep-19	
	Amount	%	Amount	%	Amount	%	Amount	%
Total	**149115.6**	**100.00%**	**146906.5**	**100.00%**	**151238.7**	**100.00%**	**155098.2**	**100.00%**

Break up of Gross Advances

(₹in million)

	As on 31.03.2017		As on 31.03.2018		As on 31.03.2019		AS on 30.09.2019	
Asset Classification	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Standard Assets	76714.9	92.75%	89211.2	92.11%	103748.6	95.13%	110766.2	97.14%
N P A	6001.0	7.25%	7641.3	7.89%	5306.2	4.87%	3262.1	2.86%
Of which								
Sub Standard	2222.6	2.68%	2156.8	2.23%	1733.1	1.59%	1392.8	1.22%
Doubtful	3705.6	4.48%	5412.5	5.59%	3510.5	3.22%	1808.0	1.59%
Loss	72.8	0.09%	72.0	0.07%	62.6	0.06%	61.2	0.05%
Total	**82715.9**	**100.00%**	**96852.5**	**100.00%**	**109054.8**	**100.00%**	**114028.3**	**100.00%**

Break up of Borrowings

Break-up of Borrowings of the Bank for the last 3 years and for the half year ended September 30, 2019 are as under.

(₹ in million)

Particulars	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-19
Subordinated Debt for Tier II Capital	418.0	418.0	0.0	0.0
Total	**418.0**	**418.0**	**0.0**	**0.0**

Non-Performing Assets after restating provisions

(₹ in million)

Item	For the year ended March			For the half year ended September
	2017	2018	2019	2019
(i) Net NPAs to Net Advances (%)	**4.12%**	**2.87%**	**2.27%**	1.96%
(ii) Movement of NPAs (Gross)				
a) Opening Balance	4469.1	6001.0	7641.3	5306.2
b) Additions during the year	3670.0	2811.6	1974.5	849.0
c) Reductions during the year	2138.1	1171.3	4309.6	2893.1
d) Closing Balance	6001.0	7641.3	5306.2	3262.1
(iii)Movement of Net NPAs				
a) Opening Balance	2797.2	3294.8	2637.8	2406.8
b) Additions during the year	1934.2	1574.0	1357.6	611.4

Item	For the year ended March			For the half year ended September
	2017	2018	2019	2019
c) Reductions during the year	1436.6	2231.0	1588.6	803.2
d) Closing Balance	3294.8	2637.8	2406.8	2215.0
(iv)Movement of provisions for NPA				
(Excluding provisions on standard Assets)				
a) Opening Balance	1635.6	2668.5	4971.4	2864.2
b) Additions during the year	2630.0	2683.2	1557.9	556.3
c) Reductions during the year	1597.1	380.3	3665.1	2409.0
d) Closing Balance	2668.5	4971.4	2864.2	1011.5

Restructured Assets

(₹ In million)

	For the period ending			
CDR Restructured Assets	**31.03.2017**	**31.03.2018**	**31.03.2019**	**30.09.2019**
Standard Assets	0.0	0.0	0.0	0.0
Sub-standard Assets	0.0	0.0	0.0	0.0
Doubtful Assets	223.6	223.6	0.0	0.0
Loss Assets	0.0	0.0	0.0	0.0
Total CDR Restructured Assets	**223.6**	**223.6**	**0.0**	0.0
Others Restructured Assets				
Standard Assets	129.4	0.7	288.4	267.9
Sub Standard Assets	0.0	0.0	0.0	7.3
Doubtful Assets	557.7	557.7	66.3	63.3
Loss Assets	0.0	0.0	0.0	0
Total Others Restructured Assets	**687.1**	**558.4**	**354.7**	**338.5**
Total Restructured Assets	**910.7**	**782.0**	**354.7**	**338.5**

Statement of 10 largest Gross Non-Performing Assets

The following table sets forth our 10 largest gross non-performing assets. Together these borrowers constitute 33.40%, 24.81%, 13.22% and 16.06% of our gross NPAs as at March 31, 2017,March 31,2018, March 31,2019 and September 30, 2019 respectively.

(₹ in million)

	31.03.2017		31.03.2018		31.03.2019		30.09.2019	
Borrower	**GNPA**	**Provision held**	**GNPA**	**Provision held**	**GNPA**	**Provision held**	**GNPA**	**Provision held**
Borrower-1	306.7	36.1	289.8	289.8	115.5	46.2	189.70	0.00
Borrower-2	289.8	180.9	231.9	231.9	82.1	82.1	53.89	5.68

	31.03.2017		31.03.2018		31.03.2019		30.09.2019	
Borrower	**GNPA**	**Provision held**	**GNPA**	**Provision held**	**GNPA**	**Provision held**	**GNPA**	**Provision held**
Borrower-3	231.9	27.3	223.5	223.5	81.6	32.7	45.92	0.00
Borrower-4	223.5	223.5	222.9	219.5	76.5	30.6	42.56	0.00
Borrower-5	195.6	23.0	195.7	133.8	69.0	69.0	39.37	0.00
Borrower-6	193.9	65.0	189.4	189.4	63.8	21.3	33.64	0.00
Borrower-7	186.8	62.3	185.0	185.0	57.7	34.6	32.17	5.20
Borrower-8	130.1	15.3	130.2	87.7	52.6	13.2	31.47	0.00
Borrower-9	129.4	60.2	116.4	61.7	52.0	28.9	27.55	1.73
Borrower-10	116.4	34.3	111.1	51.9	50.9	50.9	27.52	0.00

Statement of 10 Largest Single Exposure

(₹ in million)

		31.03.2017					31.03.2018			
Borrower	**Exposu re**	**% of total outstandi ng exposure**	**% of Capit al Funds**	**% of Total Asset s**	**Asset Classification**	**Exposure**	**% of total outstandi ng exposure**	**% of Capit al Funds**	**% of Total Asset s**	**Asset Classificati on**
Borrower-I	1407.4	1.50	18.98	0.87	S-Standard	1401.0	1.28	22.81	0.89	S-Standard
Borrower-II	941.6	1.00	12.70	0.58	DR-Doubtful Restructure d	1388.7	1.27	22.62	0.88	S-Standard
Borrower-III	757.9	0.81	10.22	0.47	S-Standard	1086.5	0.99	17.69	0.69	S-Standard
Borrower-IV	702.0	0.75	9.47	0.44	S-Standard	1000.0	0.91	16.28	0.63	S-Standard
Borrower-V	647.0	0.69	8.73	0.40	S-Standard	1000.0	0.91	16.28	0.63	S-Standard
Borrower-VI	571.3	0.61	7.70	0.35	S-Standard	1000.0	0.91	16.28	0.63	S-Standard
Borrower-VII	542.3	0.58	7.31	0.34	S-Standard	1000.0	0.91	16.28	0.63	S-Standard
Borrower-VIII	534.0	0.57	7.20	0.33	D2-Doubtful 2	1000.0	0.91	16.28	0.63	S-Standard
Borrower-IX	517.1	0.55	6.97	0.32	S-Standard	1000.0	0.91	16.28	0.63	S-Standard
Borrower-X	503.3	0.54	6.79	0.31	S-Standard	823.9	0.75	13.42	0.52	S-Standard

		31.03.2019				30.09.2019				
Borrower	**Exposu re**	**% of total outstandi ng exposure**	**% of Capit al Funds**	**% of Total Asset s**	**Asset Classification**	**Exposure**	**% of total outstandi ng exposure**	**% of Capit al Funds**	**% of Total Asset s**	**Asset Classificati on**
Borrower-I	1500.0	1.23	12.71	0.89	S-Standard	2400.0	1.92	14.22	1.35	Standard
Borrower-II	1037.3	0.85	8.79	0.61	S-Standard	1510.8	1.21	8.95	0.85	Standard
Borrower-III	1000.0	0.82	8.47	0.59	S-Standard	1063.1	0.85	6.30	0.60	Standard
Borrower-IV	1000.0	0.82	8.47	0.59	S-Standard	1050.0	0.84	6.22	0.59	Standard
Borrower-V	1000.0	0.82	8.47	0.59	S-Standard	1000.2	0.80	5.93	0.56	Standard
Borrower-VI	1000.0	0.82	8.47	0.59	S-Standard	1000.0	0.80	5.92	0.56	Standard
Borrower-VII	1000.0	0.82	8.47	0.59	S-Standard	1000.0	0.80	5.92	0.56	Standard
Borrower-VIII	1000.0	0.82	8.47	0.59	S-Standard	1000.0	0.80	5.92	0.56	Standard
Borrower-IX	1000.0	0.82	8.47	0.59	S-Standard	999.4	0.80	5.92	0.56	Standard
Borrower-X	967.7	0.80	8.20	0.57	S-Standard	998.7	0.80	5.92	0.56	Standard

Statement of 10 largest Group Exposure

(₹ in million)

Borrower	**31.03.2017**				**31.03.2018**			
	Exposure	**% of total outstanding exposure**	**% of Capital Funds**	**% of Total Assets**	**Exposure**	**% of total outstanding exposure**	**% of Capital Funds**	**% of Total Assets**
Group I	771.7	0.82	10.41	0.48	999.2	0.91	16.27	0.63
Group II	771.1	0.82	10.40	0.48	823.9	0.75	13.42	0.52
Group III	732.9	0.78	9.88	0.45	700.0	0.64	11.40	0.44
Group IV	538.2	0.57	7.26	0.33	690.1	0.63	11.24	0.44
Group V	536.4	0.57	7.23	0.33	638.5	0.58	10.40	0.41
Group VI	529.3	0.56	7.14	0.33	635.5	0.58	10.35	0.40

Group VII	462.5	0.49	6.24	0.29	559.7	0.51	9.11	0.36
Group VIII	451.6	0.48	6.09	0.28	507.3	0.46	8.26	0.32
Group IX	441.1	0.47	5.95	0.27	482.7	0.44	7.86	0.31
Group X	427.8	0.46	5.77	0.27	379.1	0.35	6.17	0.24

Borrower	31.03.2019				30.09.2019			
	Exposure	% of total outstanding exposure	% of Capital Funds	% of Total Assets	Exposure	% of total outstanding exposure	% of Capital Funds	% of Total Assets
Group I	2000.0	1.64	16.94	1.18	1999.9	1.60	11.85	1.13
Group II	1500.0	1.23	12.71	0.89	1500.4	1.20	8.89	0.85
Group III	1412.1	1.16	11.96	0.83	1474.5	1.18	8.74	0.83
Group IV	1166.3	0.96	9.88	0.69	1312.7	1.05	7.78	0.74
Group V	999.5	0.82	8.47	0.59	1081.6	0.87	6.41	0.61
Group VI	962.4	0.79	8.15	0.57	1018.5	0.82	6.03	0.57
Group VII	950.0	0.78	8.05	0.56	937.5	0.75	5.55	0.53
Group VIII	732.6	0.60	6.21	0.43	914.9	0.73	5.42	0.52
Group IX	708.6	0.58	6.00	0.42	894.1	0.72	5.30	0.50
Group X	538.6	0.44	4.56	0.32	605.6	0.49	3.59	0.34

Loan Portfolio (Facility-wise)-Gross Advance

								(₹ in million)
Category	**As of March 31, 2017**		**As of March 31,2018**		**As of March 31, 2019**		**As of September 30, 2019**	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Bills	5793.0	7.00%	7780.8	8.03%	8236.1	7.55%	8732.6	7.66%
Demand Loans	50742.8	61.35%	53393.1	55.13%	59121.1	54.21%	62671.5	54.96%
Term loans	26180.1	31.65%	35678.7	36.84%	41697.6	38.24%	42624.2	37.38%
Total	**82715.9**	**100.00%**	**96852.5**	**100.00%**	**109054.8**	**100.00%**	**114028.3**	**100.00%**

Loan Portfolio (Sector-wise)-Gross Advance

Category	As of March 31, 2017		As of March 31,2018		As of March 31, 2019		As of September 30, 2019	
Wholesale	10,954	13.24	20,509	21.18	25,369	23.26	27703.9	24.30
SME	35,384	42.78	35,989	37.16	34,733	31.85	33605.0	29.47
Retail	36,378	43.98	40,354	41.67	48,953	44.89	52719.4	46.23
Total	**82,716**	**100.00**	**96,852**	**100.00**	**109,055**	**100.00**	**114028.3**	**100.00**

Priority Sector Lending

Details of sector-wise distribution of Gross Priority Sector advances for the last 3 years and for the half year ended September 30, 2019 are given below:

(₹ in million)

Reporting date	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-*19*
Total Priority Sector Advances	37845.1	38671.1	38627.6	38770.1
Total Agricultural Advances	13177.6	16087.7	18018.2	20431.6
Weaker Section Advances	12817.9	12964.5	15219.0	18924.4

Loan Portfolio (Security-wise)-Gross Advance

(₹ in million)

Category	As of March 31, 2017		As of March 31,2018		As of March 31, 2019		As of September 30,2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by tangible assets(includes advances against book debts	72779.3	87.98%	83568.9	86.29%	94882.5	87.00%	99700.2	87.44%
Covered by Bank/ Government Guarantees	5879.2	7.11%	9416.2	9.72%	9754.0	8.95%	8454.4	7.41%
Unsecured	4057.4	4.91%	3867.4	3.99%	4418.3	4.05%	5873.7	5.15%
Total	**82715.9**	**100.00%**	**96852.5**	**100.00%**	**109054.8**	**100.00%**	**114028.3**	**100.00%**

Industry wise Total Outstanding and Outstanding of Top 10 Companies in respective Industry

(` in million)

Industry	As on 31.03.2017			As on 31.03.2018		
	Funded Outstanding	Funded Outstanding to top ten companies in the industry	Funded Outstanding to top ten companies as a % of outstanding to the industry	Funded Outstanding	Funded Outstanding to top ten companies in the industry	Funded Outstanding to top ten companies as a % of outstanding to the industry
All engineering	760.2	402.8	53.0	763.9	520.0	68.1
Automobiles (Vehicles, vehicle Partsand Transport Equipments)	265.6	249.9	94.1	183.1	175.0	95.6
Cement	81.5	48.7	59.7	68.9	42.2	61.3
Chemicals	770.6	763.8	99.1	448.8	395.1	88.0
Coal	0.0	0.0	NA	0.0	0.0	NA
Construction	2450.7	833.3	34.0	1135.8	1035.8	91.2
Food Processing	2752.2	1335.8	48.5	2821.2	1863.4	66.1
Infrastructure	1702.4	681.8	40.1	1789.4	1563.8	87.4
Iron and steel	270.7	257.6	95.2	263.4	248.7	94.4
Jewelleries	759.2	635.8	83.7	168.6	118.0	70.0
Leather	134.3	110.3	82.1	69.4	30.1	43.4
Mining	228.4	198.9	87.1	132.2	129.9	98.2
NBFC	1613.8	1613.8	100.0	14014.0	6503.6	46.4
Oil	2.6	2.6	100.0	0.0	0.0	NA
Other Industries	6859.4	495.6	7.2	1091.4	567.3	52.0
Other metals and metal products	304.5	209.0	68.6	267.7	162.3	60.6
Paper	193.6	150.0	77.5	284.0	251.1	88.4
Petroleum	6.3	6.3	100.0	5.4	5.4	100.0
Rubber	593.4	393.9	66.4	629.2	446.2	70.9
Software	3.9	3.9	99.9	386.2	386.2	100.0
Sugar	0.1	0.1	100.0	0.1	0.0	98.9
Tea	29.9	29.9	100.0	34.2	34.2	100.0

Textiles	5699.8	2091.7	36.7	5426.4	2259.1	41.6
Tobacco and Beverages	40.4	39.6	98.0	8.4	8.4	100.0
Total	**25523.6**			**29991.7**		

	As on 31.03.2019			As on 30.09.2019		
Industry	**Funded Outstanding**	**Funded Outstanding to top ten companies in the industry**	**Funded Outstanding to top ten companies as a % of outstanding to the industry**	**Funded Outstanding**	**Funded Outstanding to top ten companies in the industry**	**Funded Outstanding to top ten companies as a % of outstanding to the industry**
All engineering	680.8	435.4	64.0	581.0	359.7	61.9
Automobiles (Vehicles, vehicle Partsand Transport Equipments)	71.7	69.5	96.9	71.5	69.2	96.8
Cement	36.2	26.5	73.2	38.8	28.8	74.2
Chemicals	1117.3	1097.3	98.2	1265.5	1251.0	98.9
Coal	0.0	0.0	NA	0.0	0.0	NA
Construction	784.4	405.2	51.7	1260.5	846.3	67.1
Food Processing	1870.7	1232.1	65.9	1411.6	1026.5	72.7
Infrastructure	1057.5	961.7	90.9	3287.1	3178.8	96.7
Iron and steel	241.2	232.2	96.3	205.8	200.4	97.4
Jewelleries	174.6	127.2	72.8	119.2	95.6	80.2
Leather	71.3	70.0	98.2	71.6	70.8	98.9
Mining	142.3	134.3	94.4	107.8	105.4	97.8
NBFC	21138.5	10177.3	48.1	20701.7	10531.2	50.9
Oil	0.0	0.0	NA	58.2	55.8	95.9
Other Industries	812.6	314.7	38.7	691.7	405.7	58.7
Other metals and metal products	262.3	152.6	58.2	219.8	134.7	61.3
Paper	424.3	398.7	94.0	396.4	376.5	95.0
Petroleum	1.6	1.6	100.0	1.0	1.0	100.0
Rubber	605.3	475.5	78.6	299.5	235.8	78.7

Software	255.2	254.8	99.8	186.4	186.1	99.8
Sugar	0.0	0.0	NA	0.0	0.0	NA
Tea	46.9	46.9	100.0	51.2	51.2	100.0
Textiles	5160.8	1835.2	35.6	4360.4	2009.1	46.1
Tobacco and Beverages	30.1	30.1	99.9	365.4	365.2	99.9
Total	**34985.5**			**35752.2**		

ASSETS - LIABILITIES GAP

The following table sets forth our asset - liability as at March 31, 2017

(₹ in million)

OUTFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	810.1	810.1
2. Reserves& Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8227.0	8227.0
3. Total Deposits												
- Current Deposit	638.0	699.8	865.3	0.0	0.0	0.0	0.0	0.0	3873.8	0.0	0.6	6077.5
- Savings Deposit	111.1	290.2	410.5	0.0	0.0	0.0	0.0	0.0	30056.5	0.0	0.0	30868.3
- Term Deposit.	105.4	524.1	559.8	1786.5	2940.8	2710.7	8302.0	7241.9	10142.7	7015.9	70840.0	112169.8
- Certificate of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Total Borrowings												
- Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Inter-Bank Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Refinances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	418.0	0.0	0.0	418.0
5. Others												
- Bills Payable	8.5	27.2	33.0	0.0	0.0	0.0	0.0	0.0	61.8	0.0	0.0	130.5
- Inter-office Adjustment	111.2	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	113.2
- Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	828.4	828.4
- Others	987.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	6.4	0.0	1000.5
- Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

OUTFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
- Un availed Cash Credit/over drafts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Letter of Credit& Guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Repos	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Bills Rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Swaps	0.0	1237.0	7.7	52.7	25.6	491.4	250.9	119.6	74.2	0.0	0.0	2259.1
- Interest Payable	2.2	9.7	10.2	27.1	46.9	44.2	120.8	219.9	115.8	22.3	13.5	632.6
- Event cash outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A-Total outflows	**1964.1**	**2788.0**	**1886.5**	**1866.3**	**3013.3**	**3248.3**	**8673.7**	**7581.4**	**44749.2**	**7044.6**	**80719.6**	**163535.0**

INFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Cash & Cash Equivalents												
1.Cash	505.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	505.9
- Balance with Banks-Current Deposits	20.2	244.1	0.0	0.0	0.0	500.0	0.0	0.0	0.7	0.0	2.1	767.1
- Balance with Banks-Call & Term	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
2. Balance with RBI	991.2	0.0	0.0	266.1	64.2	85.7	313.3	325.6	1791.6	316.1	2904.0	7057.8
3. Investments	0.0	3519.4	2296.3	245.6	6800.0	3999.3	6658.3	1487.7	1812.6	881.7	29591.0	57291.9
4. Advances												
- Advances- Bills Purchased& Discounted	0.0	231.7	405.5	868.9	1795.8	1795.8	695.2	0.0	0.0	0.0	0.0	5792.9
- Advances- Cash Credit Over Drafts	117.2	498.7	606.5	1923.5	1214.1	1643.6	6032.2	10267.3	25776.7	0.0	0.0	48079.8
- Advances- Term Loans	12.3	104.2	117.2	347.3	585.0	596.3	1730.6	2428.0	7273.3	3340.8	6307.3	22842.3
6 NPA Advances& Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1809.9	1482.9	3292.8
5. Fixed Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2152.6	2152.6
6. Others												
- Inter Office adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Leased assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Other Assets	0.0	0.0	0.0	0.0	0.0	0.0	565.8	589.3	753.3	1892.7	5019.4	8820.5
- Reverse Repos	3780.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3780.0

INFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
- Swaps	0.0	245.3	0.0	187.7	75.4	508.0	303.3	141.2	0.0	0.0	0.0	1460.9
- Bills rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Interest receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	889.5	891.8
- Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Export Refinance from RBI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Event cash inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B-Total inflows	**5426.8**	**4843.9**	**3425.5**	**3839.1**	**10534.5**	**9128.7**	**16298.7**	**15239.1**	**37410.5**	**8241.2**	**48348.8**	**162736.8**
C-Mismatch [B-A]	3462.8	2055.9	1539.0	1972.9	7521.1	5880.4	7624.9	7657.7	-7338.6	1196.6	-32370.9	-798.1
D. Cumulative Mis- match	3462.8	5518.6	7057.6	9030.6	16551.7	22432.1	30057.0	37714.7	30376.1	31572.7	-798.1	-798.1
E. C as % to A	176.31%	73.74%	81.58%	105.72%	249.59%	181.02%	87.91%	101.01%	-16.40%	16.99%	-40.10%	-0.49%

The following table sets forth our asset - liability as at March 31, 2018

(₹ in million)

OUTFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	810.1	810.1
2. Reserves& Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6956.1	6956.1
3. Total Deposits												
- Current Deposit	746.9	848.2	1199.3	0.0	0.0	0.0	0.0	0.0	3487.0	0.0	0.0	6281.4
- Savings Deposit	130.4	340.9	481.3	0.0	0.0	0.0	0.0	0.0	32472.5	0.0	0.0	33425.1
- Term Deposit.	164.1	446.8	409.5	1206.4	2225.6	2092.5	6598.4	4615.8	5316.2	4243.5	79881.2	107200.0
- Certificate of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Total Borrowings												
- Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Inter-Bank Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Refinances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	418.0	0.0	0.0	418.0
5. Others												
- Bills Payable	27.4	70.7	85.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	183.5
- Inter-office Adjustment	5.2	0.0	0.0	0.0	0.0	69.1	0.0	0.0	0.0	0.0	0.0	74.3
- Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1064.3	1064.3
- Others	517.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	517.5
- Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Un availed Cash Credit/over drafts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Letter of Credit& Guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Repos	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Bills Rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Swaps	1361.4	0.0	204.4	0.0	229.9	844.8	161.5	0.0	0.0	0.0	0.0	2802.0
- Interest Payable	3.2	10.2	10.3	26.0	50.6	47.0	122.8	204.3	139.0	24.4	8.2	646.0

- Event cash outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A-Total outflows	**2956.1**	**1716.8**	**2390.2**	**1232.4**	**2506.1**	**3053.4**	**6882.7**	**4820.1**	**41832.7**	**4267.9**	**88719.9**	**160378.3**

INFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Cash & Cash Equivalents												
1.Cash	549.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	549.5
- Balance with Banks-Current Deposits	861.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	862.4
- Balance with Banks-Call & Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.Balance with RBI	220.3	0.0	0.0	298.0	48.3	65.0	247.1	214.7	1679.2	202.0	3255.0	6229.6
3. Investments	23.7	143.5	1500.0	302.8	401.8	0.0	0.0	2524.2	2239.0	1153.0	32545.0	40833.0
4. Advances												
- Advances- Bills Purchased& Discounted	0.0	310.2	542.9	1163.4	2404.3	2404.3	930.7	0.0	0.0	0.0	0.0	7755.8
- Advances- Cash Credit Over Drafts	161.6	516.7	668.2	612.5	1647.3	2086.4	7416.2	12469.8	21355.0	0.0	0.0	46933.7
- Advances- Term Loans	16.0	140.8	132.4	389.7	357.0	902.3	2593.8	3851.7	10664.4	6804.2	8668.6	34520.9
-NPA Advances& Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2138.0	499.8	2637.8
5. Fixed Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2161.2	2161.2
6. Others												
- Inter Office adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Leased assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Other Assets	0.0	0.0	0.0	0.0	0.0	0.0	503.2	399.2	1000.9	2354.3	5618.2	9875.8
- Reverse Repos	4510.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4510.0
- Swaps	0.0	1361.4	0.0	204.4	0.0	229.9	844.8	161.5	0.0	0.0	0.0	2802.0
-Bills rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Interest receivable	0.0	0.1	0.1	0.3	0.7	557.1	3.3	5.6	0.0	0.0	139.4	706.6

- Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Export Refinance from RBI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Event cash inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B-Total inflows	6342.8	2472.7	2843.6	2971.1	4859.4	6245.0	12539.1	19626.7	36939.2	12651.5	52887.2	160378.3
C-Mismatch [B-A]	3386.8	756.0	453.3	1738.6	2353.4	3191.7	5656.4	14806.5	-4893.5	8383.6	-35832.8	0.0
D. Cumulative Mis- match	3386.8	4142.8	4596.1	6334.7	8688.1	11879.8	17536.2	32342.7	27449.2	35832.8	0.0	0.0
E. C as % to A	114.57%	44.0%	19.0%	141.1%	93.9%	104.5%	82.2%	307.2%	-11.7%	196.4%	-40.4%	0.0%

The following table sets forth our asset - liability as at March 31, 2019

(₹ in million)

OUTFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7373.1	7373.1
2. Reserves& Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6943.8	6943.8
3. Total Deposits												
- Current Deposit	466.7	328.1	464.2	0.0	0.0	0.0	0.0	0.0	4911.8	0.0	0.0	6170.8
- Savings Deposit	89.8	233.6	330.6	0.0	0.0	0.0	0.0	0.0	35280.9	0.0	0.0	35934.9
- Term Deposit.	134.9	445.1	366.9	1009.2	1629.4	1627.1	5019.8	3969.8	4085.9	1724.1	89120.8	109133.0
- Certificate of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Total Borrowings												
- Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Inter-Bank Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Refinances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Others												
- Bills Payable	17.6	32.4	105.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	155.2
- Inter-office Adjustment	4.0	24.0	28.0	56.0	0.0	8.4	0.0	0.0	0.0	0.0	0.0	120.4
- Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1016.9	1016.9
- Others	1003.0	0.0	0.0	582.4	0.0	0.0	0.0	0.0	0.0	0.0	0.8	1586.2

- Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Unavailed Cash Credit/over drafts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Letter of Credit& Guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Repos	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-. Bills Rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-.Swaps	11.6	726.4	0.0	211.2	87.3	238.6	250.9	69.2	0.0	0.0	0.0	1595.2
-. Interest Payable	2.6	11.1	10.2	25.2	45.3	47.5	124.1	228.7	156.7	17.4	8.4	677.2
- Event cash outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A-Total outflows	**1730.2**	**1800.7**	**1305.1**	**1884.0**	**1762.0**	**1921.6**	**5394.8**	**4267.7**	**44435.3**	**1741.5**	**104463.8**	**170706.7**

INFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Cash & Cash Equivalents												
1.Cash	584.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	584.3
- Balance with Banks-Current Deposits	231.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	231.9
- Balance with Banks-Call & Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
2. **Balance with RBI**	606.3	0.0	0.0	200.2	34.8	47.8	185.1	177.4	1749.8	101.6	3566.8	6669.8
3. **Investments**	563.2	599.5	249.6	249.3	778.0	55.6	729.9	3088.9	287.6	2207.3	31467.2	40276.1
4. **Advances**												0.0
- Advances- Bills Purchased& Discounted	0.0	329.4	576.5	1235.4	2553.1	2553.1	988.3	0.0	0.0	0.0	0.0	8235.8
- Advances- Cash CreditOver Drafts	90.0	330.5	401.0	809.3	2056.9	2447.7	9514.2	14118.6	19222.0	0.0	0.0	48990.2
- Advances- Term Loans	31.8	192.4	204.2	485.8	3180.5	2222.3	3421.3	5694.4	17321.6	7447.8	6317.4	46519.5
-NPA Advances& Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1308.7	1098.1	2406.8
5. **Fixed Assets**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2177.3	2177.3
6.**Others**												
- Inter Office adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

- Leased assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Other Assets	0.0	0.0	0.0	0.0	0.0	0.0	116.1	227.4	1637.2	2309.3	5660.0	9950.0
- Reverse Repos	0.0	2250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2250.0
- Swaps	11.6	726.4	0.0	211.2	87.3	238.6	250.9	69.2	0.0	0.0	0.0	1595.2
- Bills rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Interest receivable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	819.5	819.5
-Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- ExportRefinance from RBI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Event cash inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B-Total inflows	**2118.5**	**4428.2**	**1431.3**	**3191.2**	**8690.6**	**7565.1**	**15205.8**	**23375.9**	**40218.8**	**13374.7**	**51106.6**	**170706.7**
C-Mismatch [B-A]	388.2	2627.6	126.2	1307.2	6928.6	5643.4	9810.9	19108.3	-4216.6	11633.4	-53357.3	0.0
D. CumulativeMis- match	388.2	3015.8	3142.0	4449.3	11377.8	17021.3	26832.2	45940.5	41723.9	53357.3	0.0	0.0
E. C as % to A	22.4%	145.9%	9.7%	69.4%	393.2%	293.7%	181.9%	447.7%	-9.5%	668.0%	-51.1%	0.0%

The following table sets forth our asset - liability as at September 30, 2019

(₹ in million)

OUTFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1722.8	1722.8
2. Reserves& Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17959.3	17959.3
3. Total Deposits												
- Current Deposit	392.9	508.7	719.3	0.0	0.0	0.0	0.0	0.0	4972.9	0.0	0.0	6593.9
- Savings Deposit	78.0	204.2	289.6	0.0	0.0	0.0	0.0	0.0	36553.5	0.0	0.0	37125.3
- Term Deposit.	132.1	333.1	550.0	1094.9	2707.2	1755.9	3252.0	2065.7	4894.9	2122.7	92470.6	111379.0
- Certificate of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Total Borrowings												
- Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Inter-Bank Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

-Refinances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Others												
- Bills Payable	15.0	38.7	57.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	111.5
- Inter-office Adjustment	1.8	10.5	12.3	24.5	0.0	2.0	0.0	0.0	0.0	0.0	0.0	51.0
- Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	988.2	988.2
- Others	887.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	887.9
- Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Unavailed Cash Credit/over drafts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-Letter of Credit& Guarantees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Repos	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-. Bills Rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-.Swaps	19.4	0.0	0.0	95.0	1617.7	0.0	430.9	17.7	0.0	0.0	0.0	2180.7
-. Interest Payable	3.6	9.6	11.8	24.9	57.8	57.8	164.1	222.7	159.6	14.4	9.7	735.9
- Event cash outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A-Total outflows	**1529.9**	**1104.7**	**1640.9**	**1239.4**	**4382.7**	**1815.6**	**3847.0**	**2306.1**	**46580.9**	**2137.1**	**113151.3**	**179735.5**

INFLOWS	Next Day	2-7 days	8-14 days	15-30 days	31days-<2M	2M<3M	3M-<6M	6M-<1Y	1-<3Y	3-<5 Y	> 5 Yr	Total
1. Cash & Cash Equivalents												
1.Cash	549.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	549.2
- Balance with Banks-Current Deposits	389.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	390.4
- Balance with Banks-Call & Term	0.0	0.0	0.0	0.0	708.8	0.0	0.0	0.0	0.0	0.0	0.3	709.0
2. **Balance with RBI**	248.0	0.0	0.0	210.2	58.3	69.9	127.7	97.2	1845.3	120.0	3736.2	6512.8
3. **Investments**	822.0	495.3	954.2	4.1	492.2	3.1	2209.9	533.2	372.3	3688.4	33566.1	43141.0
4. **Advances**												

- Advances- Bills Purchased& Discounted	0.0	347.9	608.9	1304.7	2696.3	2696.3	1043.8	0.0	0.0	0.0	0.0	8697.9
- Advances- Cash CreditOver Drafts	118.2	321.8	430.3	787.2	1884.9	2211.1	10021.1	18048.1	14546.6	0.0	0.0	48369.2
- Advances- Term Loans	27.7	187.6	221.2	464.3	1494.7	3482.2	3898.9	5269.9	21789.3	8491.4	8369.1	53696.2
-NPA Advances& Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1697.2	517.9	2215.1
5. **Fixed Assets**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2156.3	2156.3
6.**Others**												
- Inter Office adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Leased assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Other Assets	4.3	46.2	0.0	20.4	77.8	42.9	38.5	362.8	1777.2	1866.3	5938.9	10175.2
- Reverse Repos	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Swaps	19.4	0.0	0.0	95.0	1617.7	0.0	430.9	17.7	0.0	0.0	0.0	2180.7
- Bills rediscounted	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Interest receivable	0.0	0.0	0.0	0.0	0.0	57.2	0.0	0.0	0.0	0.0	885.2	942.5
-Lines of Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- ExportRefinance from RBI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Event cash inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B-Total inflows	**2178.4**	**1398.9**	**2214.5**	**2885.8**	**9030.7**	**8562.8**	**17770.8**	**24328.9**	**40331.5**	**15863.3**	**55170.0**	**179735.5**
C-Mismatch [B-A]	648.5	294.2	573.7	1646.4	4648.0	6747.2	13923.8	22022.8	-6249.4	13726.2	-57981.3	0.0
D. CumulativeMis- match	648.5	942.7	1516.4	3162.8	7810.8	14557.9	28481.7	50504.5	44255.1	57981.3	0.0	0.0
E. C as % to A	42.39%	26.63%	34.96%	132.84%	106.05%	371.62%	361.94%	954.97%	-13.42%	642.29%	-51.24%	0.00%

Note to ALM – Slotting Criteria for Daily Structural Liquidity Statement

Heads of Account	Criteria for Slotting
A. OUTFLOWS	
1. Capital	Over 5 year time bucket
2. Reserves& Surplus	Over 5 year time bucket
3. Deposits	
3[i] Current Deposits	Volatile portion of current deposits (other than overdue term deposits) in first 3 time buckets and core portion in 1-3 year bucket.
3[ii] Savings Deposits	Volatile portion in first 3 time buckets and core portion in 1-3 year bucket.
3[iii] Term Deposits	**Wholesale Deposits** Deposits of Rs 2 crore and above are to be treated as wholesale and slotted in respective time buckets based on residual maturity, adjusted for premature withdrawal **Retail Deposits**-Deposits less than Rs 2 crore are to be treated as retail. Behavioral maturity should be arrived at based on renewal pattern and premature withdrawal pattern estimated empirically.
4 Borrowings	Respective maturity buckets.
5 Other Liabilities	
5 [I] Bills Payable	Volatile portion in first 3 time buckets and core portion in 1-3 year bucket.
5[ii] Inter-office Adjustments	Based on empirical study
5[iii] Provisions	Above 5 years
5[iv] Others	Respective time buckets.
6 Unavailed Cash	Estimated Amount of unavailed cash credits/overdrafts (arrived at based on empirical studies) to be placed in first time bucket.
7 Letter of Credit & Guarantees	Incidence of devolvement to be estimated based on empirical studies and the likely devolvement to be placed in first time bucket.
8 Others	Respective time buckets.
B.INFLOWS	
1.Cash	Day 1 bucket
2.Balance with RBI	Excess balance over the required CRR in Day 1 bucket, Statutory balances distributed among various time buckets corresponding to maturity profile of Demand & Time Liabilities with a time lag of 14 days.
3. Balance with Banks	
3[I]. Bal Banks – CD	Non withdrawable portion on account of minimum balance stipulation shown in Over 1-3 years bucket and remaining balance in Day 1 bucket.
3[ii] Do- Call & Term	Respective maturity buckets

4 Investments*	Contractual residual maturity buckets.
5 Loans & Advances	
5[I] Bills Purchased & Discounted	Respective Maturity Buckets
5[ii] Cash Credits,	Volatile portion in first 3 time buckets and core portion in 1-3 year bucket.
5[iii] Term Loans	Respective maturity buckets
6 NPA Advances & investments	Substandard: 3-5 year bucket, Doubtful & Loss: Above 5 year bucket
7 Fixed Assets	Over 5 years
8 Other Assets	Respective maturity buckets. Intangible assets and assets not representing cash receivables in Over 5 year time bucket.

* For internal MIS purpose investments are classified as i) SLR Securities HTM-In over 5 year bucket. ii) Treasury Bills- Treasury Bills needed to meet SLR to be put in 'Over 5 year bucket'. Rest of the Treasury Bills are assumed to be available to meet the liquidity requirements in periods upto 3 months, with the bulk of these placed in Day 1 time bucket.iii) Shares-50% in 2-7 days time bucket and 50% deducted from Reserves & Surplus (Haircut portion as per RBI guidelines) iv) Certificate of Deposits- Assumed to be available to meet the liquidity requirements in periods upto 3 months. v)Mutual Funds-Open ended in 1 Day bucket, close ended in respective residual maturity buckets. vi) Long Dated securities in Trading Book (AFS & HFT category)- Assumed to be available to meet the liquidity requirements in periods upto 3 months subject to a haircut of 1% vii) All Others- Respective Maturity Buckets.

Following table sets forth, as of September 30, 2019, an analysis of the residual maturity profile of our investments . The amounts indicates the net book value of investments

RESIDUAL MATURITY OF INVESTMENTS AS ON SEPTEMBER 30, 2019

(₹ in million)

	Next Day	**2-7 days**	**8 - 14 days**	**15-28 days**	**29 d - 3 M**	**3 M- 6M**	**6 M- 1 Y**	**1-3 Yr**	**3-5 Yr**	**5 - 7 Yr**	**7 - 10 yrs**	**10 - 15 yrs**	**>15 yrs**	**Total**
i. Approved Securities:														
Government Securities (Central & State) Treasury Bills & Other Approved Securities	0.0	0.0	0.0	4.1	3.1	291.7	244.6	60.9	2859.3	7686.4	11897.8	12404.6	858.5	36311.0
ii. Other Debt Securities:														
Corporate debts & bonds PSU bonds, Call Deposits, Commercial Papers &Certificate of Deposits	0.0	495.3	954.2	0.0	492.2	1918.2	150.0	0.0	328.0	0.00	600.0	89.4	0.0	5027.3
Security Receipts	822.0	0.00	0.00	0.00	0.00	0.00	138.7	311.4	0.0	0.0	0.0	0.0	0.0	1272.1
Equity Shares													29.4	29.4
AIF	0	0	0	0	0	0	0	0	501.2	0	0	0		501.2

Total Investments (Net Book Value)	**822.0**	**495.3**	**954.2**	**4.1**	**495.3**	**2209.9**	**533.3**	**372.3**	**3688.5**	**7686.4**	**12497.8**	**12494.0**	**887.9**	**43141.0**

Key Financial Information

The performance of the Bank over last three years is summarized in the following table:

(₹ in million)

Year	Net worth	Deposits	Net Advances	Total Income	Net Profit	Dividend Paid (%)	No. of Branches	*No. of Employees*
2016-17	5,461.5	149,115.6	80,007.8	16,175.0	(579.9)	0.00%	426	***2716***
2017-18	3,536.4	146,906.5	91,848.5	14,222.3	(1,270.9)	0.00%	421	***2855***
2018-19	9,739.9	151,238.7	106,152.4	14,834.3	(656.9)	0.00%	419	***3001***
H1 20	15359.9	155,098.2	112,978.4	8167.1	442.71	0.00%	418	***3250***

* Including Service branches and Asset Recovery Branches

Demographic Network of Branches

Demographic network of branches as on March 31, 2017, March 31, 2018, March 31, 2019 and September 30, 2019 are stated as under:

Type	No. of Branches			
	31-Mar-17	31-Mar-18	31-Mar-19	30-Sep-19
Metro	66	67	69	69
Rural	42	44	44	42
Semi Urban	230	222	220	220
Urban	88	88	86	87
Total*	**426**	**421**	**419**	**418**

***** Including Service branches and ARBs

State Wise Distribution of Branches

Geographical distribution of the branches of the Bank as on March 31, 2018, March 31, 2019 and September 30, 2019 are given as under:

	March 31,2017	March 31,2018	March 31,2019	September 30, 2019

State/Union Territory	No of Branches*	No of ATMs#	No of Branches*	No of ATMs	No of Branches*	No of ATMs	No of Branches*	No of ATMs
Andhra Pradesh	6	2	6	2	6	3	6	3
Chandigarh	1	1	1	1	1	1	1	1
Dadra and Nagar Haveli	2	2	1	1	1	1	1	1
Delhi	5	4	5	4	5	4	5	4
Goa	2	2	2	2	2	2	2	2
Gujarat	6	5	6	4	6	4	6	4
Haryana	2	2	2	2	2	2	2	2
Himachal Pradesh	1	1	1	1	1	1	1	1
Karnataka	16	11	16	10	16	12	17	12
Kerala	279	138	276	139	272	154	268	163
Madhya Pradesh	1	1	1	1	1	1	1	1
Maharashtra	29	27	29	26	29	26	31	26
Orissa	1	1	1	1	1	1	1	1
Pondicherry	1	1	1	1	1	1	1	1
Punjab	3	3	3	2	3	2	3	2
Rajasthan	4	4	4	4	4	4	4	4
Tamilnadu	58	50	57	46	59	50	59	54
Telangana	3	2	3	2	3	3	3	3
Uttar Pradesh	4	4	4	4	4	4	4	4
West Bengal	2	2	2	1	2	1	2	1
TOTAL	**426**	**263**	**421**	**254**	**419**	**277**	**418**	**290**

* Including Service branches and ARBs

6 ATMs were offsite status (Shifting/Closure)

State Wise Distribution of Business (Deposit & Advances)

State-wise break-up of the spread of branches and business in terms of deposits and advances as of March 31, 2017, 2018, 2019 and September 30, 2019 are stated as under:

(Amount in Millions except for branch numbers)

	March 31,2017			March 31,2018		
State	**No. of Branches**	**Deposit**	**Advance**	**No. of Branches**	**Deposit**	**Advance**
Andhra Pradesh	6	1314.1	1276.4	6	1302.6	1343.7
Chandigarh	1	332.8	593.0	1	358.8	592.4
Dadra and Nagar Haveli	2	85.3	135.3	1	73.4	143.6
Delhi	5	4505.2	757.5	5	4245.7	564.5
Goa	2	1077.7	472.7	2	1091.3	502.6
Gujarat	6	914.3	916.2	6	927.2	1213.6
Haryana	2	613.7	317.3	2	599.1	313.6
Himachal Pradesh	1	100.9	87.1	1	93.0	82.8
Karnataka	16	6195.0	4678.0	16	6123.0	5236.1
Kerala	279	95868.4	37496.7	276	96730.1	36570.3
Madhya Pradesh	1	375.5	67.8	1	423.7	96.9
Maharashtra	29	14950.6	10366.2	29	13919.4	23746.4
Orissa	1	230.8	338.3	1	196.8	251.8
Pondicherry	1	433.6	695.8	1	433.5	654.2
Punjab	3	711.1	374.9	3	629.6	314.9
Rajasthan	4	528.0	152.0	4	519.5	183.0
Tamilnadu	58	18761.5	23046.1	57	17314.8	23718.0
Telangana	3	822.6	559.0	3	770.4	957.1
Uttar Pradesh	4	448.0	257.9	4	438.0	255.7
West Bengal	2	846.5	127.7	2	716.5	111.4
Total*	**426**	**149115.6**	**82715.9**	**421**	**146906.5**	**96852.6**

*Including Service branches and ARBs.

(Amount in Millions except for branch numbers)

	March 31,2019			September 30,2019		
State	**No. of Branches**	**Deposit**	**Advance**	**No. of Branches**	**Deposit**	**Advance**
Andhra Pradesh	6	1379.6	1948.2	6	1428.0	1649.2
Chandigarh	1	376.4	584.9	1	390.3	497.7
Dadra and Nagar Haveli	1	71.8	123.5	1	66.3	112.1
Delhi	5	3795.3	694.4	5	3670.9	819.4
Goa	2	1029.9	479.0	2	1041.0	425.1

	March 31,2019			September 30,2019		
State	**No. of Branches**	**Deposit**	**Advance**	**No. of Branches**	**Deposit**	**Advance**
Gujarat	6	917.2	1500.2	6	875.0	1229.3
Haryana	2	632.7	362.2	2	600.5	388.4
Himachal Pradesh	1	99.8	79.7	1	106.2	24.1
Karnataka	16	6088.3	5543.9	17	6399.5	5970.7
Kerala	272	101278.6	33833.6	268	103438.1	33231.5
Madhya Pradesh	1	504.5	118.9	1	520.4	138.3
Maharashtra	29	13655.7	32467.3	31	14301.7	35119.7
Orissa	1	253.3	268.6	1	252.4	303.2
Pondicherry	1	454.9	749.4	1	519.8	823.8
Punjab	3	558.9	279.2	3	591.6	290.6
Rajasthan	4	587.1	247.4	4	618.8	226.5
Tamilnadu	59	17710.5	25983.0	59	18335.7	28565.5
Telangana	3	822.8	3455.0	3	873.7	3889.7
Uttar Pradesh	4	435.3	249.9	4	503.6	238.4
West Bengal	2	586.1	86.5	2	564.7	85.2
Total*	**419**	**151238.7**	**109054.8**	**418**	**155098.2**	**114028.3**

*Including Service branches and ARBs.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding (1) criminal proceedings involving our Bank, Directors and Promoter; (2) actions taken by statutory or regulatory authorities involving our Bank, Directors and Promoter; (3) claims involving our Bank, Directors and Promoter for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); (4) proceedings involving our Bank, Directors and Promoter (other than proceedings covered under (1) to (3) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below); and (5) litigation involving the Group Company which has a material impact on our Bank, as of November 25, 2019. Further, except as discussed in this chapter, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoter in the last five financial years including any outstanding action.

In terms of the Materiality Policy dated May 23, 2019, other than outstanding criminal proceedings, statutory or regulatory actions including outstanding actions, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years and claims for any direct or indirect tax liabilities disclosed in point (1) to (3) above, all other pending litigations:

A. involving our Bank, our Directors and Promoter:

B. where the aggregate monetary claim made by, or against, our Bank, our Directors or our Promoter in any such pending litigation proceeding is in excess of 0.25% of our Bank's total income for the most recently completed fiscal year as per the Restated Financial Information, i.e. ₹ 37.09 million; and

C. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the position, business, operations, prospects or reputation of our Bank

shall be considered "material" and accordingly have been disclosed in this Prospectus.

For the purposes of the above, pre-litigation notices received by our Bank, our Directors or our Promoter from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by the Board, be considered as litigation until such time that any of our Bank, Directors or Promoter, as the case may be, is impleaded as a defendant in litigation before any judicial/arbitral forum or governmental authority.

Further, creditors of our Bank to whom dues owed by our Bank exceed 5% of our Bank's total dues owed to creditors as of the end of the most recent period covered in the Restated Financial Information, would be considered as material creditors.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

A. Litigation proceedings involving our Bank

I. Litigation proceedings initiated against our Bank

(a) Criminal proceedings

Except as disclosed below, as on the date of this Prospectus, there are no other criminal proceedings pending against our Bank:

Sr. No.	Petition / Application Number	Party(ies) to the Petition/ Application ("Complainant(s)")	Forum	Brief description and present status of the case
1.	Criminal Revision Petition no. 330/17	Ms. Geetha Ramachandran	The High Court of Kerala	Our Bank dismissed the Complainant from its services on August 31, 2006 after making a due inquiry as she granted loans in violation of the instructions of our Bank. The aggregate amount of loan granted by the Complainant as per the chargesheet dated October 25, 2005 issued by our Bank to the Complainant is ₹ 21.95 million. The Complainant filed a complaint before the Kerala Women's Commission on December 18, 2007. The Kerala Women's Commission found out that all the charges levelled against the Complainant are baseless and this was quashed by the order of Kerala High Court dated May 24, 2010 on the ground that the Kerala Women' Commission was not having any jurisdiction in the said matter. On the basis of the aforementioned order, the Complainant again approached the then board of directors of our Bank on June 7, 2010 to reinstate her, which was declined by them. Further, a civil suit dated August 20, 2013 was filed by the Complainant for recovery of ₹ 3.56 million on the ground of her illegal termination from the services of our Bank. The matter was rejected for non-payment of court fee. Further, a criminal complaint no. 611/2014 was filed by the Complainant before the Chief Judicial Magistrate, Thrissur against the then chairman of our Bank, Mr. Santhanakrishnan. The Complainant alleged that Mr. Santhanakrishnan committed an offence under Section 417 of IPC and punishable under Section 420 of IPC by not reinstating her in the services of our Bank, despite being assured to be reinstated in case the loans granted in her capacity as branch manager are recovered back by her. The criminal complaint no. 611/2014 was dismissed by the Chief Judicial Magistrate, Thrissur on July 26, 2016. Subsequently, a Criminal Revision Petition no. 330/2017 was filed before the High Court of Kerala by the Complainant against the said order of the court of Chief Judicial Magistrate, Thrissur on December 15, 2016. Matter is pending before the High Court of Kerala. Further, the Complainant vide a letter dated December 16, 2018 submitted to the Centralized Public Grievance Redress And Monitoring System, requested to settle the matter and reconsider the decision. Matter is pending at the Centralized Public Grievance Redress and Monitoring System.
2.	Criminal complaint no. 143/03	Mr. K.M. Johny	The Court of Judicial Magistrate of First Class, Pimpri at Pune	The Complainant filed a criminal complaint on November 29, 2002 before the court of Judicial Magistrate of First Class, Pimpri at Pune against our Bank, the then branch manager of the Pune branch of our Bank, Mr. T.J. Thomas, the then assistant manager of the Pune branch of our Bank, Mr. P.M. Joseph and Shalakha Enterprises. The Complainant alleged that based on a forged application for sanction of a loan, our Bank had sanctioned a loan of ₹ 2.6 million on December 28, 2001 in the name of Rini Engineers, of which the Complainant is the proprietor, without the knowledge of the Complainant and transferred the proceeds of the loan to Shalakha Enterprises by fabricating the documents causing

Sr. No.	Petition / Application Number	Party(ies) to the Petition/ Application ("Complainant(s)")	Forum	Brief description and present status of the case
				wrongful loss to the Complainant. Further, our Bank filed an application on August 28, 2003 to call back the process issued against it and to grant suitable costs to our Bank. Matter is pending before the court of Judicial Magistrate of First Class, Pimpri at Pune.
3.	Criminal Miscellaneous Petition no. 6087/2019	Mr. K.M. Johny	The Court of Judicial Magistrate of First Class, Chalakudy	The Complainant filed a criminal complaint on July 4, 2019 before the court of Judicial Magistrate of First Class at Chalakudy, Kerala against the branch manager of Irinjalakuda branch, Chairman, General Manager of our Bank and branch manager of Pune branch to take cognizance under Section 294(b), 323, 387, 420, 406, 467, 471 and 506(2) of IPC and grant such other reliefs which are deemed fit and proper in the interest of justice and equity of law. The Complainant alleged that the bank officials had fabricated some loan documents to wrongfully retain the original title deed of the wife's property and to cause wrongful loss to the Complainant. The Complainant also alleged that the bank officials acted with ulterior motives using obscene words against him causing hurt and gave death threat to him. The court on hearing the Complainant forwarded the matter u/s 156(3) of Code of Criminal Procedure, 1973 to Station House Officer, Chalakudy for investigation. Subsequently, on receipt of the direction, Chalakudy police initiated the investigation by registering FIR no. 0587/2019 dated July 5, 2019. The matter is currently pending for investigation.
4.	Criminal complaint no. c-840/Rd/DIG/UT	Mr. Parvesh Sharma, Mr. Jatinder, Mr. Pankaj Kumar, and Mr. Manpreet Singh	Police Complaint, the Economic Offences Wing, Chandigarh Police	The Complainants filed a criminal complaint against our Bank officials on September 14, 2015 before the Deputy Inspector General of Police, Chandigarh for the involvement of our Bank officials in alleged cheating and fraud. The Complainants alleged that our Bank officials, on the pretext of granting loan to the Complainants at lower rates, fraudulently obtained cheques and other documents in relation to the loan. The Complainants prayed for the investigation of the fraud committed by our Bank officials. Subsequently, Mr. CR Sebestian, the then branch manager of our Bank, filed a FIR dated November 20, 2017 against the Complainants for selling the secured properties without the permission of our Bank. Mr. Parvesh Sharma and Mr. Pankaj Kumar filed a petition for quashing of the FIR on November 20, 2017 (Criminal complaint no. 9579/18) and on December 12, 2018 (Criminal complaint no. 52886/18 respectively. The matter is currently pending for investigation.
5.	Criminal complaint no. 7623/2017	Mr. Jaspreet Singh	Police Complaint before the Senior Superintendent of Police, Chandigarh	The Complainant filed a criminal complaint against our Bank officials on May 30, 2017 before the Senior Superintendent of Police, Chandigarh for cheating and forging the loan document of the Complainant and causing wrongful loss to him. The Complainant alleged that our Bank officials, on the pretext of granting loan to the Complainant took loan disbursement documents, signed cheques and other papers from the Complainant and when the loan could not be processed, the Complainant requested the branch manager of our Bank to return the documents and signed cheques. However, the branch manager assured that the loan will be disbursed soon and did not return the documents. Subsequently, the officials of our Bank demanded repayment

Sr. No.	Petition / Application Number	Party(ies) to the Petition/ Application ("Complainant(s)")	Forum	Brief description and present status of the case
				of the instalments of loan that was never disbursed to the Complainant. The matter is currently pending.
6.	FIR no. 0119 dated August 25, 2018	Mr. Manjinder Singh Brar	Police Complaint before the Senior Superintendent of Police Office, Kharar	The Complainant lodged a FIR against the concerned manager of our Sector 34, Chandigarh branch. The Complainant alleged that the concerned manager and recovery officer in order to take the possession of the scheduled property harassed the complainant. The complainant claimed that the scheduled property belongs to his mother and was not mortgaged in favour of the loan taken by Gagandeep Singh who failed to repay the loan taken from our Bank. The matter is currently pending.
7.	Criminal Complaint no. 533/19	Mr. Ricky Chhabra	High Court of Punjab and Haryana, Chandigarh	The Complainant availed a term loan and mortgage loan from our Bank by creating an equitable mortgage of property. Further, the complainant failed to pay the monthly installment and subsequently the account turned into NPA and proceedings under the SARFAESI Act were initiated. Subsequently, on valuation of the mortgaged property, it was found out that the complainant has sold the mortgaged property. FIR was filed by our Bank against the complainant for commission of fraud. The Complainant filed the present petition under Section 483 of the Code of Criminal Procedure, 1973 for anticipatory bail.
8.	FIR no. 2473/18	Former employee of our Bank	Superintendent of Police, Central Police Station, Ernakuam	The Complainant was terminated from the services of our Bank on November 3, 2018 by way of discharge simpliciter. Further, the Complainant lodged a FIR against the employee of our Bank under Section 354 and 354A of IPC on November 14, 2018. Subsequently, the Complainant also made a representation before the Minister of Labour and Excise, Kerala alleging that our Bank did not constitute an internal committee as required under the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Subsequently, our Bank received a letter from Chief Minister's office on January 18, 2019 to enquire into the allegation made by the Complainant. Our Bank is in the process of filing a reply to the same. In relation to this dispute, the Complainant also made a representation before the Regional Labour Commissioner **("RLC")**, Kochi on December 20, 2018 against our Bank for reinstatement of her services. On March 13, 2019, the RLC, Kochi closed the matter as the Complainant was holding a managerial position, which does not come under the purview of Industrial Dispute Act, 1947.
9.	Criminal Miscellaneous Petition no. 3585/2006	Mr. Thomas Panjikkaran	The Chief Judicial Magistrate, Thrissur	Mr. Thomas Panjikkaran, a former shareholder of our Bank filed a criminal complaint before Chief Judicial Magistrate, Thrissur against Mr. R.P. Joshua, former chairman of our Bank, erstwhile company secretary of our Bank and others in relation to certain alleged irregularities in conduct of banking business including inadequate action against defaulters and failure to fix staff responsibility. Pursuant to the directions of Chief Judicial Magistrate, Thrissur the police investigation was conducted wherein it was observed that the nature of complaint was civil and there was no case for initiation of criminal proceedings. The Complainant filed a Criminal

Sr. No.	Petition / Application Number	Party(ies) to the Petition/ Application ("Complainant(s)")	Forum	Brief description and present status of the case
				Miscellaneous Petition no. 3585/2006 before the Chief Judicial Magistrate, Thrissur against the police investigation report and pursuant to an ex-parte order of the court an enquiry was directed in the matter. Subsequently, our Bank filed a criminal miscellaneous case no. 541/07, challenging the order of Chief Judicial Magistrate, Thrissur which was dismissed by the High Court on March 1, 2007. Seeking a direction to quash the complaint, our Bank filed a special leave petition (Crl. No. 1853/2007). The Complainant filed a writ petition (WP. no. 2168/2008) before the Kerala High Court without including our Bank as the party, wherein the court passed an order for completion of enquiry in the matter within two weeks from the date of the order. Subsequently, our Bank and one of the interested directors filed a writ appeal (WA no. 740/2008 and 741/2008 respectively) challenging the order passed in WP no. 2168/2008. The division bench of the High Court, in a common judgement, dated April 3, 2008 dismissed the appeals. Our Bank then filed a criminal miscellaneous petition in the ongoing special leave petition (Crl. MP no. 6813/2008) seeking for a stay on the order passed by the Kerala High Court which was granted on April 24, 2008. Our Bank also filed a Special Leave Petition **("SLP")** (SLP Crl. no. 4120/2008) before the Supreme Court against the judgement and order dated April 3, 2008 passed by the Kerala High Court in W.A Nos. 740/2008 and 741/2008. The Supreme court allowed both the SLPs (SLP Crl. No 1853/2007 and (SLP Crl. No 4120/2008) and numbered the criminal appeals as criminal appeal no. 1349/2010 and 1350/2010 respectively. Both the matters were heard together by the Supreme Court on July 26, 2018 and the appeals were allowed on same day by setting aside the orders passed by the Chief Judicial Magistrate, Thrissur and Kerala High Court and remitted back the matter (CMP 3585/2006) to the Chief Judicial Magistrate, Thrissur to consider the matter afresh as per the High Court orders. Accordingly, the Criminal Miscellaneous Petition no. 3585/2006 is now pending before the Chief Judicial Magistrate, Thrissur for consideration.
10.	Criminal complaint no. 5315/2019	Mr. M.P. Hule, Inspector of Security Guards Boards for Greater Mumbai and Thane district	Judicial Magistrate First Class, 1st Court, Thane	The Complainant, an inspector appointed under section 16 of the Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981(**"Security Guards Act"**) filed a criminal complaint against our Bank ("**Accused No. 1**"), Mr. Subodh Mishra- Zonal Manager ("**Accused No. 2**"), Mr. Shoby John- Chief Manager ("**Accused No. 3**") and Mr. Vikas Kumar- Branch Manager ("**Accused No. 4**") alleging contravention of the provisions of clause 25(2) of the Private Security Guards (Regulation of Employment & Welfare) Scheme, 2002 ("**Scheme**") by engaging the security guards of private security agency and not employing the security guards allotted by the Security Guards Board for Briham Mumbai and Thane District under section 6 of the Security Guards Act and thus committed an offence under clause 25(2) read with clause 42 of the Scheme. The Complainant has prayed for issuing process against our Bank and other accused and pass necessary orders requiring Accused No. 2 to Assuced No. 4 to execute the bond under section 88 of the

Sr. No.	Petition / Application Number	Party(ies) to the Petition/ Application ("Complainant(s)")	Forum	Brief description and present status of the case
				Code of Criminal Procedure, 1973.

(b) Statutory or regulatory proceedings:

As on the date of this Prospectus, except as disclosed below there are no other statutory or regulatory proceedings pending against our Bank:

1. Labour proceedings

i. Cases pending before various Industrial tribunals

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
1.	I D 38/2013	The Central Government Industrial Tribunal-cum-Labour Court ("**CGIT**"), Ernakulum	Catholic Syrian Bank Staff Association	The Petitioner filed a complaint on July 6, 2012 before the Assistant Labour Commissioner ("**ALC**") (Central), Kochi against our Bank in relation to alleged non-payment of special benefit to a cashier who was responsible for monitoring of cash department for handling some additional duties. Matter is pending before ALC (Central), Kochi. A written statement was filed by our Bank on May 13, 2014 before CGIT, Ernakulam, seeking that no relief be granted to the employee and that the action of our Bank be taken as legal and valid.	Matter is pending before CGIT, Ernakulum.
2.	I D 26/2006	CGIT, Kolkata	Mr. Sitangshu Bhusan Mazumdar	The Petitioner was charged for misappropriation of ₹ 0.07 million while working as a clerk cum cashier in our Bank after conducting an enquiry. He challenged the punishment of compulsory retirement with superannuation benefits awarded to him. Representation was made before ALC, Kolkata on December 15, 2005. In the proceedings conducted by ALC, Kolkata on May 25, 2006, no settlement was reached by either party. Pursuant to the matter being referred to CGIT, Kolkata, a statement of claim was submitted by the Petitioner.	Matter is pending before CGIT, Kolkata.
3.	I D 5/2011	CGIT, Kolkata	Mr. Tapan Kumar Das	The Petitioner facilitated unauthorized withdrawal of amount of ₹ 0.2 million from the account of one of the customers of our Bank. Pursuant to this, our Bank filed a criminal complaint on November 25, 2006 and a charge sheet was served to the Petitioner on January 23, 2007 for gross negligence in performing duties. Further, on conducting an enquiry, the Petitioner was found guilty and his pay scale was lowered by a stage for a period of two years. The Petitioner made a representation against the punishment before the ALC, Kolkata on March 11, 2010. A report was submitted to the secretary of the Ministry of Labour Government of India by ALC, Kolkata on March 28, 2011 on failure of the conciliation proceedings. Matter is pending before ALC, Kolkata. Subsequently, the matter was appealed before CGIT, Kolkata on November 8, 2011.	Matter is pending before CGIT, Kolkata.
4.	ID 23/2017	CGIT, Ernakulum	Mr. Jose PD	The Petitioner was one of the security guards of City Service Centre Private Limited, a contractor of our	Matter is pending before

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
				Bank (the "**Contractor**"). The Petitioner alleged that he was not paid overtime wages by the Contractor and lodged a complaint before RLC (Central) on March 22, 2013 for non-payment of overtime wages. The Petitioner was transferred from our Bank's ATM counter in Aswini Junction, Patturaikkal. Further, our Bank denied the request of the Petitioner to reinstate him at the ATM counter in Ashwini Junction, Patturaikkal. Subsequently, the Petitioner challenged the action of our Bank and the Contractor before CGIT, Ernakulam.	CGIT, Ernakulum.
5.	ID 118/2018	CGIT, Delhi - 1	Mr. Devesh Kumar	The Petitioner had filed an application before CGIT, Delhi-1 dated January 18, 2019 challenging the termination of his service by our Bank due to abandonment of his service. The Tis Hazari Court, Delhi on October 15, 2011, passed an order for the judicial custody of the petitioner with respect to the ongoing dispute with the petitioner's wife. Due to the judicial custody, the petitioner was not able to continue his service in our Bank for thirteen months. After the release from the judicial custody, the petitioner wanted to resume his services with our Bank. Our Bank issued a letter dated March 20, 2013 to the petitioner stating that he will be deemed to have voluntarily retired if he fails to resume the duty within 30 days from the date of the letter. Further, the petitioner alleged that our Bank has sent a letter dated March 20, 2013 on the old mailing address of the petitioner even after being aware about the change in address. Aggrieved by the action of our Bank, the petitioner approached the ALC, Delhi alleging illegal termination of his services. Further, the case was referred to the present forum.	Matter is pending before CGIT, Delhi - 1.
6.	ID 25/2019	CGIT, Ernakulam	Ulahannaan Varghese	The Petitioner filed an application with the Assistant Labour Commissioner (Central), Ministry of Labour, Thiruvananthpuram on April 11, 2019 requesting to reverse the order of dismissal from the services of our Bank based on the alleged misappropriation of amount while working at Vaikom branch of our Bank as clerk cum cashier. The Regional Labour Commissioner (Central), Trivandrum held a joint discussion on July 31, 2019 amongst all parties to the matter with a view to enquire and settle the matter amicably. In joint discussion, the management of our Bank categorically stated that there is no scope for reinstatement of the Petitioner and his pension can not be restored as the decision is taken as per the policy of our Bank and keeping in mind the principal of natural justice. Accordingly, the Petitioner requested to discontinue the conciliation proceedings and to issue a certificate under Section 2A of the Industrial Dispute Act, 1947 to approach the CGIT for adjudication of the dispute. The Conciliation Officer and and the Regional Labour Commissioner (Central) Trivandrum issued a certificate under Section 2A of the Industrial Dispute Act, 1947 and the conciliation proceedings were closed. Thereafter, the petitioner filed the industrial dispute against our Bank before CGIT, Ernakulam under section 2A(2)	Matter is pending before CGIT, Ernakulam.

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
				of the Industrial Dispute Act, 1947 and summons dated November 15, 2019 were issued to both the parties requiring them to appear before CGIT, Ernakulam.	

ii. Cases pending before the ALC and the RLC for conciliation

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
1.	7/121/2013 /D2	ALC, Vijayawada	Mr. T. P. Varghese	The Petitioner was dismissed from services on May 19, 2005 after conducting an enquiry for misappropriating the pledged gold ornaments from Nellore branch of our Bank. Against this action, the Petitioner filed a petition before ALC, Kochi, stating that the allegations raised in the charge sheet no. 376/556/03 dated January 16, 2003 were false and that during the enquiry proceedings, the Enquiry Officer had acted in favour of our Bank and against him, not considering any of his representations. The Petitioner prayed to set aside the dismissal order. Since the incident took place and domestic enquiry was conducted at Nellore, ALC, Cochin transferred the matter to ALC, Vijayawada for further proceedings.	Matter is pending before ALC, Vijayawada.
2.	7/102/2017 /B1	RLC, Kochi	Catholic Syrian Bank Staff Association	The Petitioner raised a dispute regarding sanction of duty leave to their representatives who were attending conciliation proceedings at ALC, Ernakulam. With respect to this, representation was made before the Deputy Chief Labour Commissioner on November 2, 2016 by the Catholic Syrian Bank Staff Association. Subsequently, a statement was filed by our Bank before RLC, Kochi on October 5, 2017, stating that complaint filed by Catholic Syrian Bank Staff Association will not come under the purview of the Industrial Dispute Act, 1947. the service conditions of the workmen employees have been formulated through bipartite settlement at the banking industry level between management of our Bank and the representatives of the staff union of our Bank. Further, leave is one of the subject matters of bipartite settlement and there is no provision pertaining to sanction of duty leave in the settlement. The Petitioner submitted its objection before RLC, Kochi on February 2, 2018, regarding the statement filed by our Bank.	Matter is pending before RLC, Kochi.
3.	7/(94)/201 7/B1	RLC, Kochi	Catholic Syrian Bank Staff Association	A member of the Petitioner was denied payment of arrears of revised house rent allowance as per the directions of Indian Bank's Association. Further, representation was made before RLC, Kochi and conciliation proceedings were on June 29, 2017. Subsequently, representation by both the Parties was made before RLC, Kochi.	Matter is pending before RLC, Kochi.
4.	95/(74)/20 17/B1	RLC, Kochi	Catholic Syrian Bank Staff Association	The Petitioner raised a dispute claiming overtime wages to be given to one of its members, who was a clerk cum cashier working in the Kottekad branch of our Bank. On representation of the Petitioner regarding denial of overtime wages which was filed on March 31, 2017, RLC, Kochi proceeded with the	Matter is pending before RLC, Kochi.

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
				conciliation proceedings on April 17, 2017.	
5.	7/(09)/2019/B1	RLC, Kochi	Catholic Syrian Bank Staff Federation	Our Bank sent a show cause notice dated May 23, 2018 to Tessy Joseph, an employee of our Bank and member of petitioner association for deduction of salary on account of mismatch between the muster rolls and log in details in the system. Mr. Tessy Joseph alleged that there were no original records available with the Branch to show the mismatch. She submitted an explanation on May 25, 2018 and requested our Bank to not deduct the salary for alleged mismatch as she has performed duties in other department of our Bank which required no log-in. Our Bank, after considering her explanation, deducted the salary of 20 days from her leave encashment. Aggrieved by the steps taken by our Bank, the petitioner made a representation to ALC (Central) Cochin.	Matter is pending before RLC, Kochi.
6.	7/(17)/2019/B1	RLC, Kochi	Catholic Syrian Bank Staff Federation	The Petitioner approached RLC, Kochi against the show cause notices issued by our Bank to the employees after conducting attendance audit. Our Bank submitted comments on representation filed by the management on September 7, 2018. Subsequently, in the discussions held with Catholic Syrian Bank Staff Federation and RLC, Kochi on September 26, 2018. Our Bank was requested to not make deductions during the pendency of discussions.	Matter is pending before RLC, Kochi.
7.	95/(26)/2019/B1	RLC (Central), Kochi	Catholic Syrian Bank Staff Federation	The petitioner approached RLC (Central) Kochi challenging the circular no. 56/2019 issued by our Bank on the ground of clear violation of provisions of awards and settlements as it demanded for officiating the duties of Grade I by clerks in case of shortage of officers. Our Bank submitted its comments to RLC (Central), Kochi stating that there is no violation of provisions of the bipartite settlements as alleged by the Petitioner in their representation.	Matter is pending before RLC (Central), Kochi

iii. Case pending in connection with non implementation of award

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
1.	CC 2485/2011	The Judicial First Class Magistrate I, Thrissur	ALC, Ernakulum	Labour Enforcement Officer (Central) Ernakulam filed a complaint under Section 29 read with Section 32 of the Industrial Dispute Act, 1947 against our Bank for non-implementation of the award in ID no. 268/2006 before the Judicial First Class Magistrate I, Thrissur on December 16, 2011. The Catholic Syrian Bank Staff Federation requested ALC, Ernakulam to prosecute the management of our Bank for non-compliance of the said award and made a representation before ALC (Central) Ernakulam for non-implementation of award. Pursuant to the award, allowances which are permanent in nature were supposed to be included while fixing basic in the clerical cadre. Our Bank filed criminal miscellaneous petition MC	Matter is pending before the Judicial First Class Magistrate I, Thrissur as the same was stayed by the High court of Kerala at Ernakulum in Criminal Miscellaneous Petition MC 1206/2018 filed by our Bank.

Sr. no.	Case no.	Name of the Court/ Authority	Name of the Petitioner	Brief facts of the case	Present status
				1206/2018 before the High court of Kerala at Ernakulam to quash the criminal proceedings initiated against our Bank on February 2, 2018 and the matter is pending.	

2. ***Notices issued by Regulatory authorities***

A show cause notice dated July 15, 2019 was issued to our Bank by the director, Financial Intelligence Unit- India ("**FIU-IND**") under Section 13 of PMLA for alleged non – compliance with the provisions of Section 12 of PMLA. The show cause notice alleged that on the analysis of the Cross Border Wire Transfers ("**CBWTRs**")**/** Electronic fund transfers ("**EFTs**") of our Bank and validation made by FIU-IND at a system level between April 1, 2014 till December 31, 2018, deficiencies were revealed in respect of CBWTRs filed by our Bank for 36,394 reportable transactions.

It was alleged that the CBWTRs reported by our Bank lacked complete information in respect of the 36,394 CBWTRs that originated or concluded in India and our Bank had also failed to furnish the complete information in the prescribed format, indicating the failure of our Bank to have an effective internal mechanism in place in terms of guidelines issued under PMLA. Accordingly, our Bank was called upon to show cause within 15 days of the receipt of the said notice as to why suitable directions including imposition of penalty should not be passed against our Bank under Section 13 of PMLA read with Section 12 (1) (a) and (b) of PMLA and Rules 3(1) (E), 7(2) and 7(4) of the Prevention of Money-laundering (Receipt and Management of Confiscated Properties) Rules, 2005, as amended ("**PML Rules, 2005**") for the non-compliance with Section 12(1) (a) and (b) of PMLA read with rule 3(1) (E), 7(2) and 7(4) of the PML Rules, 2005, *i.e.*, alleged failure of our Bank to furnish complete information in the CBWTRs filed and the non compliance made under Section 12(1)(a) and (b) of PMLA read with Rule 5(2) and 7(3) of the PML Rules, 2005 i.e. alleged failure of our Bank to evolve an effective internal mechanism to detect and report to the director, FIU-IND, the complete information in respect of all CBWTRs of the value of more than ₹ 0.50 million or its equivalent in foreign currency where, either the origin or destination of the fund is in India.

Subsequently, our Bank submitted its reply to the said show cause notice on August 1, 2019, stating that the exercise of submission of data and mode and perfection of data was only in its evolving stage with lot of operational gaps. Sample reports were thus submitted by our Bank to FIU-IND for their expert scrutiny through emails dated February 2, 2015 and January 15, 2016 as part of format finalisation and data upload. It was mentioned in the reply emails sent by FIU-IND helpdesk that the formats are correct. The format and data forwarded to FIU-IND as part of CBWTR till May 2019 was based on the email confirmations from FIU-IND and in the absence of any further communication on the data discrepancy from FIU-IND, the format was confirmed to be final and followed. Another discrepancy highlighted in the show cause notice with regards to the submission of reports under two names viz 'Catholic Syrian Bank' and 'Catholic Syrian Bank Ltd' were typographical errors and had since been rectified to 'CSB Bank Ltd' based on the receipt of approval for change of name. Further, post the receipt of the said show cause notice, the major discrepancies that were pointed out were rectified immediately and a report in the renewed format for the month of June 2019 was submitted to FIU-IND for their review. In relation to the alleged failure on part of our Bank to evolve an effective internal mechanism to detect and report CBWTRs to the director, FIU-IND, our Bank stated that there is no failure on its part and it had already developed an internal software program in 2015 itself taking the compliance point in its due seriousness. The only defect pointed out in the said show cause notice was the incompleteness of the report which was rectified to a great extent and the report for June 2019 was submitted accordingly. Our Bank had further beefed up the staff position with addition of well experienced hands and imminent purchase of an external software with sophisticated features from a leading software vendor. Considering the above factual circumstances, our Bank requested to take a lenient view and drop all other further proceedings as per the show cause notice, especially considering the evolving nature of data submission. Further, our Bank requested for grant of 30 day's time

to cleanse the data for resubmission of reports to FIU-IND as part of the reporting obligation and also to grant an opportunity for personal hearing. Our Bank still awaits reply from FIU-IND on the said request.

(c) Other pending proceedings:

Except as disclosed below, as on the date of this Prospectus, there are no other civil proceedings pending against our Bank, which have been considered material by our Bank in accordance with the Materiality Policy:

(1) Civil proceeding:

Mr. Abdul Samad, proprietor of Flying King Export and Import Company (the "**Customer**"), exporters of Indian natural granites, had a current account with the Thumpamon branch of our Bank. The Customer approached Palm Link (the "**Plaintiff**") for arranging a stand by letter of credit ("**SBLC**") to the extent of USD 100 million for the purpose of supply of granites. In connection with this transaction, at the request of the Customer, our Bank issued a letter dated June 16, 2012 to the Plaintiff confirming that the Customer had issued a standing instruction to pay 15% of the SBLC amount as commission to the Plaintiff on receipt of the SBLC funds. The Plaintiff alleged that based on the above requests and agreement entered into with the Customer dated June 18, 2012, the Plaintiff arranged for SBLC of USD 25 million from the City Commercial Bank, New Zealand. Further, the Plaintiff sought our Bank's confirmation for the acceptance of the balance USD 75 million. Even after informing the Customer, he neither accepted the SBLC of USD 25 million nor responded to the Plaintiff's request of sending the SBLC for the balance against the Customer and our Bank for an amount of USD 75 million. Further, the Plaintiff issued a notice dated November 6, 2012 informing our Bank that in absence of confirmation for acceptance of SBLC, the Plaintiff will cancel the arrangement and hold our Bank liable for cost and commission payment of 15% of USD 25 million. The Plaintiff stated that the undertaking of our Bank would amount to guarantee. Therefore, the Plaintiff preferred a plaint under Order VII Rule I of the Civil Procedure Code, 1908 before the court of Sub-judge at Thrissur on May 23, 2016 claiming an amount of ₹ 201.04 million together with interest at the rate of 18% from the date of the plaint, aggregating to ₹ 300.55 million, being the 15% commission amount on USD 25 million along with interest. The case is pending before the court of Sub-judge, Thrissur.

(2) Matters initiated against our Bank under the SARFAESI Act:

Following application was filed against the proceedings initiated by our Bank under the SARFAESI Act:

Sr. No.	Name of the counter party ("Applicant")	Date of institution	Court / tribunal / forum	Filed under Section	Summary of the cases / statutory proceedings / notices	Amount involved in (in ₹ million)	Present status
1.	Goodwin Packpet Private Limited	March 20, 2019	DRT-II, Ernakulam	Application under Section 17 of the SARFAESI Act	Our Bank had initiated proceedings against the Applicant under Section 13(2) of the SARFAESI Act for non-payment of loan and issued a demand notice on January 2, 2018 in relation to recovery of amount of ₹ 49.32 million and applicable interest from January 1, 2018 till the date of repayment. Further, our Bank obtained an order of the Chief Judicial Magistrate, Thrissur on January 19, 2019 for taking the possession of the scheduled property under the SARFAESI Act. Aggrieved by the action of our Bank, the applicant filed the present securitization application no.	49.32	Matter is pending before DRT-II, Ernakulam

Sr. No.	Name of the counter party ("Applicant")	Date of institution	Court / tribunal / forum	Filed under Section	Summary of the cases / statutory proceedings / notices	Amount involved in (in ₹ million)	Present status
					123/2019 before DRT-II, Ernakulam, to declare the proceedings initiated by our Bank under the SARFAESI Act as illegal. The High Court of Kerala at Ernakulam vide its order dated February 4, 2019 CWP (C) no. 3150/2019 ordered Mr. Anirudhan K.A., and Mr. Rajeevan C. M., directors of the Applicant, to pay an amount of ₹ 5 million on or before March 28, 2019; in which event, our Bank will permit the Applicant to pay off the balance of total outstanding of ₹ 56.46 million along with applicable charges and interest, either in installments or in lumpsum by August 5, 2019. Further, in the event of default in the payment of amount to be paid on March 28, 2019 or the balance amount on August 5, 2019, Mr. Anirudhan K.A. and Mr. Rajeevan C. M., directors of the Applicant would be obligated to handover possession of the secured assets. Mr. Anirudhan K.A. and Mr. Rajeevan C. M., directors of the Applicant filed a writ appeal no. 1719/2019 dated July 29, 2019 before the Kerala High Court challenging the aforesaid order passed by single bench of the High Court of Kerala. The High Court of Kerala dismissed the writ appeal vide order dated August 13, 2019.		

II. Tax proceedings (consolidated)

Except as disclosed below, as on the date of this Prospectus, there are no other tax proceedings pending against our Bank:

Sr. No.	Type of tax	No. of cases outstanding	Amount involved (*in* ₹ *million*)
1.	Direct tax	54	401.53
2.	Indirect tax	12	68.43

III. Litigation proceedings initiated by our Bank

(a) Criminal proceedings

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
1.	Chandigarh	Surya Pharmaceuticals Limited	Surya Pharmaceuticals Limited and its directors, in conspiracy with others, had falsified the material records of Surya Pharmaceuticals Limited using names of other entities in India and abroad. On the basis of these false and fabricated documents, manipulated balance sheets were prepared to induce our Bank to sanction higher amounts of loans which were later diverted to other companies related to Surya Pharmaceuticals Limited.	Fraud committed on January 1, 2018, detected on February 21, 2018	565.74	• Internal investigation was conducted. • Form FMR-1 dated March 6, 2018, submitted to the RBI.	• Criminal complaint was filed against the directors of Surya Pharmaceuticals Limited with the senior superintendent of police, at Chandigarh on June 20, 2018. • Civil suit (Original application 2324/2017) was filed at DRT, Chandigarh on June 3, 2014 is pending. For further details, see serial no. 1 of Recovery proceedings on page 548. • State Bank of India filed an application under Section 7 of the IBC, 2016 before NCLT, Principal Bench at New Delhi, for initiation of corporate insolvency resolution process ("**CIRP**") against Surya Pharmaceutical Limited. For further details, see serial no. 1 of NCLT proceedings on page 545. • The matters are currently pending.
2.	Mumbai, Fort	Sterling Biotech Limited	Higher amount of loans were sanctioned on the basis of the fabricated documents and balance sheet to Sterling Biotech Limited. The account was classified as fraud as advised by RBI vide its letter bearing reference no. DBS.CO.CFMC/3126/23. 04.011/2017-18 dated December 19, 2017.	Fraud committed on September 25, 2017, detected on December 22, 2017	266.80	• Internal investigation was conducted. • Form FMR-1 dated December 28, 2017, submitted to the RBI • No staff accountability aspects were observed.	• The Central Bureau of Investigation, New Delhi filed a FIR no. RCBDI/2017/E/0007 dated October 25, 2017 against Sterling Biotech Limited for causing wrongful loss to banks under a consortium led by Andhra Bank, our Bank being one of the consortium banks. • Andhra Bank filed an application under Section 7 of the IBC, 2016 before NCLT, Mumbai Bench for

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							initiation of corporate insolvency resolution process ("**CIRP**") against Sterling Biotech Limited. For further details, see serial no. 3 of NCLT proceedings on page 545. • The matter is currently pending.
3.	Thrissur Main	Malliyakal Industries, Maliyakkal Enterprises, MRS Traders and others ("**Maliyakkal Group of Companies**")	Maliyakkal Group of Companies had availed various loans and committed fraud against our Bank by selling the hypothecated stock and not remitting the proceeds to our Bank.	Fraud committed on September 30, 2015, detected on November 12, 2018	215.21	• Internal investigation was conducted. • Form FMR-1 dated November 23, 2018, submitted to the RBI. • Disciplinary proceedings were initiated against the erring officials.	• Criminal complaint was filed on December 5, 2018 at Thrissur City Police station. • An original application dated October 19, 2015 was filed before DRT-2, Ernakulam against Malliyakal Industries and others. For further details, see serial no. 9 of Recovery proceedings on page 552. • FIR no. 796 dated June 22, 2019 was filed at Thrissur East police station. • The matters are currently pending.
4.	Kollam	Mount Moria Cashews, Proprietor Mr. Manoj Kunjukunju	Mr. Manoj. Kunjukunju, proprietor of Mount Moria Cashews, had availed cash credit, packing credit and overdraft on pledge limit aggregating to ₹ 215 million. Mr. Manoj Kunjukunju committed a fraud against our Bank by selling the stock hypothecated/pledged without remitting the proceeds to our Bank.	Fraud committed on February 2, 2018, detected on February 19, 2018	213.53	• Internal investigation was conducted. • Form FMR-1 dated February 23, 2018, submitted to the RBI. • Staff accountability aspects were examined.	• FIR no. 641 dated April 7, 2018, was filed by Kollam East Police Station. • Civil suit was filed at DRT, Ernakulam on July 20, 2018 (Original application 382/18). The case is currently pending. For further details, see serial no. 8 of Recovery proceedings on page 551. • The matters are currently pending.
5.	Secunderabad	Jupiter Bioscience Limited	Two term-loans for acquisition of machinery and equipment were	Fraud committed on October 14,	200	• Internal investigation was conducted. • Form FMR – 1 dated	• Criminal complaint no. 4570 of 2014 dated December 29, 2014 was instituted against Jupiter

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			granted at the branch. Violation of sanction terms were observed which resulted in the account becoming unsecured.	2009, detected on September 29, 2013.		September 30, 2013 was submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	Bioscience Limited and others before the Additional Chief Metropolitan Magistrate, Secunderabad. The matter is currently pending. • Original application no. 524/2012 was filed in DRT, Hyderabad on July 24, 2012 against Jupiter Bioscience Limited to recover the outstanding dues. The matter is currently pending. For further details, see serial no. 6 of Recovery proceedings on page 551.
6.	Kannur	K. M. Stone Crusher and others	Serious irregularities and fraudulent practices in the disbursal of funds and post lending management of certain loans at the branch.	Fraud committed on February 25, 2010, detected on October 5, 2010	138.55	• Internal investigation was conducted. • Amended Form FMR – 1 dated October 20, 2010, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Matter was reported to the Serious Fraud Investigation Officer. • FIR no. 804 dated July 5, 2011 was filed by Mr. Ashraf against Mr. T.K. Sasidharan and Ms. Bincy, staff of our Bank at the Kannur town police station, alleging fraudulent extension of mortgage property. • Criminal complaint filed before the Judicial First Class Magistrate – I, Kannur, against (i) Mr. M.A. Jose, former senior manager of our Bank, and others, being complaint number (C.M.P. 2028/2014) dated May 7, 2014 (ii) Mr. M.A. Jose, former senior manager of our Bank, and Mr. Rafeek, being complaint number (C.M.P. 2029/2014) dated May 7, 2014 (iii) Mr. M.A. Jose, former senior manager of our Bank, and Mr. K. Maharoof, being complaint number (C.M.P. 2030/2014) dated May 7, 2014 (iv) Mr. M.A. Jose, former senior manager of our Bank, and

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							Mr. K.P Riyas, being complaint number (C.M.P. 2031/2014) dated May 7, 2014 (v) Mr. M.A. Jose, former senior manager of our Bank, and Mr. Haris Cherattayadan and other, being complaint number (C.M.P. 2032/2014) dated May 7, 2014 (vi) Mr. M.A. Jose, former senior manager of our Bank, and Mr. Ansar Cherattayadan, Managing Partner of K.M. Stone Crusher and others, being complaint number (C.M.P. 2033/2014) dated May 7, 2014 and Mr. Ansar Cherattayadan, Managing Partner of K.M. Stone Crusher and others. Cases are currently pending. Recovery suit (Original application no. 97 of 2013) filed on February 21, 2013, before DRT, Kerala and Lakshadweep at Ernakulum against K.M. Stone Crusher and others. For further details, see serial no. 58 of recovery proceedings on page 582. • The matters are currently pending.
7.	Dombivli (West), Mumbai	Milan Steel Home Appliances Private Limited	Milan Steel Home Appliances Private Limited had availed working capital limit of ₹ 111.5 million and term loan of ₹ 4.5 million and these facilities were collaterally secured by immovable property and stock. Further, Milan Steel Home Appliances Private Limited sold the	Fraud committed on March 23, 2018, detected on April 27, 2018	114.94	• Internal investigation was conducted. • Form FMR-1 dated May 14, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings were initiated against erring officials.	• Criminal complaint dated August 14, 2018 was filed before the Deputy Commissioner of Police, Economic Offence Wing, Thane against Milan Steel Home Appliances Private Limited, the then senior manager and the chartered accountant who had introduced Milan Steel Home Appliances Private Limited. • Original application no. 39/2015 was filed on December 26, 2014

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			immovable property and stock without the consent of our Bank and did not remit the sale proceeds.				before DRT-3, Mumbai and is pending. For further details, see serial no. 15 of Recovery proceedings on page 557. • The matters are currently pending.
8.	Thrissur - R.S. Road	Shree Ekadhanta Petro Products Private Limited, Srivari Trading Company and others **("Srivari Group of Companies**")	Shree Ekadhanta Petro Products Private Limited, Srivari Trading Company and others had availed cash credit limits and machinery loans and removed the hypothecated machineries and stock without the knowledge of our Bank and without closing the accounts, thus committed fraud against our Bank.	Fraud committed on September 2012, detected on September 6, 2018	104.29	• Internal investigation was conducted. • Form FMR-1 dated September 19, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the erring official.	• Criminal complaint was filed on September 20, 2012 at the Chief Judicial Magistrate Court, Thrissur against the Srivari Group of Companies, its directors and the guarantor. The case is pending. • Civil suit (Original application 441/12) was filed at DRT, Ernakulam on October 18, 2012 for recovery of our dues. For further details, see serial no. 16 of Recovery proceedings on page 558. • The matters are currently pending.
9.	Chennai – 1, Beach Road	Sri Harichandra Agencies	Sri Harichandra Agencies had availed higher cash credit limit by submitting forged income tax returns and balance sheets. Further, in order to get higher valuation, Sri Harichandra agencies showed some other property in place of the original property while valuing the collateral secured properties and committed fraud against our Bank by diverting funds to associate concerns maintained with other banks.	Fraud committed on August 28, 2014, detected on August 13, 2018	80.58	• Internal investigation was conducted. • Form FMR-1 dated August 28, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the erring official.	• Criminal complaint was filed with the Commissioner of police, Greater Chennai Police against Sri Harichandra Agencies. • Civil suit (Original application no. 399/2016) was filed before DRT, Chennai on May 2, 2016. For further details, see serial no. 18 of Recovery proceedings on page 559. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
10.	Baroda	Sakthi Kumar K, and others	Unauthorised credit facility extended for illegal gratification, by the branch manager, including discounting of bills by using fake letter of credits, without entering bank records, discounting of accommodation cheques, etc.	Fraud committed on October 6, 1993, detected on August 8, 1997	70.48	• Internal investigation was conducted. • Form FMR – 1 dated November 5, 1997, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• A criminal complaint filed against Mr. Sakthi Kumar, Jem Ispat (Private) Limited and its directors under C. no. 86/1998, dated May 6, 1998. • Recovery suit filed (Civil suit no. 1014/1999) dated October 29, 1999 was filed against 21st Century Casters at the Civil Court, Baroda, Mr. J.R. Natraju and Ms. Sandhya Natraju. • The matters are currently pending.
11.	Avadi	Sri Venkateswara Traders, Sri Venkateswara Associates, Balaji Car decors, Vishnu cars, S. Bhuvaneswari Sharmila and M. Gowri, S. Mohanalakshmi and S. Madhankumar, V. Krishnan, N. Selvam, K. Jegatheesan, G. Subbareddy, S. Ravichandran, Partheban. E, Siddi Mahesh Kumar, R. Manikandan, Jayakanthan. K, Siddi Venkatakrishna, Bhavaniraja S., K. Velan Ravindran S. and Abirami. R (collectively, the	Various credit facilities were granted to borrower on basis of IT returns which was later on found to be fabricated and by accepting overvalued collateral security property.	Fraud committed on various dates, detected on February 8, 2017	61.69	• Internal investigation was conducted. • Form FMR-1 dated February 22, 2017, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to erring officials.	• Complaints have been filed against the Borrowers/ guarantors along with Mr. T. Rajasekar, principal officer of the branch, for his suspected involvement in granting the loans. • FIR no. 65 dated September 15, 2017 and FIR no. 118 dated July 20, 2018 against all the Borrowers along with the then branch manager Mr. T. Rajasekhar. • Original application no. 335/2017 was filed with DRT, Chennai on May 19, 2017 against Mr. S. Ravindran and Mr. R. Abirami. • Original application no. 139/2018 was filed with DRT-III, Chennai on December 6, 2017 against Mr. S. Bhavaniraja and B. Meena, guarantor to the credit facility. • Original application no. 61/2018 was filed with DRT-III, Chennai on May 23, 2017 against Balaji Car Decors and Mr. Vijaya Kumar, guarantor to the credit facility. • Original application no. 581/2018 was filed with DRT-III, Chennai

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
		"**Borrowers**")					on April 12, 2018 against Mr. Siddi Mahesh Kumar and Indira Priyadarshin, , guarantor to the credit facility. • Original application no.60/2019 was filed with DRT-III, Chennai on April 12, 2018 against Mr. E. Partheban and P. Usha, guarantor to the credit facility. • Original application no.69/2019 was filed with DRT-III, Chennai on April 16, 2018 against Vishnu Cars and others. • Original application no.120/2019 was filed with DRT-III, Chennai on April 16, 2019 against Sri Venkateswara Associates and V. Manorama, guarantor to the credit facility. • Original application no.123/2019 was filed with DRT-III, Chennai on April 16, 2018 against Sri Venkateswara Traders and V. Venkateswaran, guarantor to the credit facility**.** • The matters are currently pending.
12.	Vashi	Horizon Outsourcing Solutions Private Limited	Horizon Outsourcing Private Limited availed credit facilities by submitting bogus financial statements and diverted the funds to related entities.	Fraud committed on December 2, 2014, detected on March 12, 2019.	60.34	• Internal investigation was conducted. • Form FMR-1 dated March 26, 2019 submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings initiated by our Bank are ongoing.	• Complaint dated September 19, 2019 was filed before the Economic Offence Wing Mumbai. • Our Bank has initiated SARFAESI proceedings against the security properties. • Our Bank also filed an original application no 4/2019 dated December 18, 2018 before DRT-3, Mumbai. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
13.	Bhavani	Rasi Textiles	Rasi Textiles, a partnership firm, had availed credit facilities by submitting fabricated balance sheets, other documents and diverted the funds borrowed from our Bank through associate firms.	Fraud committed on December 23, 2013, detected on January 8, 2019	58.08	• Internal investigation was conducted. • Form FMR-1 dated January 17, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings were initiated against erring officials.	• Original application no. 40/2018 filed at DRT, Coimbatore on November 27, 2017. The case is currently pending. For further details, see serial no. 23 of Recovery proceedings on page 563. • Criminal complaint filed against the Rasi Textiles before the Superintendent of Police, Erode on May 16, 2019 before Superintendent of Police, Erode. • The matters are currently pending.
14.	Gandhipuram	Sun Mars Steels India Private Limited	Cash credit limit with packing credit sub limit were taken over from the Union Bank of India and were secured collaterally by land in the names of directors and shareholders. The account turned NPA on September 30, 2015. The copies of the cash credit account of the Sun Mars Steels India Private Limited with the Union Bank of India were later found to be fabricated, fraudulent and were manipulated to show a higher credit turnover in the account. On visiting the unit, it was found that there was no stock and the unit was not functioning. Sun Mars Steels India Private Limited had fraudulently syphoned off	Fraud committed on March 5, 2015, detected on December 23, 2016	55.00	• Internal investigation was conducted. • Form FMR-1 dated December 30, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Complaint was lodged with the commissioner of police, Coimbatore city against Sun Mars Steels India Private Limited, its directors on April 24, 2017. • An original application 583/2016) was filed at DRT, Coimbatore on October 6, 2016 against Sun Mars Steels India Private Limited. For further details, see serial no. 28 of Recovery proceedings on page 566. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			the finance availed from our Bank.				
15.	Lal Bazar, Kolkata	Padmini Jewellers Private Limited	Equitable mortgage created out of forged title deeds at the branch.	Fraud committed on August 18, 2011, detected on July 3, 2013	50.85	• Internal investigation was conducted. • Form FMR – 1 dated September 9, 2013 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Matter was reported to the serious fraud investigation office on October 11, 2013. • FIR no. 299 dated July 9, 2014 was filed against Mr. Pushpesh Baid, Ms. Kokila Devi Baid, Padmini Jewellers Private Limited and Anurag Merchants Private Limited at Bow Bazar Police Station. • Civil suit (Original application no. 475 of 2012) filed before DRT, Kolkata against Padmini Jewellers Private Limited and others, dated December 17, 2012. For further details, see serial no. 35 of Recovery proceedings on page 570. • The matters are currently pending.
16.	Mumbai, Fort	Sound Craft Industries Limited	Mr. Raj Kumar Basantani, chairman of Sound Craft Industries Limited and his wife Ms. Seema Basantani availed loans from various banks against the same property offered as security by producing forged title documents of the property.	Fraud committed on January 14, 2003, detected on February 6, 2006.	50.00	• Form FMR – 1 dated February 10, 2006 submitted to RBI • Staff accountability aspects were examined.	• Matter was reported to the Serious Fraud Investigation Officer on February 10, 2006. • Criminal case no. 111/M of 2006 was filed in the court of Additional Metropolitan Magistrate on June 13, 2006. Matter is currently pending against Mr. Raj Kumar Basantani and Ms. Seema Basantani. • Recovery suit filed before DRT – I, Mumbai (Original application no. 10/2005) against Soundcraft Industries Limited and others and was decreed in favour of our Bank on September 10, 2009. The said original application was allowed in favour of our Bank and the matter is pending before DRT, Mumbai.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							For further details, see serial no. 37 of Recovery proceedings on page 571. • The matters are currently pending.
17.	Coimbatore Raja Street	Sree Thirumalai Traders	Mr. N. Jayakumar, proprietor of Sree Thirumalai Traders had availed cash credit limit by mortgaging collateral security of landed properties. Subsequently, when the account turned NPA, the branch could not identify one of the properties for taking symbolic possession. Mr. N. Jayakumar had misled our Bank by showing some other property at the time of original valuation. It was also found that the unit was closed and no stock was available. The sale proceeds of the stock hypothecated to our Bank were diverted to other lucrative areas.	Fraud committed on December 31, 2014, detected on September 7, 2018	47.76	• Internal investigation was conducted. • Form FMR-1 dated September 13, 2018, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned zonal manager. • Disciplinary proceedings have been initiated against other erring officials.	• Criminal complaint was filed with police against Mr. N. Jayakumar on January 3, 2019 by Commissioner of Police, Coimbatore. • Original application 416/2015 was filed before DRT, Coimbatore on August 1, 2015. For further details, see serial no. 29 of Recovery proceedings on page 566. • The matters are currently pending.
18.	Mangalore	Rao B. Vidyananda and Lalitha Vidyananda Rao	Mr. B. Vidyananda Rao and Ms. Lalitha Vidyananda Rao, the customers of our Bank had availed 38 gold loans (29 loans and 9 loans respectively) against pledge of spurious gold ornaments.	Fraud committed on August 20, 2016, detected on July 25, 2017	44.72	• Internal investigation was conducted. • Form FMR-1 dated August 9, 2017, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff	• FIR no. 223/2017 dated July 25, 2017 was filed at Mangaluru North Police Station against Mr. B. Vidyananda Rao, Ms. Lalitha Vidyananda Rao and others. • Mr. B. Vidyananda Rao and Ms. Lalitha Vidyananda Rao were arrested and subsequently released on bail. Charge sheet no. 23/2018 was filed before the Additional Senior Civil Judge and the Chief Judicial Magistrate at Mangalore

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						members.	on July 25, 2017. Police had included our Bank's appraiser and officials as colluding parties in the charge sheet. • Civil suit original applications 932/2017 and 933/2017 were filed at DRT, Bangalore against Ms. Lalita Vidyananda Rao and Mr. Rao B. Vidyananda on August 28, 2017. For further details in relation to the matter filed against Mr. Rao B. Vidyananda, see serial no. 62 of Recovery proceedings on page 583. • The matters are currently pending.
19.	Chandigarh	Alisha Tulli, Harprabhjot Singh, Jatinder Singh, Manmohan Singh, Manpreet Singh, Mintu Kumar, Pankaj Kumar, Parvesh Sharma, Rajiev Kumar, Rakesh Kumar, Sandeep Manni, Satwinder Kaur, Vikas Pathak, Vikas Sidhu, Rajinder Singh and Sukdev Pal Bhayana	Serious irregularities in sanctioning of various credit facilities under manager's discretion power by the then chief manager Mr. S Suku. Sixteen credit facilities were granted based on fabricated financials, income tax returns, forged signatures, impersonation and against mortgage of fabricated secured properties' documents to fictitious business entities.	Fraud committed on December 28, 2013, detected on October 9, 2015	43.32	• Internal investigation was conducted. • Form FMR-1 dated October 19, 2015, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned branch manager and other staff members.	• FIR no. 441 dated November 20, 2017 was filed against Mr. S. Suku and others at South Sector 34 Police station, Chandigarh. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Ms. Alisha Tulli, Mr. Harprabhjot Singh, Ms. Satwinder Kaur, Mr. Suku S, the then chief manager of the branch and Mr. Neeraj Kochar, the reported loan consultant. • Criminal complaint dated September 27, 2016 was filed before the Senior Superintendent of Police, UT Police Headquarters, Chandigarh against Mr. Jagjit Singh, Mr. Rajinder Singh, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							Police Headquarters, Chandigarh against Mr. Rakesh Kumar, Mr. Vikram Hazuria Singh, Mr. Parvesh Sharma, Mr. Vikas Pathak, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Pankaj Kumar, Mr. Manmohan Singh, Mr. Vikas Sidhu, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated September 27, 2016 before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Rajeev Kumar, Mr. Rajeev Tuli, Mr. Jatinder Singh, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated September 27, 2016 before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Mintu Kumar, Mr. Harjeet Singh, Mr. Manpreet Singh, Mr. Suku S, and Mr. Neeraj Kochar. • Civil suit (Original application no. 899/2017) was filed against Ms. Alisha Tuli and others before DRT, Chandigarh on November 3, 2016. • Civil suit (Original application no. 211/2017) was filed against Mr. Vikas Sidhu and others before DRT, Chandigarh on February 16, 2017.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							• Civil suit (Original application no. 862/2016) was filed against Ms. Satwinder Kaur and others before DRT, Chandigarh on November 3, 2016. • Civil suit (Original application no. 3909/2017) was filed against Mr. Sandeep Manni and others before DRT, Chandigarh on January 25, 2017. • Civil suit (Original application no. 209/2017) was filed against Mr. Rakesh Kumar and others before DRT, Chandigarh on February 16, 2017. • Civil suit (Original application no. 105/2017) was filed against Mr. Rajeev Kumar and others before DRT, Chandigarh on January 23, 2017. • Civil suit (Original application no. 213/2017) was filed against Mr. Parvesh Sharma and others before DRT, Chandigarh on February 16, 2017. • Civil suit (Original application no. 210/2017) was filed against Mr. Pankaj Kumar and others before DRT, Chandigarh on February 16, 2017. • Civil suit (Original application no. 3916/2017) was filed against Mr. Mintu Kumar and others before DRT, Chandigarh on January 25, 2017. • Civil suit (Original application no. 4070/2017) was filed against Mr. Manpreet and others Singh before DRT, Chandigarh on January 25,

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							2017. • Civil suit (Original application no. 1638/2017) was filed against Mr. Manmohan Singh and others before DRT, Chandigarh on January 25, 2017. • Civil suit (Original application no. 93/2017) was filed against Mr. Jatinder Singh and others before DRT, Chandigarh on January 23, 2017. • Civil suit (Original application no. 223/2017) was filed against Mr. Harprabhjot Singh and others before DRT, Chandigarh on November 3, 2016. • Civil suit (Original application no. 212/2017) was filed against Mr. Vikas Pathak and others before DRT, Chandigarh on February 14, 2017. • The matters are currently pending.
20.	Bhavani	Flower Cottons	Flower Cottons, a partnership firm, had availed credit facilities by submitting fabricated balance sheets, other documents and diverted the funds borrowed from our Bank through associate firms.	Fraud committed on March 3, 2014, detected on January 5, 2019	43.01	• Internal investigation was conducted. • Form FMR-1 dated January 18, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings were initiated against erring officials.	• Original application no. 149/2016 was filed before DRT, Coimbatore on June 22, 2016. • Civil suit Original application no. 50/2018 filed at DRT, Coimbatore on November 27, 2017. For further details, see serial no. 36 of Recovery proceedings on page 570. • Criminal complaint filed against Flower Cottons and others on May 17, 2019 with Superintendent of Police, Erode. • The matters are currently pending.
21.	Peravallur	George Fernandez and others	Inferior quality ornaments were pledged to avail gold	Fraud committed on November 22,	33.59	• Internal investigation was conducted.	• Matter was reported to the Serious Fraud Investigation Officer.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			loan from the branch.	2010, detected on January 27, 2011		• Form FMR – 1 dated April 12, 2011 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• FIR no. 278/2011 dated July 6, 2011 filed against Mr. George Fernandes, and others at the Central Crime branch, Egmore – Chennai, police station. • Original application no. 31 of 2012 filed on February 1, 2012, before DRT –III, Chennai against Ms. Vennila George Fernandes and others. • Original application no. 32 of 2012 filed on February 1, 2012, before DRT-III Chennai against Mr. H. George Fernandes and others. • Both original applications were transferred to DRT-II, Chennai and were re-numbered (Original application 217 and 218 of 2013, respectively) and were decreed in favour of our Bank. • The matters are currently pending.
22.	Bhayandar	Padmavati Nagari Sahakari Patpedhi Limited	Cheating and forgery committed by Padmavati Nagari Sahakari Patpedhi Limited by collecting in their current account, third party cheques, demand drafts, banker cheques for various amount during the period of operation of account.	Fraud committed on March 29, 2014, detected on June 29, 22016	29.40	• A forensic audit and internal investigation was conducted. • Form FMR-1 dated July 19, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch manager.	• Complaints have been filed with Bhayandar police station, Mumbai against Padmavati Nagari Sahakari Patpedhi Limited, its office bearers and the then bank manager. • The matter is currently pending.
23.	Parappur	Priya Offset Printers	Cheating and forgery by Mr. K.O. Paul, proprietor of Priya Offset Printers who availed a machinery	Fraud committed on August 2, 2016, detected	28.49	• Form FMR-1 dated November 10, 2017, submitted to the RBI. • Staff accountability	• Criminal complaint was filed against Priya Offset Printers on September 23, 2016 at Peramangalam police station.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			loan of ₹ 22.5 million and a working capital limit of ₹ 5 million from our Bank on March 3, 2011. The machineries financed by our Bank were sold by Ms. Priya Offset Printers, without the consent of our Bank.	on October 23, 2017		aspects were examined. • Appropriate punishments were awarded to erring officials.	• FIR no. 2105 was registered with Peramangalam Police station on December 29, 2016 against KO Paul, proprietor of Priya Offset Printers and others. • Civil suit at DRT, Ernakulam (Original application 53/2018) filed on February 2, 2018. • The matters are currently pending.
24.	Singanallur	Asian Textiles	Asian Textiles, a partnership firm availed a cash credit limit from our Bank. It diverted the funds and sold the stock hypothecated to our Bank without remitting the proceeds to our Bank.	Fraud committed on March 31, 2018, detected on April 30, 2018	28.28	• Internal investigation was conducted. • Form FMR-1 dated May 15, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Criminal complaint was filed before the Commissioner of Police at Coimbatore Police station on August 6, 2018 against Asian Textiles. • The account was closed under a compromise settlement. • The matter is currently pending.
25.	Chandigarh	Amandeep Kaur, Ankush Verma, Brijendra Singh, Gagandeep Singh, Hi tech Engineers and Contractors, Jagjit Singh, Jaspreet Singh, Karan Singh and Sanjay Sharma	Serious irregularities in sanctioning of various credit facilities under manager's discretion Power by the then chief manager Mr. S Suku. Nine various credit facilities based on fabricated financials, income tax returns, forged signatures, impersonation and against mortgage of fabricated secured properties' documents to fictitious business were granted.	Fraud committed on December 28, 2013, detected on January 28, 2016	25.23	• Internal investigation was conducted. • Form FMR-1 dated February 11, 2016, submitted to the RBI • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned branch manager and other staff members.	• FIR no. 441 dated November 20, 2017 was filed against Mr. S. Suku and others at South Sector 34 Police station, Chandigarh. • Original application no. 4060/2017 was filed against Mr. Ankush Verma and others before DRT, Chandigarh on January 2, 2017. • Original application no. 1083/2016 was filed against Mr. Brijendra Singh and others before DRT, Chandigarh on September 1, 2016. • Original application no. 16/2017 was filed against Mr. Karan Singh and others before DRT, Chandigarh on January 2, 2017. • Original application no. 21/2017

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							was filed against Mr. Jaspreet Singh and others before DRT, Chandigarh on January 24, 2017. • Original application no. 145/2017 was filed against Mr. Jagjit Singh and others before DRT, Chandigarh on February 13, 2017. • Original application 95/2017 was filed against Hi Tech Engineers and Contractors and others before DRT, Chandigarh on January 23, 2017. • Original application 212/2017 was filed against Sanjay Sharma and others before DRT, Chandigarh on February 14, 2017. • Original application no. 4111/2017 was filed against Mr. Gagandeep Singh and others before DRT, Chandigarh on January 2, 2017. • Original application no. 94/2017 was filed against Mr. Amandeep Kaur and others before DRT, Chandigarh on January 23, 2017. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Karan Singh, Ms. Jaspinder Kaur, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Brijendra Singh, Late Sujata Singh, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5,

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Sanjay Sharma, Ms. Meenu Sharma, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Amandeep Kaur, Mr. Charanjit Singh, Hi tech Engineers and Contractors, Mr. Suku S. and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Jaspreet Singh, Ms. Bhupinder Kaur, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Ankush Verma, Mr. Gagandeep Singh, Ms. Daljit Kaur, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated May 5, 2016 was filed before the Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Manmohan Singh, Ms. Daljit Kaur, Mr. Sandeep Mani, Mr. Suku S, and Mr. Neeraj Kochar. • Criminal complaint dated September 27, 2016 before the

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							Senior Superintendent of Police, U.T Police Headquarters, Chandigarh against Mr. Jagjit Singh, Mr. Rajinder Singh, Mr. Suku S, and Mr. Neeraj Kochar. • The matters are currently pending.
26.	Avadi	Blife Teleshopping Private Limited, R B Media Communications, Raja Ganapathy Steel House, Balaji Rice Wholesale & Retail, Mr. N Murugesan, Mrs. Thilagavathi M B and Mr. B. Kumaran Krishnan and K V Painting Corporation (collectively, the "**Borrowers**")	Various loans were granted by accepting overvalued collateral secured properties for non-existent business.	Fraud committed on various dates, detected on September 7, 2016	23.64	• Internal investigation was conducted. • Form FMR-1 dated September 26, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to staff members.	• Complaints have been filed against the borrowers/ guarantors of the loan along with Mr. Rajasekhar, principal officer of the branch with the Commissioner of Police, Greater Chennai on June 5, 2007 for his suspected involvement in granting the loans. • FIR no. 65 dated September 15, 2017 was filed with the Sub Inspector of Police, Chennai against the Borrowers and the then branch manager Mr. N. Rajasekharan. • Original application no. 05/2018 was filed with DRT-3, Chennai on May 22, 2017 against Blife Teleshopping Private Limited. • Original application no. 61/2018 was filed with DRT-3, Chennai on May 22, 2017 against Balaji Rice Wholesale & Retail. • Original application no. 62/2018 was filed with DRT-3, Chennai on May 22, 2017 against R. B. Media Communications. • Original application no. 16/2018 was filed with DRT-3, Chennai on May 22, 2017 against Raja Ganapathy Steel House, Chennai. • Original application no. 606/2018 was filed with DRT-3, Chennai on July 6, 2018 against Mr. N

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							Murugesan. • Original application no. 246/2019 was filed with DRT-3, Chennai on April 12, 2018 against Ms. Thilagavathi M B and Mr. B. Kumaran Krishna. • Original application no. 121/2019 was filed with DRT-3, Chennai on December 6, 2017 against K V Painting Corporation. • The matters are currently pending.
27.	Singanallur	Jayasakthi Mills	Jayasakthi Mills was sanctioned a cash credit limit and a letter of credit against hypothecation of cotton and yarn. In addition to the stock and receivables, the advances were secured collaterally by way of land and building in the name of one of the partners of Jayalakshmi Mills within one year. The account copies of the current account of the firm with another bank submitted along with the proposal were later found to be fabricated. Officials of our Bank, on visiting the unit, found and reported that there was no stock and the business was closed. Moreover, the machinery of the unit had been shifted elsewhere from the leased premises without intimation to our Bank.	Fraud committed on December 19, 2014, detected on July 8, 2016	19.34	• Internal investigation was conducted. • Form FMR-1 dated July 12, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was lodged with Coimbatore City police station on October 27, 2016 against Jayasakthi Mills with a request to investigate the role of the introducer of the account, who is also the chartered accountant and audited the financials of the firm. • Original application no. 3513/2017 was filed before DRT, Coimbatore on April 12, 2017. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
28.	M.G. Road, Pune	Rini Engineers and others	The then branch manager issued certain inland letters of credit without proper authority, documentation and without accounting transactions at the branch.	Fraud committed on April 22, 2002, detected on July 24, 2002	14.51	• Internal investigation was conducted. • Form FMR – 1 dated August 13, 2002 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint dated August 9, 2002 was filed with Pune police station against (1) Mr. T.J. Thomas, (ii) Mr. K.M. Johny, and (iii) Mr. B. Chandran. • Criminal complaint no. 143 of 2003 dated January 29, 2002, was filed against our Bank by Mr. K.M. Johny, before the Judicial Magistrate First Class, Pune. • Civil case (Original application no. 136/2002) against Rini Engineering was decreed in favour of our Bank. Execution proceedings are pending before DRT, Pune. • Original Application no. 55/15 was filed against Mr. Chandran Pillai and the same has been allowed by DRT-Pune • The matters are currently pending.
29.	Salt Lake City, Kolkata	K.R. Industries	A combined foreign documentary bill purchase/packing credit limit was availed by K.R. Industries by depositing forged and fabricated title documents.	Fraud committed on July 29, 2015, detected on June 12, 2017	12.50	• Internal investigation was conducted. • Form FMR-1 dated June 23, 2017, submitted to the RBI • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on August 17, 2017 before the Commissioner of Police, Bidhannagar Police Commisionerate, Salt Lake, Kolkata against Mr. Subhrendu Bhattacharyya, proprietor of K.R. Industries. • Civil suit 418/2017 was filed at DRT, Kolkata against Mr. Subhrendu Bhattacharyya and Ms. Rupa Bhattacharyya. • The matters are currently pending.
30.	Mulund, Mumbai	Krishnamoorthy N.	Mr. Krishnamoorthy N., the then branch manager, granted loans against spurious gold ornaments	Fraud committed on December 10, 2001 and	8.55	• Internal investigation was conducted. • Form FMR – 1 dated August 13, 2002,	• FIR no. 150/2003 dated June 13, 2003 was lodged in Mulund Police Station against Mr. N. Krishnamoorthy and others.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			etc. without any sanction and proper documentation/ reporting to higher authorities.	detected on May 13, 2002		submitted to RBI • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint no. 149/PW/05 dated July 21, 2005 was filed against Mr. N. Krishnamoorthy. • The matters are currently pending.
31.	Ludhiana	Global Sports Square	Global Sports Square availed term loans by furnishing false documents and diverted the funds to related entities without utilizing the loans for the purpose for which the loan was availed.	Fraud committed on June 3, 2015, detected on March 8, 2019.	8.53	• Internal investigation was conducted. • Form FMR-1 dated March 25, 2019 was submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings initiated by our Bank are ongoing. • The account stands closed. There is no loss to our Bank.	• Complaint dated July 7, 2019 was filed against Global Sports Square before the Commissioner of Police, Ludhiana. • The matter is currently pending.
32.	Bhayandar	Padmavati Nagri Sahakari Patpedhi Limited.	Padmavati Nagri Sahakari Patpedhi Limited having a current account with the branch fraudulently encashed two drafts, using forged endorsements.	Fraud committed on January 3, 2014 detected on February 26, 2015	8.10	• Internal investigation was conducted. • Form FMR – 1 dated February 27, 2015 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch manager.	• Criminal complaint filed againstthe Padmavati Nagri Sahakari Patpedhi Limited and its office bearers on June 8, 2015 and also against the concerned branch manager before Gavdevi police station, Thane Mumbai on September 5, 2015. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
33.	Kozhikode Bazar	Kumaraswamy G upta	Misappropriation and criminal breach of trust by the then branch manager and customers at the branch.	Fraud committed on May 16, 1995 detected on August 23, 1996	7.76	• Internal investigation was conducted. • Form FMR – 1 dated August 23, 1996 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint (CMP 6004/2000) filed on November 14, 2000, before the Judicial First Class Magistrate Court, Kozhikode – I. • Civil suit filed before the Debt Recovery Tribunal, Ernakulum (Original application no. 127 /1997 dated April 20, 2001). • The matters are currently pending.
34.	Bhayandar	Dilip Hansraj Mehta, Anil Shivsharan Singh, Bhagwatilal Kataria, Kamlesh Chitarmal Nahar, Suresh Mohanlal Shah, Imran Ibrahim Patel and Sunil Natwarlal Rathod (collectively, "**Borrowers**")	Borrowers availed 50 gold loans against pledge of spurious/ inferior quality gold ornaments mixed up with genuine ones.	Fraud committed on May 26, 2014, detected on October 6, 2015	7.54	• Internal investigation was conducted. • Form FMR-1 dated October 14, 2015, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to Mr. P. M. Francis, the then principal officer of the branch.	• Complaint dated April 7, 2016 was lodged against the Borrowers and Mr. P. M. Francis, the then principal officer of the branch. • FIR no.164 dated June 15, 2016 was filed at Bhayandar Police Station. • The matter is currently pending.
35.	Chandigarh	Ambika Gravels	Ms. Vandana Chhabra, the proprietor of Ambika Gravels, had availed machinery loan from our Bank. Subsequently, she sold the secured property mortgaged and machineries hypothecated to our Bank without the consent of our Bank.	Fraud committed on May 29, 2014, detected on March 7, 2018	6.63	• Internal investigation was conducted. • Form FMR-1 dated March 28, 2018, submitted to the RBI. • Staff accountability aspects were examined.	• Criminal complaint was filed against Ms. Vandana Chhabra with the superintendent of police at Chandigarh on March 7, 2018. • Civil suit filed at DRT, Chandigarh (Original application 817/2017) was filed on March 28, 2017. • The matters are currently pending.
36.	Singanallur	Empire Clothings	A machinery loan along with a cash credit limit	Fraud committed on	6.38	• Departmental enquiry was conducted.	• Complaint was lodged with Coimbatore City Police Station on

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			was taken over by our Bank from another bank on November 17, 2014. The facilities granted were against hypothecation of stock and machinery, and with collateral security of property. The facilities turned NPA within one year. The account copies of the loans with the other bank submitted were later found to be falsified and fraudulent. On revaluation, the value of the collateral secured properties was found to be reduced. Further, the machinery financed by our Bank was sold without the knowledge of our Bank.	November 17, 2014, detected on June 24, 2016		• Form FMR-1 dated July 11, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	October 24, 2016 against Empire Clothings. • The account was subsequently closed. • The matter is currently pending.
37.	Kanjirapally	Joy Dominic and others	Branch manager granted gold loans against inferior quality of gold ornaments which were pledged by various parties.	Fraud committed on January 1, 2008, detected on June 27, 2008	6.10	• Internal investigation was conducted. • Form FMR – 1 dated July 9, 2008, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint made against Mr.Joy Dominic and others before Kanjirapally Police Station dated June 10, 2008. • Civil suits (Original application no. 85/2009, 86/2009 and 87/2009) were filed before DRT. • Civil suit (Original suit no. 149/2009 and Original Suit no. 150/2009) filed before the court of Subordinate Judge, Pala, against Mr. Mercy Joy, Mr. Joy Dominic and others. Appeal has been filed. • The matters are currently pending.
38.	Avanashi	Sri Ganesh Knits	The branch granted loans on security of equitable mortgage of land. When the account became NPA,	Fraud committed on November 16, 2006, detected	5.39	• Internal investigation was conducted. • Form FMR – 1 dated October 27, 2010	• Recovery suit (original application no. 111 of 2009) was filed by our Bank before DRT, Coimbatore. The case was decreed in favour of

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			it was found out that the title deeds were already mortgaged to and were under the possession of another Bank.	on October 11, 2010		submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	our Bank on January 4, 2013. • Complaint was filed by our Bank at the Superintendent of police, Tirupur dated March 14, 2011. • The matters are currently pending.
39.	Kodambakkom	Subramanian Agencies	Cash credit limits secured against forged title deeds of properties already mortgaged in favour of another bank at the branch.	Fraud committed on March 11, 2008, detected on June 22, 2009	4.80	• Internal investigation was conducted. • Form FMR – 1 dated July 3, 2009, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint dated August 12, 2009, against Subramania Agencies, lodged with the Commissioner of Police Greater Chennai, Egmore. • FIR no. 466/2009 dated September 26, 2009 filed before the Central Crime branch, Chennai against Mr. V. Subramaniam and others. • Recovery suit (Original application no. 55/2009) filed at DRT, Chennai, and was decreed in favour of our Bank. • Recovery certificate issued on November 29, 2010 vide Debt Recovery Certificate no. 293/2010. • The matters are currently pending.
40.	South Vazhakulam	Sabu George	Misappropriation of the fixed deposits pertaining to the bank account of Sabu George, an NRI customer of our Bank, by the then branch manager.	Fraud committed on January 17, 2015, detected on December 8, 2017	4.40	• Internal investigation was conducted. • Form FMR-1 dated December 18, 2017, submitted to the RBI. • Staff accountability aspects were examined.	• Criminal complaint was filed on February 16, 2018 at Thadiyittaparambu Police station. • FIR no. 478/2018 was filed on June 6, 2018 before Thadiyittaparambu police station, Ernakulam against the then Branch manager, Riya Issac, daughter of the then branch manager and others. • The matters are currently pending.
41.	Chandigarh	Chhabra Stone Crusher	Chhabra Stone Crusher had availed a cash credit limit against	Fraud committed on April 13, 2018,	4.35	• Internal investigation was conducted. • Form FMR-1 dated	• Complaint has been filed against the Chhabra Stone Crusher and others before SAS Nagar, Mohali

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			hypothecation of stock and book debts along with collateral security of land and personal guarantee. The secured properties were not traceable while initiating the proceedings under the SARFAESI Act. Mr. Ricky Chhabra, proprietor of Chhabra Stone Crusher had committed fraud by misleading our Bank by showing some other property for valuation. Therefore, symbolic possession of the property could not be taken. The unit had stopped functioning and he sold the goods hypothecated to our Bank without remitting proceeds to the cash credit account. On valuation of mortgaged property, it was found out that the Chhabra Stone Crusher has sold the mortgaged property.	detected on April 13, 2018		April 21, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings were initiated against erring officials.	Police station on July 9, 2018. • Civil suit filed at DRT, Chandigarh on May 5, 2016 is pending.
42.	Kaloor	Sebastian K. A.	Fraudulent transfer of funds from an account maintained at the branch by hacking into the email account of the account holder Mr. Sebastian K.A.	Fraud committed on May 16, 2013, detected on May 24, 2013.	4.3	• Internal investigation was conducted. • Form FMR – 1 dated July 20, 2013 and revised FMR-1 dated September 13, 2013 submitted to RBI.	• Complaint filed on May 25, 2013 with the Cyber Cell (Kochi City). • FIR no. 711/2013 dated May 26, 2013, filed against unknown at the Ernakulum Town Police Station. • Consumer complaint no. 80 of 2013 filed on September 13, 2013 by Mr. Sebastian Karampil, the customer, against our Bank before the State Consumer Disputes

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							Redressal Commission, Thiruvananthapuram, claiming the amount transferred along with compensation. • The matters are currently pending.
43.	Ahmedabad	Eshwar Cotton Traders	Unauthorised credit facility extended for illegal gratification, fraud committed by Eshwar Cotton Traders. The then branch manager discounted certain letter of credits. The collecting bank returned the accepted bills with relevant lorry receipts. The goods were not available at the lorry office; Mr. C.H. Ramakrishnan, proprietor of Eshwar Cotton Traders colluded with the transport company and cheated our Bank.	Fraud committed on August 11, 2001 detected on May 19, 2003	4.15	• Internal investigation was conducted. • Form FMR – 1 dated June 6, 2003 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint no. 58/2010 dated September 23, 2010 filed with the Metropolitan Magistrate Court, Ahmedabad. • Recovery suit (Original application no. 67/2010) filed on July 7, 2010 at DRT, Ahmedabad and decree obtained in favour of our Bank dated May 25, 2015. • Asset has been assigned to Asset Reconstruction Company (India) Limited on March 30, 2013. • The matters are currently pending.
44.	Bhubaneswar	BMAW Creators	BMAW Creators availed cash credit limit by depositing fake title deeds. The fraud came to notice at the time of publishing of auction notice of security under the SARFAESI Act.	Fraud committed on December 26, 2011, detected on June 29, 2015	4.00	• Internal investigation was conducted. • Form FMR-1 dated July 10, 2015, submitted to the RBI Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch manager.	• FIR no. 475 dated November 16, 2015, was filed at Capital Police Station, Bhubaneswar. • Civil suit filed at DRT, Cuttack. Original application no. 340/2015 dated June 30, 2015 against BMAW Creators and others. • Miscellaneous application no. 253/2015, June 30, 2015 filed before DRT, Cuttack against BMAW creators and Mr. Janardhan Sahoo. • The matters are currently pending.
45.	Bhavani	AMS and Sons	The customer of the branch availed a cash credit facility amounting	Fraud committed on February 6,	3.70	• Internal investigation was conducted. • Form FMR-1 dated	• Original application no. 4207 dated April 26, 2019 filed at DRT, Coimbatore.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			to ₹ 3.5 million by fabricating the financial statements and other documents and diverted the funds.	2016, detected on February 4, 2019		February 25, 2019, submitted to the RBI. • Staff accountability aspects were examined • Disciplinary proceedings are being initiated against the concerned staff members.	• Criminal complaint was filed against the customer of the branch at the Superintendent of Police, Erode on April 24, 2019. • The matters are currently pending.
46.	Bhubaneswar	Hemantha Suar and three others	Mr. Hemantha Suar and his three other family members availed four gold loans against pledge of spurious quality gold ornaments mixed up with genuine ones.	Fraud committed on January 31, 2014, detected on May 7, 2015	3.15	• Internal investigation was conducted. • Form FMR-1 dated May 18, 2015, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Criminal complaint No: 1178/2016, 1179/2016 & 1180/2016 dated March 31, 2016 filed in the court of Sub Divisional Judicial Magistrate, Bhubaneswar against Mr. Hemantha Suar, Mr. Srimant Suar and Ms. Likhika Suar respectively. • Civil suit no. 740/16 against Mr. Srimant Suar, civil suit No 741/16 against Mr. Santilal Suar and civil suit no. 742/16 against Ms. Likhika Suar, civil suit no. 743/16 against Mr. Hemantha Suar dated March 31, 2016 were filed. • The matters are currently pending.
47.	Tuticorin	Shibin K.	Sixteen fraudulent accounts were created under 'Gold Loan GL' head, without related pledge forms, vouchers or gold ornaments by bogus entry in core banking solution. The gold loan transactions, unauthorised debit entries in advance payment accounts and disbursal and closing entries of Education loans	Fraud committed on November 17, 2014, detected on February 9, 2016	3.01	• Internal investigation was conducted. • Form FMR-1 dated February 18, 2016, submitted to the RBI • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned branch manager and other	• Police complaint was filed with the District Superintendent of Police, Tuticorin against Mr. Shibin K. on March 11, 2016. • FIR No 32/2016 dated May 28, 2016 was filed at Tuticorin Police Station against Mr. Shibin K. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			were authorized or entered by Mr. Shibin K assistant manager, of the branch, without the knowledge of branch heads.			staff members.	
48.	Thane	Mohammed Ibrahim Merchant	Misappropriation of funds and fraud committed by Mr. Mohammed Ibrahim Merchant who availed loan from our Bank to purchase flat. Further, the account turned NPA on failure to continue the payment of installments. On subsequent inspection by the branch officials, it was revealed that Mr. Mohammed Ibrahim Merchant was not in possession of the secured properties and had cancelled the agreement for sale by way of a deed of cancellation dated November 26, 2010.	Fraud committed on November 22, 2008, detected on October 17, 2016	2.82	• Internal investigation was conducted. • Form FMR-1 dated November 1, 2016, submitted to the RBI • Staff accountability aspects were examined and files were transferred to Staff Department for initiating disciplinary proceedings against the erring officials.	• Complaint was filed against Mr. Mohammed Ibrahim Merchant at Thane Police Station on July 14, 2017. • An original application 686/2017 dated February 2, 2017 was filed against Mohammed Ibrahim Merchant. • The matters are currently pending.
49.	Bhavani	Annam Trading	Annam Trading Corporation had availed a cash credit facility amounting to ₹ 2.5 million by fabricating the financial statements and the details like place of business, export orders etc. and diverted the funds.	Fraud committed on June 10, 2015, detected on January 21, 2019	2.68	• Internal investigation was conducted. • Form FMR-1 dated February 11, 2019, submitted to the RBI. • Staff accountability aspects were examined • Disciplinary proceedings were initiated against erring officials.	• Original application no. 451/2018 dated July 30, 2018 filed at Coimbatore. • Criminal complaint was filed against Annam Trading with Superintendent of Police, Erode on April 24, 2019. • The matters are currently pending.
50.	Lal Bazar,	Zircon Food and	The borrowing facility availed by Zircon Food &	Fraud committed on	2.5	• Internal investigation was conducted.	• Criminal complaint filed on August 11, 2014 with the Officer-in-

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
	Kolkata	Agro	Agro was secured by a mortgage over property. However, the said property was already sold off by Zircon Food & Agro before the mortgage charge could be created, thus, mortgage being created out of forged title deeds.	April 26, 2011, detected on April 23, 2014		• Form FMR – 1 dated April 30, 2014 and submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	charge, Bowbazar Police Station against Zircon Food and Agro and others. • FIR no. 372 dated August 18, 2014 filed against Mr. Haripada Datta, Probal Roy and Zircon Food and Agro, partnership firm, at Bow Bazar Police Station. • Civil suit (Original application no. 129 2014) filed before the Debt Recovery Tribunal, Kolkata on April 11, 2014, against Zircon Food and Agro and other. • The matters are currently pending.
51.	Burra Bazar, Kolkata	Jay Gopal	Jay Gopal availed cash credit limit by depositing forged title deeds for creating equitable mortgage.	Fraud committed on March 21, 2009, detected on July 25, 2015	2.50	• Internal investigation was conducted. • Form FMR-1 dated August 13, 2015, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch manager.	• Criminal complaint filed on March 30, 2016 in the court of Additional Chief Metropolitan Magistrate, Calcutta • FIR no. 87 dated April 9, 2016 filed at Posta Police Station. • Civil suit filed at DRT, Kolkata on March 14, 2016 (Original application no. 338/2016) against Jay Gopal. • The matters are currently pending.
52.	Avadi	Laksha G.	Ms. Laksha G. availed loan against the property which was already mortgaged towards a loan from Andhra Bank.	Fraud committed on June 15, 2015, detected on May 6, 2019.	2.46	• Internal investigation was conducted. • Form FMR – 1 dated May 17, 2019 was submitted to the RBI. • Staff accountability aspects are being examined.	• Complaint was filed with Greater Chennai Police on June 19, 2019 against Laksha G and K.M. Raj Kumar. • The matter is currently pending.
53.	Munnar	Arun M.	22 gold loans availed against pledge of spurious gold ornaments mixed up with genuine gold	Fraud committed on June 6, 2014, detected on	2.39	• Internal investigation was conducted. • Form FMR – 1 dated January 29, 2015,	• Criminal complaint lodged before the Circle Inspector of Police, Munnar dated December 10, 2014. • FIR no. 1169 was lodged with

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			ornaments at the branch.	December 10, 2014		submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned branch officials.	Munnar Police Station dated December 11, 2014. The investigation is pending. • An original application no. 466/16. was filed at DRT of Kerala and Lakshdweep against Arun M. on June 23, 2016. • The matters are currently pending.
54.	Bhavani	Arunachellam Textiles	The customer of the branch availed a cash credit facility by fabricating the financial statements and other documents and diverted the funds.	Fraud committed on March 22, 2014, detected on March 6, 2019	2.36	• Internal investigation was conducted. • Form FMR-1 dated March 25, 2019, submitted to the RBI. • Disciplinary proceedings are being initiated against the concerned staff members.	• Criminal complaint was filed against the customer of the branch at the Superintendent of Police, Erode on April 24, 2019. • The matter is currently pending.
55.	Kolkata, Burra Bazar	Kanta Trading Company	A cash credit limit of ₹ 2.33 million was availed by Kanta Trading Company by depositing fabricated and forged title deeds for creating mortgage.	Fraud committed on January 31, 2011, detected on September 2, 2017	2.33	• Internal inspection was conducted. • Form FMR-1 dated September 18, 2017, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to erring officials. • Our Bank issued circulars to the branches to avoid such incidence in future.	• Criminal complaint was filed on December 6, 2017 before the joint commissioner of police (crime) Kolkata. • Civil suit (Original application no. 338/2016) was filed with DRT-3, Kolkata on May 31, 2016 against Kanta Trading Company. • The matters are currently pending.
56.	Ahemadabad	Shriram Zaveri	Housing loan granted by the branch based on forged and fabricated title deeds and documents, and the account subsequently	Fraud committed on December 6, 2004 detected on January 18,	2.1	• Form FMR – 1 dated February 3, 2010 submitted to RBI. • Staff accountability	• Civil suit (Original application 67/2010) was filed on July 7, 2010 by our Bank before DRT – I, Ahmedabad and the matter was

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			became a non-performing asset.	2010		aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	decreed on May 22, 2012. The possession of property was already taken by Vijaya Bank. • Recovery proceedings no. 48/2012 pending at DRT-I, Ahmedabad. • Criminal complaint no. 58/2010 was filed before the Chief Metropolitan Magistrate, Ahmedabad by our Bank dated September 23, 2010. No progress in the case. • The matters are currently pending.
57.	Kolkata, Burra Bazar	Noratan Soni and Deepa Soni	Mr. Noratan Soni and Ms. Deepa Soni had availed twenty gold loans against pledge of spurious gold ornaments with only negligible residual value with an intention to cheat our Bank.	Fraud committed on June 28, 2016, detected on October 25, 2017	2.10	• Internal investigation was conducted. • Form FMR-1 dated November 4, 2017, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to erring officials.	• Criminal complaint was filed against the borrower on December 29, 2019 before the joint commissioner of police (crime), Kolkata. The matter is currently pending. • The accounts were closed. • The matter is currently pending.
58.	Bhavani	Ammaiyappan Fabrics	The customer of the branch availed a cash credit facility amounting to ₹ 2.30 million by fabricating the financial statements and other documents and diverted the funds.	Fraud committed on September 29, 2014, detected on February 19, 2019	2.02	• Internal investigation was conducted. • Form FMR-1 dated March 11, 2019, submitted to the RBI. • Staff accountability aspects were examined • Disciplinary proceedings are being initiated against the concerned staff members.	• Application no. 4209 dated April 26, 2019 filed at DRT, Coimbatore. • Criminal complaint was filed against the customer of the branch at the Superintendent of Police, Erode on April 24, 2019. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
59.	Yelahanka	Nagaraj S. and others	Senior manager of the branch during his tenure granted various credit facilities, amongst which seven were later reported as fraud, as several title deeds, salary certificates and recovery certificates submitted to avail the facility were forged/fabricated.	Fraud committed on January 9, 2005 detected on March 8, 2007.	1.99	• Internal investigation was conducted. • Form FMR – 1 dated March 16, 2007 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Recovery suit filed on January 20, 2007 against Mr. Nagaraj S. and others. • Civil suit filed (Original Suit no. 688/07) against Mr. Nagaraj. S and his wife, Ms. D.K. Vedavalii on January 20, 2007. • Civil suit filed (Original Suit no. 629/07) against Mr. A.G. Shiv Kumariah and his wife Ms. Bhagyama on January 20, 2007. Suit filed against Mr. Jagadisha and Ms. Sobha (Original Suit no. 6398/2007). • Civil suit filed (Original Suit no. 2149/07) against Mr. Rajamonoharan R., Mr. N.V. Gopalakrishnan, Mr. Vasanthakumar and Mr. Renjithkumar on March 14, 2007. • Criminal complaint (P.C.R. no. 7277/2007) filed before the Court of Chief Metropolitan Magistrate at Bangalore on September 22, 2007, against Mr. A.G. Shiv Kumariah, Ms. Bhagyamma and Ms. Lakshmamma. • Criminal complaint no. 10603/2007 was filed against Mr. Raj Manoharan, Mr. N.V. Gopalakrishnan, Mr. Vasanthakumar, Mr. Renjithkumar and Mr. Jayaraj on June 26, 2007 Criminal complaint was filed also against Mr. Jagadeesha and Ms. Shobha before the Court of Chief Metropolitan Magistrate at Bangalore. • Civil suit no. 6399/2007 was filed

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							against Ms. Shobha and Mr. Jagdish at civil judge of Bangalore. • The matters are currently pending.
60.	Tiruppatur	Jani Rithi Cattle Feeds	Jani Rithi Cattle Feeds had availed two term loans aggregating to ₹1.93 million and cheated our Bank by selling the machinery hypothecated to our Bank without the consent of our Bank.	Fraud committed and detected on March 3, 2018,	1.89	• Internal investigation was conducted. • Form FMR-1 dated March 21, 2018, submitted to the RBI. • Appropriate punishments were awarded to erring officials	• Complaint was filed on July 19, 2018 with the Kandili Police. • Civil suit filed at DRT, Chennai I (Original Suit no. 7086/2018). • The matters are currently pending.
61.	Mulund, Mumbai	Ganpat Singh Solanki	Eleven gold loans were availed by Mr. Ganpat Singh Solanki against pledge of spurious gold ornaments.	Fraud committed on July 31, 2012, detected on August 7, 2014	1.71	• Internal investigation was conducted. • Form FMR – 1 dated September 26, 2014 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Complaint was lodged before the Senior Police Inspector, Mulund (West) on March 26, 2015. • An original application 10680/2015 against Ganpat Singh Solanki was filed at DRT-3 Mumbai. • The matters are currently pending.
62.	Bhayandar	Ashwamegh Co-operative Credit Society	A pay order for ₹ 1.6 million in favor of 'Gruhnirman Mahanagar Palika' was collected by Ashwamegh Co-operative Credit Society Limited in its current account which was in violation of extant instructions with regard to collection of third party instruments in the account of co-operative credit societies.	Fraud committed on November 13, 2013, detected on December 23, 2016	1.60	• Internal investigation was conducted. • Form FMR-1 dated January 6, 2017, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Complaint was filed with the police against the Ashwamegh Co-operative Credit Society, its office bearers and the then branch manager on January 01, 2017. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
63.	Namakkal	Rakesh Shenoi R.	The then branch manager had fraudulently debited staff loan account on various dates for amounts exceeding the loan sanctioned.	Fraud committed on March 25, 013, detected on July 28, 2016	1.57	• Internal investigation was conducted. • Form FMR-1 dated August 9, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch manager.	• Complaint dated January 6, 2017 was filed at the Superintendent of Police office, Vellore against the then branch manager. • The officer has closed the loan account and hence, there is no loss to our Bank. • The matter is currently pending.
64.	Kuttanallur	Tony K. George and Jincy Tony	Mr. Kurian K. K., the then principal officer of the branch had availed loans against deposit receipts aggregating to ₹ 1.52 million by forging the signatures of the depositors who were his distant relatives and had kept the deposit receipts with him.	Fraud committed on April 13, 2016, detected on July 14, 2017	1.52	• Internal investigation was conducted. • Form FMR-1 dated July 31, 2017, submitted to the RBI • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint no. 1680/2017 was filed against Mr. Kurian K. K., the then principal officer before the Judicial Magistrate First Class, Thrissur on November 16, 2017. • Amount was fully recovered from the concerned branch manager. Hence, there is no loss to our Bank. • The matter is currently pending.
65.	Chennai – 1, Beach Road branch	Watermark Communications Private Limited	Mr. K.M. Lal, chairman of Watermark Communications Private Limited, had availed bank guarantee, overdraft against book debt and Cheque Purchase/ Withdrawal Against Uncleared Effects (CP/WAUE) limits by depositing forged title deeds.	Fraud committed on September 29, 2001, detected on September 15, 2017	1.48	• Internal investigation was conducted. • Form FMR-1 dated October 3, 2017, submitted to the RBI. • Staff accountability aspects were examined.	• Criminal complaint dated May 19, 2018 was filed against Mr. K.M. Lal. • An original application no. 232/2007 was filed with DRT, Madras against Watermark Communications Private Limited on March 16, 2007. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
66.	Tuticorin	Shibin K.	Fraudulent transactions were carried out without vouchers and were concealed in core banking solution to avoid detection. There were lapses on the part of branch officials in verifying and authorising transactions. Unauthorised debits under advance payment accounts, unauthorised disbursals of five educational loans without obtaining clearance or loan documentation and unauthorised credits to the saving bank account in the name of Mr. Shibin K.	Fraud committed on July 15, 2014, detected on April 13, 2016	1.34	• Internal investigation and departmental enquiry was conducted. • Form FMR-1 dated April 27, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Complaint filed with the Superintendent of Police, Tuticorin. FIR no. 32/2016 dated May 28, 2016 filed against Mr. Shibin K., the then assistant manager of the branch. • All the unauthorised transactions amounting to ₹ 1.3 million have been closed subsequently and hence, presently there is no loss to our Bank. • The matters are currently pending.
67.	Tripunithura	Radhalakshmi	Pledge of spurious gold ornaments by Ms. Radhalakshmi, for availing gold loans from the branch.	Fraud committed on March 5, 2013, detected on July 10, 2014.	1.31	• Internal investigation was conducted. • Form FMR-1 dated July 25, 2014, submitted to the RBI. • Staff accountability aspects were examined. • The then branch senior manager was absolved from the charges after disciplinary proceedings were conducted against them. Further, appropriate punishments were awarded to erring staff	• FIR no. 1605 dated October 11, 2014 filed by our Bank against Ms. Radhalakshmi at Tripunithra Police Station, before the Additional Chief Judicial Magistrate, Ernakulum. Investigation is pending. • Civil suit (Original Application 188/2016) was filed at DRT of Kerala & Lakshdweep at Ernakulam. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						officials.	
68.	Attur	Chandran M.	Mr. Chandran M. had availed a term loan by showing another property in place of original for valuation after submitting forged possession certificate and location certificate of the collateral security properties.	Fraud committed on December 15, 2015, detected on March 15, 2018	1.30	• Internal investigation was conducted. • Form FMR-1 dated March 23, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Criminal complaint was filed against Mr. Chandran M, with the Cheruturuthi Police on April 11, 2018. • Civil suit original application 57/19 is pending before DRT-2, Ernakulam. • The matters are currently pending.
69.	Thirumala	Reji Mani	Housing loan granted by the branch based on forged and fabricated title deeds and documents, and the account subsequently became a non-performing asset.	Fraud committed on August 18, 2004 detected on May 19, 2008	1.2	• Internal investigation was conducted. • Form FMR – 1 dated June 5, 2008 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• The branch served a notice under Section 13(2) of the SARFAESI Act on April 20, 2007. • Criminal complaint (no. 216/2008) filed on August 4, 2008 before the Sub-inspector of police, Poojapura, Thiruvananthapuram. • Civil suit (Original application no. 106/09) was filed before DRT, Ernakulum dated March 19, 2009 and it was ordered in favour of our Bank on September 24, 2009. The suit has been adjourned sin-die for want of assets. • The matters are currently pending.
70.	Salem	Arumugam S.	Cheating and forgery was done by Mr. Arumugam S. Advance payments were granted in an overdraft against mortgage limit based on fraudulent work orders allegedly issued by the Tamil Nadu Electricity Board.	Fraud committed on February 18, 1998 detected on December 24, 2002	1.17	• Internal investigation was conducted. • Form FMR – 1 dated January 8, 2003 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was	• Criminal complaint filed before the Judicial Magistrate - III, Salem, dated March, 12, 2003, against Mr. S. Arumugam. • Civil suit filed at DRT, Coimbatore (Original application no. 159/2003) dated May 26, 2003. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						awarded to the concerned staff member.	
71.	Vadakara	Shaji M T and others.	Personal loans were granted to 12 employees of the Kerala Road and Bridges Surveyor's Limited, allegedly through a fictitious government undertaking, based on fabricated salary certificates and guarantees.	Fraud committed on August 28, 2008, detected on December 10, 2008	1.16	• Internal investigation was conducted. • Form FMR – 1 dated December 22, 2008 submitted to RBI. • Bank has issued specific instructions regarding the granting and supervision of term loans. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• FIR no. 191/2009 was lodged at Vadakara Police Station on March 6, 2009 against Mr. Shahji M.T. and others. • Civil suit (Original suit no. 824/2009) was filed in the court of subordinate judge of Kozhikode against Mr. Shaji M.T. and others on November 5, 2009 and was decreed on February 8, 2013 in favour of our Bank. • The matters are currently pending.
72.	Faridabad	A. K. Enterprises	Machinery loan and an overdraft mortgage limit availed from the Faridabad branch based on title deeds and documents to a property which had been registered in the name of his heirs pursuant to certain civil legal proceedings.	Fraud committed on January 19, 2006, detected on June 29, 2010	1.14	• Form FMR – 1 dated July 15, 2010, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Criminal complaint dated December was filed before the Chief Judicial Magistrate, Faridabad and FIR no. 369/2010 dated December 13, 2010 was filed before the Faridabad Kotwali against Mr. Jagdish Kumar and others. The matter is currently pending. • The account was compromised, with receipt of amount of ₹ 0.8 million as full settlement.
73.	Coimbatore, Raja Street	Kiran Dhayalan	The then assistant manager of the branch fraudulently debited various accounts and credited the same to 'parking general ledger'	Fraud committed on January 24, 2014, detected on June 29,	1.13	• Internal investigation was conducted. • Form FMR-1 dated July 4, 2015, submitted to the RBI. • Staff accountability	• Criminal complaint filed on March 4, 2016 at the Commissioner of Police, Coimbatore against the then assistant manager. • The entire amount was fully recovered from the then assistant

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			head. These amounts were subsequently credited to the saving bank account in the name of one Mr. Ruban Martin P., maintained with the same branch. Mr. Ruban Martin P. and the then assistant manager of the branch were friends and the ATM card issued to Mr. Ruban Martin. P was used by The then assistant manager of the branch to withdraw the funds in cash.	2015		aspects were examined. • Appropriate punishment was awarded to the then assistant manager of the branch.	manager of the branch and credited to respective accounts. • The matters are currently pending.
74.	Vellore	Shanthi and Sridhar	Loans against the pledge of inferior gold were availed by the relatives of then assistant manager of the branch.	Fraud committed on February 17, 2014 detected on August 1, 2014	1.08	• Internal investigation was conducted. • Form FMR – 1 dated March 18, 2015 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the assistant manager of the branch.	• Complaint was filed with Police at Vellore Police Station on June 24, 2015. The amount was fully recovered and the liability was closed on July 9, 2014. • The matter is currently pending.
75.	Thanjavur	Ali Maideen V. M. J.	Fraudulent credit of proceeds of a forged demand draft drawn by Al Muzaini Exchange Company at the branch.	Fraud committed on March 15, 2013 and detected on March 28, 2013	1.00	• Internal investigation was conducted. • Form FMR-1 dated July 19, 2013 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the	• Complaint filed with the Superintendent of Police, Thanjavur on April 2, 2013, which was subsequently withdrawn and a fresh complaint was filed with the Superintendent of Police, Thiruvarur on April 25, 2013. • Concurrently, a criminal petition filed by the Thanjavur branch manager of our Bank before the High Court of Tamil Nadu at

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						concerned staff member.	Chennai on April 26, 2013. • FIR no. 8/2013 dated July 30, 2013 was filed against Mr. Ali Maideen V.M.J. and his wife Ms. Shamena Begum at the Thiruvarur Police Station. Investigation is currently in process. • The matters are currently pending.
76.	Thrissur - R.S. Road	Jayasree K	Ms. Jayasree K. had availed two gold loans aggregating to ₹ 0.99 million against pledge of spurious gold ornaments.	Fraud committed on October 26, 2017, detected on January 13, 2018	0.99	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed against Ms. Jayshree K. on April 13, 2018 before Thrissur City police. • FIR no. 634 dated August 2, 2018, filed with Thrissur East Police Station against Jayashree K and seven other borrowers. The matter is currently pending.
77.	Thrissur - R.S. Road	Kanakam	Ms. Kanakam had availed two gold loans aggregating ₹ 0.99 million against pledge of spurious gold ornaments.	Fraud committed on 30.10.2017, detected on January 13, 2018	0.99	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Ms. Kanakam. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Kanakam and seven other borrowers. The matter is currently pending.
78.	New Delhi	Christy Thomas A.	The chief manager and principal officer of the branch made unauthorised debits or withdrawals from the advance payment account at various instances.	Fraud committed on July 5, 2014, detected on June 29, 2015	0.94	• Internal investigation was conducted. • Form FMR-1 dated July 16, 2015, submitted to the RBI • Staff accountability aspects were examined.	• Complaint was lodged against the chief manager and principal officer of the branch at Connaught Place Police Station dated February 24, 2016. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						• Appropriate punishment was awarded to the chief manager and principal officer of the branch. • The amount was fully recovered from the suspended officer	
79.	Kandassan Kadavu	Manoj Kumar	Mr. Manoj Kumar has availed four gold loans on various dates from January 13, 2017 to August 28, 2017 with an aggregate loan amount of ₹ 0.94 million, against pledge of spurious gold ornaments.	Fraud committed on January 13, 2017, detected on December 23, 2017	0.94	• Internal investigation was conducted. • Form FMR-1 dated January 9, 2018, submitted to the RBI. • Staff accountability aspects were examined.	• Criminal complaint was filed with the Antikkad police. against Mr. Manoj Kumar on December 23, 2017. • FIR no. 1048 dated December 23, 2017 filed at Antikkad police station. • Mr. Manoj Kumar has closed all the gold loans, where spurious ornaments were detected. Hence, there is no loss to our Bank. • The matters are currently pending.
80.	Thrissur - R.S. Road	Mani	Mr. Mani had availed two gold loans aggregating to ₹ 0.92 million against pledge of spurious gold ornaments.	Fraud committed on 30.10.2017, detected on January 13, 2018	0.92	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Mr. Mani. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Mani and seven other borrowers. The matter is currently pending.
81.	Padi	Suresh	The customer of the branch had availed gold loans against pledge of low purity gold ornaments.	Fraud committed on March 28, 2018, detected on January 31,	0.92	• Internal investigation was conducted. • Form FMR-1 dated February 20, 2019, submitted to the RBI.	• Criminal complaint dated March 2, 2019 was filed against the customer of the branch, the then appraiser of the branch and others. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
				2019		• Staff accountability aspects were examined. • Disciplinary proceedings are being initiated against the concerned staff members.	
82.	Hyderabad	Zakia Zabeen Syed	Inspection of a machinery loan account at the branch revealed that the relevant machine had not been purchased by Ms. Zakia Zabeen Syed.	Fraud committed on April 24, 2007 detected on September 29, 2009	0.89	• Internal investigation was conducted. • Form FMR – 1 dated October 16, 2009, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint against Ms. Zakia Zabeen Syed and others filed in the court of Additional Chief Metropolitan Magistrate – II, Nampally. Criminal case no. 275/2010 was registered. • Account has been closed. • The matter is currently pending.
83.	Kayamkulam	Prince George	Housing loan granted by the branch based on forged and fabricated title deeds and documents, of property already taken over by other secured creditors.	Fraud committed on June 15, 2004, detected on May 25, 2010	0.85	• Form FMR – 1 dated June 12, 2010 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint against Prince George and others was filed on January 31, 2011 before the Judicial Magistrate First Class, Kayamkulam. • FIR no. 213/2011 was filed at Kayamkulam Police Station dated March 01, 2011 against Mr. Prince George and others. • Civil suit (Original Suit no. 318/2010) dated November 17, 2010 filed before the Sub Court, Mavelikara, against Mr. Prince George and Ms. Soja George. • Civil suit was decreed on January 31, 2012 in favour of our Bank. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
84.	Thrissur - R.S. Road	Jithu George	Mr. Jithu George had availed two gold loans aggregating ₹ 0.84 million against pledge of spurious gold ornaments.	Fraud committed on 30.10.2017, detected on January 13, 2018	0.84	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Mr. Jithu George. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Jithu George and seven other borrowers. The matter is currently pending.
85.	Thrissur - R.S. Road	Umesh P.M.	Mr. Umesh P.M. had availed one gold loan of ₹ 0.82 million against pledge of spurious gold ornaments.	Fraud committed on December 15, 2017, detected on January 13, 2018	0.82	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Mr. Umesh P.M. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Umesh P.M. and seven other borrowers. The matter is currently pending.
86.	Kottayam	Gold loans and foreign currency notes	The then assistant manager of the branch committed fraud by unauthorised removal of gold loans securities pledged to our Bank by customers, pledge of inferior quality of gold ornaments, inter branch transfers of foreign currencies and availing of housing loan on the pretext of purchasing	Fraud committed on January 10, 2003, detected on February 3, 2003	0.76	• Internal investigation was conducted. • Form FMR – 1 dated February 6, 2003, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint filed against the then assistant manager of the branch before the superintendent of police on February 29, 2008 and was registered as Criminal Miscellaneous Petition no. 166/2008. • Post investigation, the matter was considered to be of civil nature, against which our Bank filed a protest complaint. The then assistant manager of the branch absconded, the case is presently

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			house by the assistant manager of the branch.				pending. • Suit filed by our Bank against then assistant manager of the branch (Original Suit 159/2005) dated December 20, 2005, after sale amount of ₹ 0.21 million was realised. The then assistant branch manager has expired and there is no asset in his name to proceed with the case. • The matters are currently pending.
87.	Thrissur - R.S. Road	Pramod V. V.	Mr. Pramod V. V. had availed one gold loan of ₹ 0.75 million against pledge of spurious gold ornaments.	Fraud committed on October 31, 2017, detected on January 13, 2018	0.75	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Mr. Pramod V. V. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Pramod V. V. and seven other borrowers. The matter is currently pending.
88.	Erode	G.N.M. Paper Boards	Equitable mortgage created on properties already mortgaged in favour of another bank to secure certain loans at the Erode branch.	Fraud committed on February 19, 2001, detected on July 16, 2004	0.7	• Internal investigation was conducted. • Form FMR – 1 dated July 28, 2004 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Civil suit filed was filed on December 5, 2003 before the court of sub-judge of Bhavani against G.N.M. Paper Boards and others. • Legal notice dated June 11, 2013 from State Bank of India inter alia against our Bank was issued. • Civil suit (original suit no. 133/2003) filed against inter alia against our Bank by Mr. Rangaswamy and Ms. R. Jayalakshmi before the court of the District Munsif of Trichengode. • Civil suit filed by our Bank (C.S. No 277/2003) against G.N.M.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
							paper Boards and others, before the court of the subordinate judge of Bhavani, Tamil Nadu. • Complaint has been filed against Mr. T. Uthyakumar and SP Narayanswamy before the Inspector of Police, Erode Town Police Station on October 10, 2004. • FIR no. 86/2005 was filed on January 14, 2015 against Mr. L. Soundararajan, Mr. T. Uthyakumar and Mr. Thiru Velusamy. • The matters are currently pending.
89.	Hyderabad	Suresh Kumar Jain, Rajesh Kumar Jain and Manjulatha Jain	Certain instances of missing of three gold packets have occurred at the branch. lt was later revealed that one of the officers of the branch had sold some ornaments at Bhimavaram in two occasions which were similar to the ornaments reported missing at the branch. All the three accounts have been closed. The matter was not reported to our Bank's higher authorities and was amicably settled with the borrowers, sharing the amount by all the officers. All the three gold loan accounts were closed on February 18, 2016.	Fraud committed on February 18 2016, detected on June 16, 2016	0.69	• Internal investigation was conducted. • Form FMR-1 dated June 23, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• FIR no. 298/2016 dated 04.10.2016 was filed by our Bank with the police authorities of Abid Road Police Station, Hyderabad against Mr. Narasimha Charlu. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			It was later transpired that Mr. Narasimha Charlu, Manager of Hyderabad branch, had sold some ornaments at Bhimavaram in two occasions, which were similar to the ornaments reported missing at the branch.				
90.	Angamaly	Sajith	Mr. Sajith availed three gold loans against pledge of stolen gold ornaments.	Fraud committed on August 21, 2018, detected on December 19, 2018	0.69	• Form FMR-1 dated December 28, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings are being initiated against the concerned official.	• FIR No: 430 dated March 2, 2019 has been lodged at Angamaly Police Station against Sajith. • The matter is currently pending.
91.	Ollur	Thattil Lonappan Seby	Fraudulent transfer of funds from the non-resident ordinary account of a customer to third party beneficiary accounts based on email instructions received from a hacked account at the branch.	Fraud committed on October 3, 2016, detected on October 7, 2016	0.65	• Internal investigation was conducted. • Form FMR-1 dated October 27, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to staff members.	• Police complaint was lodged on October 7, 2016 in Ollur Police station against Dayanand Singh and Anil Kumar who hacked the email of Thattil Lonappan Seby. • The matter is currently pending.
92.	Padi	Akbar Set M.	The customer of the branch had availed gold loans against pledge of low purity gold ornaments.	Fraud committed on August 7, 2018 detected on January 31, 2019	0.61	• Internal investigation was conducted. • Form FMR-1 dated February 20, 2019, submitted to the RBI. • Staff accountability aspects were examined.	• Criminal complaint dated March 2, 2019 was filed against the customer of the branch, the then appraiser of the branch and others. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						• Disciplinary proceedings are being initiated against the concerned staff members.	
93.	T Nagar	G Venkatachalapathy and Karthick	External appraiser, Mr. Murli D availed gold loans in the name of two different customers of the branch i.e. Mr. G Venkatachalapathy and Mr. Karthick against pledge of spurious ornaments. Collusion of Mr. G Venkatachalapathy and Karthick was also suspected.	Fraud committed on November 29, 2018 detected on June 20, 2019.	0.61	• Internal investigation was conducted. • Form FMR-1 dated July 6, 2019 submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings initiated by our Bank are ongoing.	• Complaint dated July 19, 2019 was filed against Mr. Murli D, Mr. G Venkatachalapathy and Mr. Karthick before the Mambalam Police Station, T Nagar, Chennai. • The matter is currently pending.
94.	Gudalur	Kalirajan D.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on January 3, 2018 and January 4, 2018, detected on January 21, 2019	0.55	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
95.	Thrissur - R.S. Road	Prameela C.	Ms. Prameela C. had availed two gold loans aggregating ₹ 0.54 million against pledge of spurious gold ornaments.	Fraud committed on 26.10.2017, detected on January 13, 2018	0.54	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Ms. Prameela C. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Prameela C.and seven other borrowers. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						• Appropriate punishments were awarded to the concerned staff members.	
96.	Service branch, Ernakulam	Arun Joshi	Fraudulent credit of the proceeds of a forged demand draft issued by Habib Qatar International Exchange Limited at the branch.	Fraud committed on November 8, 2012, detected on December 5, 2012	0.53	• Internal investigation was conducted. • Form FMR – 1 dated August 14, 2013 and corrected FMR – 1 dated September 27, 2013 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to concerned staff members.	• Complaint filed on December 17, 2012 at Ernakulum Police Station and Vanrai, Mumbai Police Station. • FIR no. 136/13 dated May 6, 2013 filed against Mr. Arun Joshi at Vanrai, Mumbai Police Station. • Mr. Suraj Norohna and Ms. Rita Toras filed a consumer complaint no. 68/2014 dated February 18, 2014 filed before the District Consumer Dispute Redressal Forum, Mangalore against our Bank on February 18, 2014. • The matters are currently pending.
97.	Thrissur - R.S. Road	Jayachandran C.	Mr. Jayachandran C. had availed two gold loans aggregating ₹ 0.49 million against pledge of spurious gold ornaments.	Fraud committed on October 27, 2017 and October 31, 2017, detected on January 13, 2018	0.49	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Mr. Jayachandran C. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Jayachandran C.and seven other borrowers. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
98.	Nahur, Mumbai	Shanthanu Parasuram Parab	Nahur branch granted a home loan under the "Own Your Dream House" scheme, against equitable mortgage to Mr. Shanthanu Parasuram Parab. The senior inspector of police via letter dated December 16, 2004 informed our Bank that Mr. Shanthanu Parasuram Parab is a part of group who has cheated many other banks.	Fraud committed on April 21, 2004 detected on February 24, 2005	0.45	• Form FMR – 1 dated February 28, 2005 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint filed against Mr. Shanthanu Parasuram Parab with Mulund Police Station, dated January 31, 2005. • FIR no. 218/2006 was filed before Mulund Police Station, dated May 5, 2006 against Mr. Shantanu Parshuram Parab. • Original application no. 2761/2005 filed on October 4, 2005 with the High Court of Bombay. • The matters are currently pending.
99.	Mangalore	Gulsar M .S.	Loan availed at the branch by Mr. Gulsar M.S., the customer, based on forged property documents for furnishing security, which could not be enforced once the loan became an NPA. While the investigation was ongoing, Mr. Gular M.S. absconded with his family.	Fraud occurred on May 6, 2004, detected on April 8, 2013	0.45	• Internal investigation was conducted. • Form FMR-1 dated July 23, 2013 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint no. 23/2013 was filed before the Additional Chief Judicial Magistrate Mangalore on May 3, 2013. • FIR no. 178/2013 dated September 5, 2013 filed against Mr. Gulzar M.S. at the Mangalore North Police Station. • Recovery suit (Original Suit no. 81/2012) dated June 16, 2012, was filed by us against Mr. Gulsar M.S. and his wife Ms. Zareena Gulzar, before the court of Sub-judge of Kasaragod, on June 16, 2012. The suit was decreed in favour of our Bank on September 27, 2012. Execution proceedings are currently pending. • The matters are currently pending.
100.	Ashtamichira	Jithin N.J.	Jithin N.J. availed a gold loan against pledge of stolen gold ornaments.	Fraud committed on March 15, 2019, detected on April 5,	0.45	• Internal investigation was conducted. • Form FMR-1 dated April 8, 2019, submitted to the RBI.	• Criminal complaint was filed against the customer of the branch on June 13, 2019 at Mala Police Station. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
				2019		• No staff accountability aspects were observed.	
101.	Padi	Mohamed Kabeer Sinthasha	The customer of the branch had availed gold loans against pledge of low purity gold ornaments.	Fraud committed on April 18, 2018, detected on January 31, 2019	0.44	• Internal investigation was conducted. • Form FMR-1 dated February 20, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings are being initiated against the concerned staff members.	• Criminal complaint dated March 2, 2019 was filed against the customer of the branch, the then appraiser of the branch and others. • The matter is currently pending.
102.	Tirurangadi	Bindu Shibu	Mr. Shibu Varghese, the then branch manager availed six gold loans from Tirurangadi and Perinthalamanna branches in the name of his wife Mrs. Bindu Shibu by pledging spurious ornaments.	Fraud committed on November 7, 2018 detected on June 20, 2019.	0.43	• Internal investigation was conducted. • Form FMR-1 dated July 5, 2019 submitted to the RBI. • Staff accountability aspects are being examined.	• Complaint dated August 17, 2019 was filed against Mr. Bindu Shibu and Mr. Shibu Varghese, the then branch manager before the Tirurangadi Police Station. • FIR No 0339 dated August 17, 2019 was filed against Mrs. Bindu Shibu and Mr. Shibu Varghese at Tirurangadi Police Station. • Another complaint dated August 28, 2019 was filed against Mrs. Bindu Shibu and Mr. Shibu Varghese before the Perinthalmanna Police Station.
103.	Service branch, Chennai	Aparna Sasidharan	Fraudulent encashment/ manipulation of books of account was reported at the branch. A clearing cheque related to the account of Ms. Aparna Sasidharan was wrongly	Fraud committed on November 1, 2012 detected on March 15, 2013.	0.42	• Internal investigation was conducted. • Form FMR – 1 dated July 23, 2013 submitted to RBI. • Staff accountability	• Criminal complaint has been filed against Ms. Aparna Sasidharan on July 8, 2015. • Civil suit (Original suit no. 324/2015) filed before the Munisiff Court I, Kozhikode against Ms. Aparna Sasidharan. The suit was

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			debited in another account. As there was no balance in the account of Ms. Aparna Sasidharan for reimbursing the amount to the wrongly debited account holder, the branch officials made various adjustment entries in different accounts to hide the mistake.			aspects were examined. • Appropriate punishments were awarded to concerned staff members.	decreed in favour of our Bank. • The matters are currently pending.
104.	Thrissur - R.S. Road	Haseena E.H.	Ms. Haseena E.H. had availed one gold loan of ₹ 0.42 million against pledge of spurious gold ornaments.	Fraud committed on November 2, 2017, detected on January 13, 2018	0.42	• Internal investigation was conducted. • Form FMR-1 dated March 29, 2018, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint was filed on April 13, 2018 before Thrissur City police against Ms. Haseena E.H. • FIR no. 634 dated October 2, 2018, filed with Thrissur East Police Station against Haseena E.H. and seven other borrowers. The matter is currently pending.
105.	Mukathala	Zakir Hussain	Housing loan granted on equitable mortgage of property based on forged title deeds at the branch.	Fraud committed on December 17, 2004 detected on June 29, 2009	0.40	• Internal investigation was conducted. • Form FMR – 1 dated July 16, 2009 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint (CMP no. 5000/2009) dated August 11, 2009 filed against Mr. Zakir Hussain at the Judicial First Class Magistrate Court, Kollam. • FIR no. 972/2009 was filed before Kottiyam Police Station against Mr. Zakir Hussain and others. • Civil suit (Original suit no. 764/2009) dated October 8, 2009 was filed before the Subordinate Court, Kollam. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
106.	Gulbarga	Suresh Ambalal Porwal	Mr. Suresh Ambalal Porwal availed gold loan against pledge of spurious/ inferior quality gold ornaments mixed up with genuine ones at the branch.	Fraud committed on February 19, 2014, detected on February 12, 2016	0.40	• Internal investigation was conducted • Form FMR-1 dated February 29, 2016, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishments were awarded to the concerned staff members.	• Criminal complaint dated May 10, 2016 was filed against Mr. Suresh Ambalal Porwal at Bramhapur Police station. • FIR No: 226/1016 dated October 28, 2016 has been filed at Brahmapur Police Station. • An original suit no. 27/2017 was filed on February 18, 2017 is pending before the court of the civil judge at Kalaburagi. • The matters are currently pending.
107.	Gudalur	Gowri S.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on December 1, 2017, detected on January 21, 2019	0.40	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • Account was closed on October 31, 2018. Hence, there is no loss to our Bank. • The matter is currently pending.
108.	Thane	Mom Javed Asgar	The property mortgaged by Mr. Mom Javed Asgar was not in his name as the builder of the property had cancelled the original sale agreement and sold the property to another person.	Fraud committed on January 17, 2018, detected on March 25, 2019.	0.33	• Form FMR-1 dated April 9, 2019 submitted to the RBI. • Internal investigation was conducted. • Disciplinary proceedings initiated by our Bank are ongoing.	• Complaint dated September 17, 2019 was filed against Mr. Mom Javed Asgar before the Naupada Police station. • The matter is currently pending.
109.	Thrissur West Fort	Ilyas P A	Mr. Ilyas P A had availed seven gold loans from	Fraud committed on June 29, 2019	0.32	• Form FMR-1 dated October 4, 2019 submitted to the RBI.	• Complaint dated September 18, 2019 was filed against Mr. Ilyas P A before the Central Police station,

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			three different branches by pledging spurious ornaments.	detected on September 16, 2019.		• Internal investigation is being conducted.	Ernakulam. • FIR No 1816 dated September 16, 2019 was filed before Central Police station, Ernakulam. • Complaint dated September 17, 2019 was filed against Mr. Ilyas P A before the Central Police station, Ernakulam. • FIR No 1835 dated September 24, 2019 was filed before Central Police station, Ernakulam. • Complaint dated October 10, 2019 was filed against Mr. Ilyas P A before the Thrissur City Police station. • FIR No 1175 dated October 24, 2019 was filed before Police station, Thrissur East.
110.	Gudalur	Sahul Hameed	Gold loans were availed against pledge of spurious gold ornaments. Our Bank suspects the collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on October 5, 2017, detected on January 21, 2019	0.29	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • Account was closed on October 31, 2018. Hence, there is no loss to our Bank. • The matter is currently pending.
111.	Gudalur	Manikandan Sivadasan	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on various dates, detected on January 21, 2019	0.29	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						examined • Appropriate punishment was awarded to the concerned branch officials.	cases. • Account was closed on October 31, 2018. Hence, there is no loss to our Bank. • The matter is currently pending.
112.	Padi	Mubarak Syed Baish	The customer of the branch had availed gold loans against pledge of low purity gold ornaments.	Fraud committed on September 3, 2018, detected on January 31, 2019	0.28	• Internal investigation was conducted. • Form FMR-1 dated February 20, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings are being initiated against the concerned staff members.	• Criminal complaint dated March 2, 2019 was filed against the customer of the branch, the then appraiser of the branch and others. • The matter is currently pending.
113.	Nemom	Salim P	Mr. Salim P who was having a saving bank account in the branch withdrew a huge amount knowingly which does not belong to him and belong to an account holder with the same name.	Fraud committed on June 7, 2018 detected on August 6, 2019.	0.28	• Form FMR-1 dated August 23, 2019 submitted to the RBI. • Internal investigation was conducted. • Staff accountability aspects were examined. • Disciplinary proceedings initiated by our Bank are ongoing.	• Complaint dated October 3, 2019 was filed against Mr. Salim P before the Nemom Police Station. • The matter is currently pending.
114.	Makkarapara mba	Antony George P.	The clerk-cum-cashier of the branch had done unauthorised transactions in the savings bank account of three of the branch customers by using the single window operations facility and	Fraud committed on July 17, 2017, detected on June 7, 2018	0.25	• Internal investigation was conducted. • Form FMR-1 dated June 25, 2018, submitted to the RBI. • Appropriate punishment was awarded to the clerk-	• Complaint was filed with police on August 3, 2018 before the Mankada police against the clerk-cum-cashier of the branch. • FIR no. 114/2018 dated August 3, 2018 was filed against the clerk-cum-cashier of the branch at Mankada Police Station.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			withdrew the amounts as cash withdrawal and by transferring amounts to his own savings account maintained at another branch of our Bank.			cum-cashier of the branch.	• Amount was fully recovered from the clerk-cum-cashier of the branch. Hence, there is no loss to our Bank. • The matter is currently pending.
115.	Gudalur	Arjun Vijay	Unauthorised transactions were done by the then assistant manager from the account of one of the customers of the branch.	Fraud committed on October 12, 2018, detected on December 19, 2018	0.25	• Internal investigation was conducted. • Form FMR-1 dated December 28, 2018, submitted to the RBI. • Appropriate punishment was awarded to the concerned assistant manager of the branch. • Disciplinary proceedings are pending against other erring officials	• Criminal complaint was filed with the Sub Inspector of Police, Gudalur Police Station against the then assistant manager of the branch on February 19, 2019. The matter is currently pending. • Amount was fully recovered from the assistant manager. Hence, there is no loss to our Bank. • The matter is currently pending.
116.	Kuttippuram	Shabeer Cheruparambi	Mr. Shabeer Cheruparambi, a saving bank account holder in our Bank had availed a gold loan from the branch by pledging spurious ornaments.	Fraud committed on December 7, 2018 detected on July 6, 2019	0.25	• Internal investigation was conducted. • Form FMR-1 dated July 8, 2019 was submitted to the RBI. • Staff accountability aspects are being examined.	• Complaint dated July 31, 2019 and FIR no. 231/2019 dated August 1, 2019 was filed against Mr. Shebir Cheruparambil before the Sub Inspector of Police, Kuttippuram. • The matter is currently pending.
117.	Padi	Nijamraja	The customer of the branch had availed gold loans against pledge of low purity gold ornaments.	Fraud committed on September 26, 2018, detected on January 31, 2019	0.22	• Internal investigation was conducted. • Form FMR-1 dated February 20, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Disciplinary proceedings are being	• Criminal complaint dated March 2, 2019 was filed against the customer of the branch, the then appraiser of the branch and others. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						initiated against the concerned staff members.	
118.	Gudalur	Asaithambi Adaikalam	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on December 20, 2017 detected on January 21, 2019	0.21	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
119.	Vallamkulam	Devadas M.	Spurious gold ornaments were pledged in relation to in four credit facilities availed from the branch.	Fraud committed on October 16, 2009 detected on February 21, 2011.	0.20	• Internal investigation and departmental enquiry was conducted. • Form FMR – 1 dated March 8, 2011 submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• FIR no. 186/2011 dated February 11, 2011 filed before Thiruvalla Police Station, against Mr. Devdas. The investigation is currently pending. • Our Bank filed a civil suit (Original suit no. 15/2012) before the Subordinate Court, Thiruvalla against Mr. Devdas, seeking a decree for recovery of loan amount. • The matters are currently pending.
120.	Tiruppatur	Mr. Vijayan S.	Mr. Vijayan S. has availed a Housing loan of ₹0.23 million by mortgaging invalid title deeds.	Fraud committed on February 19, 2005, detected on March 9, 2018	0.20	• Internal investigation was conducted. • Form FMR-1 dated March 20, 2018, submitted to the RBI. • Staff accountability aspects were examined.	• Complaint was filed with the Tirupattur police against Mr. Vijayan S. on April 9, 2018. • The account was closed by the Mr. Vijayan S. Hence, there is no loss to our Bank. • The matters are currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						• Appropriate punishments were awarded to erring officials.	
121.	Gudalur	Charles Babu	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on September 18, 2018, detected on January 21, 2019	0.16	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
122.	Tirurangadi	Fousiya Zubair	Ms. Fousiya Zubair availed three gold loans from the branch by pledging spurious gold ornaments.	Fraud committed on May 2, 2019, detected on June 20, 2019.	0.16	• Internal investigation was conducted. • Form FMR-1 dated July 5, 2019 submitted to the RBI. • Staff accountability aspects are being examined.	• Complaint dated August 8, 2019 was filed against Ms. Fousiya Zubair before the Tirurangadi Police Station • FIR No. 0339 dated August 17, 2019 was filed against Ms. Fousiya Zubair at Tirurangadi Police Station. • The matters are currently pending.
123.	Azhikode	Amit Atmaram (customer of Canara Bank Jaolrigate Main branch).	A cheque for ₹ 0.14 million of a customer of the branch was fraudulently collected in the cheque truncation system clearing on November 29, 2016 by altering the payee's name by Mr. Amit Atmaram, through his account maintained with other bank.	Fraud committed on November 29, 2016, detected on December 8, 2016	0.14	• Form FMR-1 dated December 17, 2016, submitted to the RBI. No staff side action was initiated.	• Complaint has been filed with Valapattanam police station against Mr. Amit Atmaram on January 30, 2017. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
124.	Tirur	V. Hussain	Unauthorised withdrawals were made from the saving bank account of Mr. V. Hussain at the Tirur branch.	Fraud committed on September 10, 2009, detected on January 1, 2010	0.11	• Form FMR – 1 dated January 14, 2010, submitted to RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned staff member.	• Criminal complaint no. 27/SDOT/GL-PTN/2010 dated January 13, 2010, lodged with the police. • FIR no. 55/2010 dated January 15, 2010 filed with Tirur Police Station. • The matter is currently pending.
125.	Pravumkood	Cash Shortage	An instance of cash shortage of ₹ 0.11 million has occurred at the branch on November 11, 2016. A short amount was remitted by the cashier on the same day.	Fraud committed on November 11, 2016, detected on November 11, 2016.	0.11	• Form FMR-1 dated November 30, 2016, submitted to the RBI. • Staff accountability aspects were examined. Appropriate disciplinary action was taken against the concerned staff member.	• Police complaint was lodged with regard to the incident at Chengannur Police Station on November 17, 2016. • No loss was incurred by our Bank in this incident. • The matter is currently pending.
126.	Thattarambalam	Divya Choithanani	A cheque for ₹ 0.10 million of a customer of the branch was fraudulently collected by altering the payee's name and amount by Ms. Divya Choithanani through her account maintained with other bank.	Fraud committed on October 7, 2016, detected on December 31, 2016	0.10	• Form FMR-1 dated January 2, 2017, submitted to the RBI. • No staff side action was initiated.	• Complaint dated April 18, 2017 was filed with the sub-inspector of police, Mavillikkara against Ms. Divya Choithanani, who has collected the cheques fraudulently. • The matter is currently pending.
127.	Agra	Agency Bank Account with Punjab National Bank	Mr. Vikrant Singh, the then branch manager withdrew an amount of ₹ 0.50 million from Punjab National Bank, which is our Bank's agency bank, without any joint custody and deposited only ₹ 0.40	Fraud committed on April 7, 2018, detected on April 25, 2019.	0.10	• Internal investigation was conducted. • Form FMR-1 dated May 13, 2019 submitted to the RBI. • Staff accountability aspects were examined.	• Complaint dated July 12, 2019 was filed against Mr. Vikrant Singh, the then Branch Manager before the Agra Police station. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			million in the branch, taking away ₹ 0.10 million for his personal use. When the officer was made aware of such incidence, he immediately remitted ₹ 0.10 million to our agency bank. Mr. Vikrant Singh has embezzled the money.			• Disciplinary proceedings initiated by our Bank are ongoing.	
128.	Gudalur	Sathasivam R.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on May 10, 2018 detected on January 21, 2019	0.09	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
129.	Palladam	Prakash	Mr. Prakash availed two gold loans from the branch by pledging spurious ornaments.	Fraud committed on January 5, 2019 detected on July 03, 2019.	0.09	• Internal investigation was conducted. • Form FMR-1 dated July 6, 2019 submitted to the RBI. • Staff accountability aspects are being examined.	• Complaint dated July 16, 2019 was filed against Mr. Prakash and the external gold appraiser, Mr. Suresh M. before the Palladam Police Station. • The matter is currently pending.
130.	Ettumanoor	Divya Choithanani	A cheque for ₹ 0.08 million of a customer of the branch was fraudulently collected in cheque truncation system clearing by altering the payee's name and amount by Ms. Divya Choithanani	Fraud committed on October 14, 2016, detected on December 8, 2016	0.08	• Form FMR-1 dated December 17, 2016, submitted to the RBI. • No staff side action was initiated.	• Complaint dated April 18, 2017 was filed with the sub-inspector of police, Ettumanoor against Ms. Divya Choithanani, who have collected the cheques fraudulently. • The collecting bank has reimbursed the money. Hence, there is no loss to our Bank.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			through her account maintained with other bank.				• The matter is currently pending.
131.	Wadakkanche rry	Antony V. F.	Fraudulent transfer of funds from the account of an account holder based on instructions received from an allegedly hacked email account at the branch.	Fraud committed on May 16, 2012, detected on June 6, 2012	0.06	• Internal investigation was conducted. • Form FMR – 1 dated June 12, 2012, submitted to RBI. • Staff accountability aspects were examined.	• Criminal complaint (599/DPC-R/Comp/PTN/ 12/R) was filed by our Bank on June 14, 2012 at the District Police Chief (Rural), Thrissur. • The matter is currently pending.
132.	Gudalur	Samasundaram A.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on May 9, 2018, detected on January 21, 2019	0.06	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
133.	Market Road, Ernakulam	Divya Choithanani	A cheque for ₹ 0.05 million of a customer of the branch was fraudulently collected in cheque transaction system clearing by altering the payee's name and amount by Ms. Divya Choithanani through her account maintained with other bank.	Fraud committed on October 14, 2016, detected on December 8, 2016.	0.05	Form FMR-1 dated December 17, 2016, submitted to the RBI.	• Complaint was filed with the station house officer, Central police station, Ernakulam on July 5, 2017 against Ms. Divya Choithanani. • The collecting bank has reimbursed the money. Hence, there is no loss to our Bank. • The matter is currently pending.
134.	Thirumala	Cash Shortage	The branch has reported a cash shortage of ₹ 0.05 million on November 7, 2018 during closing of	Fraud committed and detected on November 7,	0.05	• Form FMR-1 dated November 27, .2018, submitted to the RBI. • Staff accountability	• Complaint was filed on November 10, 2018 with Poojappura police station, Thiruvanthapuram with regard to the incident.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
			cash for the day.	2018		aspects were examined. • Appropriate punishment was awarded to the clerk-cum-cashier of the branch. • The amount has been recovered from the clerk-cum-cashier of the branch. Hence, there is no loss to our Bank.	• The matter is currently pending.
135.	Gudalur	Vijayakmar P.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on October 12, 2017, detected on January 21, 2019	0.05	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
136.	Gudalur	Nataraj S.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on November 27, 2017, detected on January 21, 2019	0.05	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
137.	Gudalur	Manikandan S.	Pledge of spurious gold ornaments against the loan availed. Our Bank suspects the collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on November 7, 2017, detected on January 21, 2019	0.04	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam Nilgiris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • Account was closed on November 2, 2018. Hence, there is no loss to our Bank. • The matter is currently pending.
138.	Gudalur	Parameshwaran K.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on July 4, 2018, detected on January 21, 2019	0.03	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2`019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
139.	Gudalur	Manivannan K.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on June 28, 2018, detected on January 21, 2019	0.02	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined • Appropriate punishment was awarded to the concerned branch	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
						officials.	
140.	Gudalur	Jeyashankar S.	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on October 16, 2018, detected on January 21, 2019	0.02	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.
141.	Bhavnagar	St. Mary's School	Mr. Sailesh Vasava, the cashier of the branch did not remit the fees collected from few students to the account of the school on the same day and misappropriated the amounts. The amounts were later credited to the account of the School after few months.	Fraud committed on November 27, 2018, detected on May 20, 2019	0.02	• Internal investigation was conducted. • Form FMR-1 dated June 19, 2019 submitted to the RBI. • Staff accountability aspects are being examined.	• Complaint dated September 16, 2019 was filed against Mr. Sailesh Vasava before the Nilambaug Police Station, Bhavnagar. • The matter is currently pending.
142.	Gudalur	Vinayakamoorthy	Gold loans were availed against pledge of spurious gold ornaments with collusion of the then senior manager, assistant manager and external appraiser.	Fraud committed on March 1, 2017 detected on January 21, 2019	0.01	• Internal investigation was conducted. • Form FMR-1 dated January 31, 2019, submitted to the RBI. • Staff accountability aspects were examined. • Appropriate punishment was awarded to the concerned branch officials.	• Criminal complaint was filed before the Inspector of Police, District Crime Branch, Udhagamandalam - Nilgris on February 11, 2019 against the then senior manager and external appraiser appointed by our Bank for the collusion suspected in these cases. • The matter is currently pending.

Sr. No.	Branch	Account name	Nature and description of fraud	Relevant dates	Amount involved as per the FMR (in ₹ million)	Internal reporting/action taken by our Bank	Legal action initiated by our Bank, if any
143.	Nerul	Unknown - Unauthorised ATM withdrawals by fraudster	Unauthorised ATM withdrawals were carried out in the form of cash withdrawals from the customer's account. It is presumed that the card details might have skimmed by the fraudster.	Fraud committed and detected on March 3, 2019	0.01	• Internal investigation was conducted. • Form FMR-1 dated April 8, 2019, submitted to the RBI. • No staff involvement found.	• Police complaint was filed with the Senior Police Officer, Nerul Police by Prashant Sivaji Ahiwale on April 3, 2019. • The matter is currently pending.

(b) ***Matters filed by our Bank under Section 138 of the Negotiable Instruments Act, 1881:***

Sr. no.	Name of the Party ("Accused")	Amount involved in ₹ million	Forum	Brief description and current status
1.	Talwalkars Lifestyles Limited and others	180	Additional Chief Metropolitan Magistrate 23rd Court Esplanade, Mumbai	Our Bank filed a criminal complaint no. 2200/SS/2019 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on November 20, 2019 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The matter is currently pending before the Additional Chief Metropolitan Magistrate 23rd Court Esplanade, Mumbai.
2.	Mr. Geogo T.D. Managing partner, Arjun Associates	15	The Judicial First Class Magistrate, Kannur	Our Bank filed a criminal complaint no. STC 107/2018 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on September 28, 2017 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The matter is currently pending before the Judicial First Class Magistrate, Kannur.
3.	Jupiter Bioscience Limited	10.83	XVI Additional Judge cum XX Additional Chief Metropolitan Magistrate Court, Hyderabad	Our Bank filed a criminal complaint no. CC 106/2012 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on December 15, 2011 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The matter was originally filed before the X Additional Chief Metropolitan Magistrate Court, Hyderabad. Subsequently, the matter was transferred to XVI Additional Judge cum XX Additional Chief Metropolitan Magistrate Court and renumbered as CC 439/2016. The matter is currently pending.
4.	Banka (India) Ltd	4.27	Metropolitan Magistrate, 64th Court Esplanade, Mumbai	Our Bank filed a criminal complaint no. 84/S/1998 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on March 12, 1998 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The matter was originally filed before the 16th Metropolitan Magistrate Court, Ballard Pier. Subsequently, the matter was transferred to 64th Court of Metropolitan Magistrate, Esplanade, Mumbai and renumbered as 1933/SS/2007. The matter is currently pending.
5.	Sri Harichandra Agencies	4	The VII Metropolitan Magistrate, George Town	Our Bank filed a criminal complaint no. 222/2015 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque deposited at the Chennai-1 Beach branch of our Bank as partial discharge of legally enforceable debt. The matter is currently pending before the VII Metropolitan Magistrate, George Town.
6.	Mr. Jaison Devassy	1	The Judicial First Class Magistrate, Aluva	Our Bank filed a criminal complaint no. 238/2019 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on August 30, 2018 for dishonor of the cheque given to our Bank as partial discharge of legally enforceable debt. Our Bank also filed original application no. 440/2017 dated August 25, 2017 for recovery of entire liability with interest in cash credit account of the Accused before DRT- Ernakulam. The criminal proceeding is currently pending before the Judicial First Class Magistrate, Aluva.
7.	Mr. Manish Aulakh	0.14	The Sub Divisional Judicial Magistrate, Phagwara	Our Bank filed a criminal complaint no. NACT 380/2016 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on June 15, 2016 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The matter is currently pending before the Sub Divisional Judicial Magistrate, Phagwara.
8.	Mr. Raman Kumar and others.	0.04	Sub Divisional Judicial Magistrate, Phagwara	Our Bank filed a Criminal Complaint 436/2015 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on June 7, 2016 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The Accused has been declared as 'Proclaimed Person' on August 14, 2018. File is ordered to be consigned to the Judicial Record Room, Phagwara to be taken up when the Accused is arrested and brought before the Court. The matter is currently pending.

Sr. no.	Name of the Party ("Accused")	Amount involved in ₹ million	Forum	Brief description and current status
9.	Mr. Anshu Aulakh	0.02	The Sub Divisional Judicial Magistrate, Phagwara	Our Bank filed a criminal complaint no. NACT 382/2016 against the Accused under Section 138 of the Negotiable Instruments Act, 1881 on June 15, 2016 for dishonor of cheque given to our Bank as partial discharge of legally enforceable debt. The matter is currently pending before the Sub Divisional Judicial Magistrate, Phagwara.

(c) ***NCLT Proceedings:***

1. State Bank of India filed an application under Section 7 of the IBC, 2016 before NCLT, Principal Bench at New Delhi, for initiation of corporate insolvency resolution process ("**CIRP**") against Surya Pharmaceutical Limited. In furtherance of the application, CIRP was initiated pursuant to an order passed by the NCLT, New Delhi bench dated October 8, 2018 and moratorium was put in effect. The resolution professional filed an application on July 3, 2019 before NCLT, New Delhi Bench for a direction, inter alia, to liquidate Surya Pharmaceutical Limited and the NCLT, New Delhi Bench approved the liquidation vide order dated August 9, 2019. Our Bank being a financial creditor filed the proof of its claim before the liquidator for an amount of ₹ 1573.78 million on September 21, 2019. The liquidator has published an e-auction sale notice dated November 7, 2019 for sale of assets owned by Surya Pharmaceutical Limited on December 2, 2019. Further, an original application dated May 22, 2014 was also filed by our Bank against Surya Pharmaceutical Limited. For further details, see serial no. 1 of recovery proceedings on page 548.

2. Unity Infraprojects Limited filed an application under Section 10 of the IBC, 2016 to initiate corporate insolvency resolution process ("**CIRP**") against itself. The application was admitted vide an order of the NCLT, Mumbai Bench dated June 20, 2017 and a moratorium was put in effect from the date of the order. The resolution professional filed application on March 21, 2018 under Section 33(1) of the IBC, 2016 as no resolution plans, that were received by the resolution professional till the last date of the extended moratorium, i.e., March 16, 2018 praying for liquidation and other reliefs could be approved by the committee of creditors. Our Bank, being a financial creditor, had filed a proof of its claim for an amount of ₹ 897.22 million on July 4, 2017. Further, NCLT, Mumbai Bench through its order dated December 19, 2018 directed the resolution professional to put the last resolution plan dated February 27, 2018 submitted jointly by Phoenix ARC Private Limited and First Global Finance Private Limited before the committee of creditors. Subsequently, the committee of creditors rejected the resolution plan and as no resolution plan was approved within the stipulated time, it authorized the resolution professional to file an application for liquidation on February 8, 2019. The liquidation application was heard and the NCLT, Mumbai Bench had reserved the order that is yet to be pronounced. The resolution professional filed a Company Appeal (AT) (Insolvency) No. 1030 of 2019 before NCLAT, New Delhi for expeditious disposal of the liquidation application, however, the aforesaid appeal was disposed-of by NCLAT, New Delhi vide an order dated October 15, 2019. Simultaneously, SBI, the leader bank has filed an original application before DRT, New Delhi on March 15, 2018 invoking the personal and corporate guarantee against directors/ promoters and associate/ subsidiaries and group companies of the borrower in the account of Unity Infra Projects and our Bank being one of the lenders has been made a pro forma defendant in the original application. The said proceedings are pending before DRT, New Delhi.

3. Andhra Bank filed an application under Section 7 of the IBC, 2016 before NCLT, Mumbai Bench for initiation of corporate insolvency resolution process ("**CIRP**") against Sterling Biotech Limited. In furtherance of the application, CIRP was initiated pursuant to an order passed by the NCLT, Mumbai Bench dated June 11, 2018. Our Bank, being a financial creditor, had filed a proof of its claim for an amount of ₹ 259.34 million on June 7, 2018. Thereafter, a one-time settlement offer was made by the promoters of Sterling Biotech Limited and subsequently, an application was filed by Andhra Bank for withdrawal of CIRP. The committee of creditors approved the withdrawal of CIRP with requisite majority. Further, NCLT, Mumbai Bench disallowed the withdrawal of the proceedings and passed an order for liquidation of the Sterling Biotech Limited on May 8, 2019 as no resolution plan was approved despite completion of the CIRP period. The liquidation was stayed by NCLAT, New Delhi on May 30, 2019. NCLAT, New Delhi has vide order dated August 28, 2019 set aside the liquidation order passed by NCLT, Mumbai Bench. NCLAT,

New Delhi vide its order dated November 18, 2019 further clarified that if the order dated August 28, 2019 passed by it in terms of Section 12A of the IBC, 2016 is not given effect within a period of thirty days from the date of the order dated November 18, 2019, in such case the order of NCLAT, New Delhi Bench dated August 28, 2019 shall stand recalled and the liquidation order dated May 8, 2019 passed by NCLT, Mumbai Bench shall stand restored. In this matter, an original application (L) no. 254/2018 dated April 13, 2018 was also filed by Andhra Bank and other parties, including our Bank, invoking personal guarantee of Mr. Nitin Sandesara and Mr. Chetan Sandesara (directors of Sterling Biotech Limited). This matter is currently pending.

4. Peter Beck & Partners and Culross Opportunities SP, debenture holders of Sharon Bio Medicine Limited filed an application under Section 7 of the IBC, 2016 before NCLT, Mumbai Bench for initiation of corporate insolvency resolution process ("**CIRP**") against Sharon Bio Medicine Limited. In furtherance of the application, CIRP was initiated pursuant to an order passed by the NCLT, Mumbai Bench dated April 11, 2017. Our Bank, being a financial creditor, had filed a proof of its claim for an amount of ₹ 92.69 million on May 8, 2017. A resolution plan submitted by Peter Beg and Partners was approved by the committee of creditors and an order to that effect was passed by the NCLT, Mumbai Bench on February 28, 2018. Mr. Lalit Mishra and, promoters of Sharon Bio Medicine Limited and others filed an appeal in NCLAT against the NCLT, Mumbai Bench order dated February 28, 2018. The NCLAT through its order dated December 19, 2018 dismissed the appeal filed by the promoters against the resolution plan. The resolution plan is awaiting implementation.

5. M. R. Ventures filed an application under Section 7 of the IBC, 2016 before NCLT, Chennai Bench for initiation of corporate insolvency resolution process ("**CIRP**") against Royal Splendour Developers Private Limited. In furtherance of the application, CIRP was initiated pursuant to an order passed by NCLT, Chennai bench dated December 4, 2017. Our Bank, being a financial creditor, had filed a proof of its claim for an amount of ₹ 64.92 million on February 22, 2018. A resolution plan dated October 8, 2018 submitted by the resolution applicant was placed before the committee of creditors on November 17, 2018 and the same was put to vote. Subsequently, the resolution plan was submitted to NCLT, Chennai Bench for consideration. Meanwhile the Resolution Professional moved an application for extension of CIRP period by 90 days from August 6, 2019 which was allowed by the NCLT, Chennai Bench vide order dated August 22, 2019. The CIRP period was extended for 90 days from August 6, 2019. A resolution plan was submitted by Jain Housing & Construction Limited which was voted in favour by the committee of creditors in the meeting held on October 30, 2019. The matter is currently pending before NCLT, Chennai Bench. Further, an original application dated July 31, 2017 was filed by our Bank against Royal Splendour Developers Private Limited. For further details, see serial no. 31 of recovery proceedings on page 568.

(d) Other pending proceedings

1. Notices issued by our Bank under the SARFAESI Act:

Sr. no.	Name of the party ("Borrower")	Date of notice under the SARFAESI Act	Brief facts of the case	Present status
1.	Iasis Hospital	May 15, 2019	Our Bank has issued a notice on May 15, 2019 against the Borrower under Section 13(2) of the SARFAESI Act in relation to recovery of amount aggregating to ₹ 93.85 million and applicable interest from May 1, 2019 till the date of repayment.	Further to the issuance of the notice, appropriate action will be taken in due course.
2.	Thirunilam Educational Trust Toms College of Engineering for Startups	December 1, 2017	Our Bank has issued a notice on December 1, 2017 against the Borrower under Section 13(2) of the SARFAESI Act in relation to recovery of amount aggregating to ₹ 78.90 million and applicable interest from December 1, 2017 till date of repayment.	Further to the issuance of the notice, appropriate action will be taken in due course.
3.	Durga Spintex India Private	May 23, 2019	Our Bank has issued a notice on May 23, 2019 against the borrower under Section 13(2) of the SARFAESI Act in relation to recovery of	Further to the issuance of the notice, appropriate action will be taken in due

Sr. no.	Name of the party ("Borrower")	Date of notice under the SARFAESI Act	Brief facts of the case	Present status
	Limited		amount aggregating to ₹ 45.17 million and applicable interest from March 28, 2019 till date of repayment.	course.

2. Petitions filed by our Bank under Section 14 of the SARFAESI Act:

Sr. no.	Name of the party ("Borrower")	Civil Miscellaneous Petition no.	Amount involved (in ₹ million)	Brief description	Present status
1.	Candour Butyl Private Limited and others	SARFAESI application 35/2019	38.84	Our Bank had issued a demand notice on July 23, 2018 against the Borrowers under Section 13(2) of the SARFAESI Act in relation to recovery of amount aggregating to ₹ 38.84 million and applicable interest. Pursuant to the issuance of the possession notice under Section 13(4) of the SARFAESI Act, our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Daman on April 5, 2019 to pass an order and direction to inter alia take physical possession of the mortgaged immovable properties which are secured to the limit availed by the Borrowers.	The District Magistrate, Daman has allowed the application through an order dated June 3, 2019 and physical possession of the property was taken on July 5, 2019. Further steps in relation to valuation of the property and putting the property up for sale to recover the amount involved, have been taken.
2.	Mudrai Multi Facilities Private Limited and others	Securitization application 377/2019 before the Chief Metropolitan Magistrate, Mumbai and application 1019/2019 before the District Magistrate, Pune	38.71	Our Bank had issued a notice on July 27, 2018 against the Borrowers under Section 13(2) of the SARFAESI Act in relation to recovery of amount aggregating to ₹ 38.71 million and applicable interest. Pursuant to the issuance of notice under Section 13(4) of the SARFAESI Act, our Bank filed two petitions under Section 14 of the SARFAESI Act: (i) before the Chief Metropolitan Magistrate, Mumbai on April 22, 2019 to take physical possession of the secured immovable property of the Borrowers situated in Mumbai; and (ii) before the District Magistrate Pune to take physical possession of the secured immovable property of the Borrowers situated in Pune which were secured to the limits availed by the Borrowers.	The application filed before Chief Metropolitan Magistrate, Mumbai has been allowed vide order dated June 20, 2019 and physical possession of the security property has been taken. Additionally, the application filed before District Magistrate, Pune has been allowed vide order dated October 18, 2019. Implementation of the order is pending.
3.	Indraprastha Television Network	Securitization Application 126/2019 before the Chief Metropolitan Magistrate Saket Court, Delhi	37.69	Our Bank issued a notice on October 11, 2017 against the Borrower under Section 13(2) of the SARFAESI Act in relation to recovery of amount aggregating to ₹ 37.69 million and applicable interest from October 1, 2017 till date of repayment. Subsequently, our Bank filed an application under Section 14 of the SARFAESI Act before the Chief Metropolitan Magistrate Saket Court, Delhi on September 23, 2019 to take physical possession of the secured immovable property.	The application filed before the Chief Metropolitan Magistrate, Saket is pending.

3. Recovery proceedings initiated by our Bank:

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
1.	Surya Pharmaceuticals Limited	June 3, 2017	2324/2017	Our Bank issued a notice dated December 8, 2014 against the Borrower (Consortium account) under Section 13(2) of the SARFAESI Act seeking for enforcement of security interest in respect of eight parcels of immovable properties for the repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, our Bank has issued another demand notice on February 10, 2017 against the Borrower (consortium account) under Section 13(2) of the SARFAESI Act in respect of another immovable property apart from the earlier one disclosed above for recovery of amount. The Borrower preferred an application dated May 5, 2016 under Section 17 of the SARFAESI Act before DRT-1, Chandigarh challenging the legal validity of the steps initiated by our Bank under the SARFAESI Act.	Pursuant to issuance of the notice further action under the SARFAESI Act is under progress. Application filed by the Borrower is pending before DRT-1, Chandigarh.
				Further, our Bank also filed an original application dated June 3, 2017 before DRT-II, Chandigarh under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. DRT-II, Chandigarh allowed our application and passed an order for recovery of an amount of ₹ 775.71 million along with interest at the rate of 14.50% p.a. with yearly rests; and (ii) to recover amount from sale of hypothecated/mortgaged goods and in case there are unsatisfied dues, the same shall be recovered by utilising the personal assets of the Borrower.	Matter is pending before Recovery Officer, DRT- II, Chandigarh. Further the NCLT, New Delhi Bench has ordered liquidation of the Company vide order dated August 9, 2019.
2.	Noorul Islam Trust and others	June 5, 2018	288/2018	Our Bank issued a notice dated June 22, 2016 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to issuance of the notice, our Bank filed petition for physical possession before the court of Chief Judicial Magistrate Thodupuzha and Tiruvananathapuram on September 19, 2018 and July 19, 2018 respectively and got order on September 19, 2018 from the Chief Judicial Magistrate Thodupuzha and on August 14, 2018 from the Chief Judicial Magistrate, Tiruvananathapuram. Aggrieved by the steps taken, the Borrower preferred an application under Section 17 of the SARFAESI before DRT, Ernakulam challenging the legal validity of the steps	The implementation of orders of the Chief Judicial Magistrate is pending. Application filed by the Borrowers is pending before DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				initiated by our Bank under Section 13(2) and Section 14 of the SARFAESI Act.	
				Our Bank filed an original application no. 288/2018 dated June 5, 2018 before DRT-II, Ernakulam. Among other reliefs, our Bank prayed (i) for recovery of ₹ 504.32 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for making recovery from the sale of scheduled properties in the event of non-payment.	Matter is pending before DRT-II, Ernakulam.
3.	Mr. P. Senthil Kumar, proprietor, Iswari Spinning Mills Private Limited	January 12, 2015	82/2015	Our Bank issued a notice dated December 23, 2014 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, possession notice dated June 12, 2015 and February 2, 2018 were issued by our Bank. The Borrower has filed application under the SARFAESI Act before DRT, Madurai on March 7, 2018 against action of our Bank under the SARFAESI Act and to set aside the possession notice dated February 2, 2018. Our Bank sold all the secured properties pursuant to the provisions of the SARFAESI Act.	Matter is pending before DRT, Madurai.
				Further, our Bank also filed an original application dated January 12, 2015 before DRT, Madurai under the RDB Act, 1993, in relation to default in the repayment of certain credit facilities extended to the Borrower. DRT, Madurai allowed our application and passed a final order: (i) to recover an amount of ₹ 495.29 million along with interest at rate of 13.50 % p.a. with monthly rests plus 1% penal interest from January 1, 2015 till the date of realization of the applicable interest on different facilities; and recovery of the amount by sale of hypothecated and mortgaged properties. (ii) directing the registry to prepare debt recovery certificate in terms of the order passed. Subsequently, in view of the recovery certificate dated August 25, 2018 issued, a demand notice dated August 31, 2018 to Senthil Kumar and P Saraswathy to deposit the amount as mentioned in the final order passed by the DRT, Madurai.	Matter is currently pending before recovery officer DRT, Madurai.
4.	Indira Gandhi Memorial Trust and others	March 28, 2018	251/2018	Our Bank issued a notice dated July 5, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to the notice, our Bank filed a petition under Section 14 of the	The implementation of orders of the Chief Judicial Magistrate, Ernakulam is pending. Appeal is pending before DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				SARFAESI Act before the Chief Judicial Magistrate, Ernakulam on July 26, 2018 to pass an order to take physical possession of the secured properties. The Chief Judicial Magistrate, Ernakulam on August 9, 2018 allowed the petition under section 14 of the SARFAESI Act and advocate commissioner was appointed to take delivery of the scheduled property. Aggrieved by the steps taken, Mr. AB Kasim, guarantor to a facility, filed an application under Section 17 of the SARFAESI Act before DRT, Ernakulam and sought relief for restraining our Bank to proceed against the scheduled property and declare that demand notice under Section 13(2) of SARFAESI Act has not been served.	
				Further, our Bank also filed an original application dated March 28, 2018 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Our Bank prayed for (i) recovery of ₹ 431.15 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for making recovery from the sale of scheduled properties.	Matter is pending before DRT, Ernakulam.
5.	Radikal Foods	April 25, 2017	488/2017	Our Bank has issued a notice on September 8, 2016 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act.	Pursuant to issuance of notice, appropriate steps have been taken for sale of immovable properties involved by way of auction sale.
				Further, our Bank also filed an original application dated April 25, 2017 before DRT, New Delhi under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 341.84 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for attachment and sale of the scheduled mortgage property.	Matter is pending before DRT, New Delhi.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
6.	Jupiter Bio Science Limited and others	July 24, 2012	524//12	Our Bank filed an original application dated July 24, 2012 before DRT, Hyderabad under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. The High Court of Karnataka through its order dated January 10, 2014 ordered for the liquidation of Jupiter Bio Science Limited and official liquidator was appointed. Further, the original application was allowed on July 14, 2017 by, DRT, Hyderabad and among other reliefs passed an order to recover of an amount of ₹ 263.21 million along with simple interest at the rate of 13.50% from the date of filing of the original application till the date of realization and to proceed against the personal properties of the Borrowers.	Jupiter Bio Science Limited has gone under liquidation and the official liquidator has taken charge of the liquidation proceedings.
7.	Vijayan S., proprietor Pooja Cashew Factory and others	August 11, 2017	355/2017	Our Bank has issued a notice on March 29, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, our Bank filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Kollam to take physical possession of the secured immovable properties which was allowed on November 9, 2018.	The implementation of the orders of the Chief Judicial Magistrate, Kollam is pending.
				Further, our Bank also filed an original application dated August 11, 2017 before DRT-1, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 248.78 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT-1, Ernakulam.
8.	Manoj Kunju, proprietor of Mount Moria Cashews and others	July 20, 2018	382/18	Our Bank issued a notice dated April 18, 2018 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to issuance of notice, our Bank filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Kollam to pass an order and direction to take physical possession of the secured properties which was allowed on November 9, 2018.	Matter is pending before the Chief Judicial Magistrate, Kollam for commissioner report.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Further, our Bank also filed an original application dated July 20, 2018 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for recovery of ₹ 240.89 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to permit our Bank to realise the entire amount due from all the defendants and by sale of schedule property.	Matter is pending before DRT, Ernakulam.
9.	Maliyakkal Industries and others	October 19, 2015	503/2015	Our Bank issued a notice on August 31, 2015 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank initiated steps for sale of the scheduled property by issuing sale notice dated January 7, 2016. Aggrieved by the action taken by our Bank, Mr. Sajeev M.J., managing partner of the Maliyakkal Industries, filed application on January 15, 2016 under Section 17 of the SARFAESI Act, challenging the sale notice before DRT-2, Ernakulam and to quash the proceedings under the SARFAESI Act. The application filed by the Borrower under section 17 of the SARFAESI Act has been disposed off vide orders dated June 25, 2019 passed by DRT–2 Ernakulam by partly allowing the application filed by Mr. Sajeev M.J., managing partner of the Maliyakkal Industries and setting aside the possession notice dated December 4, 2015 for alleged non- compliance of the Security Interest Enforcement Rules, 2002. Thereafter, our Bank filed an appeal before DRAT, Chennai under Section 18 of the SARFAESI Act on July 30, 2019 against the order dated June 25, 2019 passed by DRT-2, Ernakulam setting aside the possession notice issued by our Bank and the same is pending. Further Mr. Sajeev M J, managing partner of the Borrower filed a review petition on August 2, 2019 before DRT-2, Ernakulam against the order dated June 25, 2019 passed by DRT-2, Ernakulam with respect to the order regarding nature of land.	Pursuant to issuance of the notice, further action under the SARFAESI Act is under progress. Application filed by the Borrower before DRT-2, Ernakulam has been disposed off. The appeal filed by our Bank before DRAT, Chennai is pending and the review application filed by the Borrower is pending before DRT-2, Ernakulam.
				Further, our Bank also filed an original application dated October 19, 2015 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 231.15 million with applicable interest from the date of application till	Matter is pending before DRT-2, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				realisation and award costs of the application; and (ii) recovery of the amount by sale of mortgaged properties and other properties. Further, DRT-2, Ernakulam through its order dated November 12, 2015 granted an ad-interim injunction restraining the respondents from alienating or encumbering the operating application schedule property until the disposal of the impugned assets.	
10.	Navarathna Jewelers and others	October 17, 2017	430/17	Our Bank issued a notice dated November 13, 2015 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to notice our Bank also issued a possession notice dated February 23, 2016, Further, physical possession was taken by our Bank with the assistance of the advocate commissioner.	Pursuant to taking physical possession, further steps for recovery are under progress.
				Ms. Vasanthi filed an original suit dated March 15, 2017 before the Munsiff Court, Wadakkanchery against Mr. Suresh Kumar, a partner of M/s. Navarathna Jewellers, our Bank and others. She alleged that Suresh Kumar had fraudulently taken her signature for creating encumbrance on the scheduled property in favour of our Bank. Aggrieved by this, she preferred the present suit and prayed for an issue of ad-interim injunction restraining our Bank from evicting her and from taking possession of the scheduled property.	Matter is pending before the Munsiff Court, Wadakkanchery.
				Further, Ms. Shabira (tenant of one of the scheduled properties) filed an original suit before Munsiff Court, Chavakkad dated July 11, 2017 against our Bank and Mr. Suresh Kumar, partner of Navarathna Jewellers seeking an ad-interim injunction to restrain our Bank and Suresh Kumar from evicting from the scheduled property.	Matter is pending before the Munsiff Court, Chavakkad.
				The Borrower also preferred an application dated February 7, 2017 under Section 17 of the SARFAESI Act before DRT-2, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section 13(2), Section 13(4) and Section 14 of the SARFAESI Act.	Application filed by the Borrower is pending before DRT-2, Ernakulam.
				A separate application under the SARFAESI Act was filed by a third party, Ms. Seethalakshmi before DRT-2, Ernakulam on October 6, 2017 alleging that the sale deed created in favour of the Borrower is fabricated. Ms. Seethalakshmi claimed the right over the scheduled property and prayed before DRT-2, Ernakulam to pass an order that the proceedings initiated under the	Matter is pending before DRT-2, Ernakulam and Munsif Court, Chavakkad respectively.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				SARFAESI Act is invalid and there is no valid mortgage over the scheduled property. Further, Ms. Seethalakshmi also filed original suit no. 1427/2017 and 801/16 before Munsiff Court, Chavakkad against our Bank and Suresh Kumar, partner of Navarathna Jewellers for seeking an order (i) to declare that the sale deed is null and void; and (ii) to restrain our Bank and Suresh Kumar, partner of Navarathna Jewellers from causing any hindrance and disturbance to Seethalakshmi residing in the scheduled property.	
				Further, our Bank also filed an original application dated October 17, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Our Bank prayed for (i) recovery of ₹ 179.38 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to be permitted to realise the entire amount due by sale of scheduled properties.	Matter is pending before DRT-2, Ernakulam.
				Our Bank has filed six claim petitions before the Rent Control Court, Chavakkad for lifting the third party attachments effected over one of the mortgaged property. The aforesaid claim petitions were dismissed by the Rent Control Court, Chavakkad vide orders dated August 24, 2019. Aggrieved by the said orders, our Bank has filed six appeals dated October 1, 2019 before Sub Court, Chavakkad. Meanwhile, the said property was sold by our Bank under SARFAESI Act which was purchased by a third party. Our Bank issued sale certificate dated May 15, 2019 in favour of the purchaser. The Sub Registrar, Thrissur refused to register the sale certificate. Aggrieved by the action of the Sub Registrar, Thrissur the purchaser filed a writ petition no. 26554 of 2019 dated August 19, 2019 before the High Court of Kerala against the Sub Registrar, Thrissur and others including our Bank for directing: (a) the Sub Registrar, Thrissur for registering the sale certificate, and (b) the Sub Registrar, Thrissur and Village Officer, Thrissur to efface the attachments noted after the creation of mortgage with our Bank by the Borrowers.	Matter is pending before Sub Court, Chavakkad and the High Court of Kerala.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
11.	Mr. Ajith Kumar proprietor of Sree Vinayaka Motors	July 10, 2017	300/17	Our Bank has issued a notice on April 4, 2017 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. A possession notice was issued on March 23, 2018. The Borrower preferred an application dated March 3, 2018 under Section 17 of the SARFAESI Act before DRT-2, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section 13(2), Section 13(4) and Section 14 of the SARFAESI Act. The Borrower has also filed an original suit no. 133/17 dated January 1, 2017 before the Munsiff Court, Kottarakkara for grant of permanent prohibitory injunction restraining our Bank and others from entering the plaint scheduled property.	Application filed by the Borrower was disposed-off on August 7, 2019 as settled between the parties. The suit filed by the Borrower was disposed-off as not pressed vide orders dated August 5, 2019.
				Further, our Bank also filed an original application dated July 10, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 170.78 million with applicable interest from the date of application till realisation and award costs of the application and (ii) recovery of the amount from the sale of the scheduled mortgaged immovable properties.	The original application was disposed-off vide final order dated September 18, 2019 in terms of the compromise recorded therein.
				Our Bank filed a writ petition W.P (C) no. 35040/2017 before the Kerala High Court on November 1, 2017 against the Borrower and others against the revenue recovery attachment effected by the Tahsildar (R.R.) Kollam on scheduled properties belonging to the Borrower which are mortgaged with our Bank and interalia prayed to issue a writ of mandamus directing the District Collector Kollam, Tahsildar Taluk office Kottarakara and Deputy Tahsildar (R.R), Taluk office Kottarakara to lift the attachment over the property as our Bank has got priority right over the said property.	The matter is pending before the Kerala High Court.
12.	Lakshmi Ranga Enterprises and Lakshmi Traders	December 31, 2015	165/2016	Our Bank issued a notice on July 28, 2015 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, a corrigendum notice was issued on September 10, 2015 to incorporate a credit facility that was missed out in the notice dated July 28, 2015. Pursuant to the notice issued, our Bank took the symbolic possession of the properties. The	Matter is pending before DRT 2, Chennai

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Borrower preferred an application dated September 17, 2018 under Section 17 of the SARFAESI Act before DRT-2, Chennai challenging the legal validity of the steps initiated by our Bank under Section 13(2), Section 13(4) and Section 14 of the SARFAESI Act.	
				Our Bank also filed an original application dated December 31, 2015 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. The DRT-II, Chennai on March 22, 2018 allowed the application and passed the order: (i) to allow the our Bank to recover ₹ 170.11 million with interest at the rate of 12 % per annum from date of the application till the realization, together with costs; and (ii) to sell the scheduled properties in case of failure of repayment of the amount due; and (iii) to issue recovery certificate in favour of our Bank. Further, a recovery certificate was issued on May 14, 2018 entitling our Bank to recover ₹ 215.85 million from Lakshmi Ranga Enterprises and M/s. Lakshmi Traders.	The matter is pending before recovery officer, DRT, Chennai.
13.	DFL Infrastructure (formerly Dhandapani Finance Limited)	March 28, 2014	91/2014	Punjab National Bank, being the leader of the consortium loan, had issued a demand notice on February 4, 2015 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act.	Pursuant to issuance of the notice, appropriate action will be taken in due course.
				Further, Punjab National Bank, being the leader of the consortium loan, also filed original application on March 28, 2014 before DRT-2, Chennai under the RDB Act, on behalf of all the consortium members in relation to default in the repayment of certain credit facilities extended to the Borrower. Further, the application was allowed and among other reliefs granted, our Bank was entitled to recover ₹ 159.82 million with future interest at the rate of 10.75% p.a. with monthly rests from the date of filing of original application and for the sale of scheduled immovable properties. Further, recovery certificate was issued on June 19, 2018 and pursuant to that demand notice was issued on July 12, 2018 for recovery of the amount due.	Matter is currently pending before DRT-2, Chennai.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
14.	Raipur Waste Management Private Limited and others	December 3, 2015	542/2016	Our Bank has issued a notice on July 11, 2015 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed a petition under Section 14 of the SARFAESI Act before Chief Judicial Magistrate, Palakkad on January 17, 2019 to pass an order to take physical possession of the secured immovable property that was allowed on February 15, 2019.	The implementation of the order is pending.
				Further, our Bank also filed an original application dated December 3, 2015 before DRT-1, Bangalore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for: (i) recovery of ₹ 158.43 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due. On March 14, 2016 an ex-parte order of temporary injunction was granted in favour of our Bank restraining Subhash Menon and Radhika Subhash (guarantors of the facility extended) from alienating the property till further order of DRT-1, Bangalore.	Matter is pending before DRT-1, Bangalore.
15.	Milan Steel & Home Appliances Private Limited	December 26, 2014	39/2015 1789/2014	Our Bank issued a notice dated March 30, 2014 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, notice for physical possession was issued on March 29, 2016 by District Magistrate, Thane. Devendra Shivji Shah, director of Milan Steel & Home Appliances Limited preferred an application dated January 10, 2017 under Section 17 of the SARFAESI Act before DRT-3, Mumbai challenging the legal validity of the steps initiated by our Bank under the SARFAESI Act.	Implementation of the orders of District Magistrate, Thane is pending. The application filed by the Borrower is pending with DRT-3, Mumbai.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Further, our Bank also filed an original application dated December 26, 2014 before DRT-3, Mumbai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to Milan Steel & Home Appliances. Among other reliefs, our Bank prayed for: (i) recovery of ₹ 133.40 million with applicable interest from the date of application till realisation and award costs of the application; (ii) scheduled immovable properties to be declared validly mortgaged in the favour of our Bank; and (iii) scheduled immovable properties to be sold and the proceeds from the sale to be adjusted towards the claim.	Original application that was filed by our Bank was allowed and the matter is pending before the recovery officer at DRT-3, Mumbai.
16.	Srivari Trading Company and others	October 18, 2012	441/12	Our Bank filed an original application dated October 18, 2012 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Our Bank prayed for (i) recovery of ₹ 111.73 million with applicable interest from the date of application till realisation and award costs of the application (ii) recovery from defendants, their properties and assets. Subsequently, one of the Borrowers Mr. Bharath Balasubramanian along with Ms. Parvathy Balasubramanian filed an original suit no. 401/2013 dated July 11, 2013 before the Sub-Court, Ernakulam and prayed for: (i) partition of the suit schedule properties and putting the plaintiffs in separate possession of their shares in the suit scheduled properties and any other properties brought into the ambit of the suit; and (ii) permanent injunction restraining the defendants from alienating the suit scheduled properties, till the partition is effected. Further, Ms. Shobhana Balasubramanian, a defendant of original suit no. 401/2013 filed an interlocutory application no. 3175/2019 dated October 14, 2019 seeking relief against our Bank to maintain status quo with regard to the immovable properties which are in the possession of our Bank	Matter is pending before DRT, Ernakulam. Suit and application filed before Sub-Court, Ernakulam are pending.
17.	Kalpatharu Spinning and Weaving Mills and others	May 5, 2017	373/2017	Our Bank has issued a notice on March 28, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Coimbatore on July 31, 2017 to take steps to issue order for physical possession of the secured properties which are secured to the limit availed by the Borrower	Pursuant to taking physical possession of secured properties, further action will be taken in due course.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				and to take possession and handover the possession of secured assets to recover the dues of our Bank. The application was allowed by the District Magistrate, Coimbatore vide order dated August 20, 2019 and subsequently physical possession of secured properties was taken.	
				Further, our Bank also filed an original application dated May 5, 2017 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 110.14 million with applicable interest from the date of application till realisation and award costs of the application.; and (ii) to pass an order for sale of the mortgaged and scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT, Coimbatore.
				Mr. S Vijayakumar and Mr. S. R. Subramaniam ("**Plaintiffs**"), who are the partners of the Borrower company, filed an original suit no. 142/2019 and an injunction application no. 3/2019 before the District Munsif, Sulur on October 25, 2019 against five parties of which our Bank was the third defendant. Further, the Borrower was the second defendant against whom our Bank initiated measures under SARFAESI Act and filed original application under RDB Act. The Plaintiffs prayed for: (i) permanent injunction restraining the defendants, their man, henchman, agents, relatives and anybody else on their behalf to not interfere the Plaintiffs peaceful possession and enjoyment of the suit property; and (ii) granting a permanent injunction restraining the defendants, their agents, not to encumber the suit property including deed of conveyance or cancellation.	Matters are pending before the District Munsif, Sulur.
18.	Sri Harichandra Agencies	May 2, 2016	399/2016	Our Bank issued a notice on November 27, 2015 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, a possession notice was issued on February 3, 2016 to take over the possession of the scheduled properties Our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Tiruvallur on June 27, 2016 to take steps to issue orders for physical possession of the secured properties which has been allowed on April 30, 2018. Aggrieved by the steps taken, the Defendants	The implementation of the orders is pending. Application filed by the tenants of the scheduled properties is pending with DRT-II, Chennai.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				preferred an application dated November 12, 2018 before DRT-III, Chennai under Section 17 of the SARFAESI Act challenging the legal validity of the steps initiated by our Bank under the SARFAESI Act. The application was dismissed on February 7, 2019 as it was devoid of any merit. Further, the tenants of the scheduled properties filed an application dated February 22, 2019 before DRT-II, Chennai against the physical possession attempted by our Bank based on the orders passed by District Collector, Thiruvallur.	
				Further, our Bank also filed an original application dated May 2, 2016 before DRT-II, Chennai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for recovery of ₹ 90.74 million with applicable interest from the date of application till realisation and award costs of the application. DRT-II, Chennai allowed this application on March 27, 2018 and ordered our Bank to recover the aforesaid claim and to sell the disclosed properties in case defendant fails to repay the amount due. The DRT-II, Chennai has appointed advocate commissioner and issued attachment warrant to take possession of the security.	The matter is currently pending before the recovery officer, DRT-II, Chennai.
19.	Malabar Sand and Stones	August 13, 2012	362/12	Our Bank issued a notice dated March 16, 2012 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, our Bank filed a petition under section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Thalassery on October 22, 2019 to pass an order to take physical possession of certain items of the secured properties.	Pursuant to issuance of notice, appropriate action will be taken in due course. Matter filed before the Chief Judicial Magistrate, Thalassery is currently pending.
				Further, our Bank filed an original application dated August 13, 2012 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Our Bank prayed for (i) recovery of ₹ 88.94 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) for sale of scheduled immovable properties and machineries and to apply the sale proceeds towards the amount due.	Matter is pending before DRT, Ernakulam.
20.	Mr. Stephen K.A., proprietor, Surya Spices	October 26, 2018	610/2018	Our Bank issued a notice dated April 17, 2018 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our	Pursuant to taking physical possession of the secured properties, further

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank also issued notice for symbolic possession on September 7, 2018 and September 11, 2018 to recover the outstanding dues. Subsequently, our Bank filed a petition under section 14 of the SARFAESI Act before the Additional Chief Judicial Magistrate, Ernakulam on April 25, 2019 to pass an order to take physical possession of the secured properties and the court allowed the application appointing an advocate commissioner to take physical possession of one of the secured immovable properties on May 4, 2019. Subsequently, physical possession of the secured property was taken on November 6, 2019. Our Bank filed another petition under section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Ernakulam on June 20, 2019 to pass an order to take physical possession of other secured properties stated therein and the court allowed the application appointing an advocate commissioner to take physical possession of the secured immovable properties on July 23 2019. Further, a writ petition no. 29896/2019 was filed by the Borrower before Kerala High Court at Ernakulam on November 6, 2019 against (i) the actions taken by our Bank under the SARFAESI Act, and (ii) the notice issued by the advocate commissioner to take possession of the scheduled assets. The said writ petition no. 29896/2019 was dismissed by the order of Kerala High Court dated November 19, 2019. The Borrower preferred an application dated October 21, 2018 under Section 17 of the SARFAESI Act before DRT, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	action of recovery is under progress. Application filed by the Borrower is pending before DRT, Ernakulam
				Further, our Bank also filed an original application dated October 26, 2018 before DRT, Ernakulam under the RDB Act in relation to default in the repayment of certain credit facilities extended to the Borrowers. Among other reliefs, our Bank prayed for (i) recovery of ₹ 87.22 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties after recording bank's charge/mortgage right over the same in case of default of the payment of the debt and if the amounts realized by the sale of the mortgaged properties are not sufficient to cover the debts due from the defendants,	Matter is pending before DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				order may be passed to arrest the defendants and detain them in civil prisons till realization of the amounts due.	
21.	Neha Leather	March 6, 2019	263/19	Our Bank issued a notice dated July 29, 2014 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank preferred an application before the Chief Judicial Magistrate, Thrissur on November 3, 2018 and another petition before Chief Judicial Magistrate, Ernakulam on January 5, 2019 to pass an order to take physical possession of the property. Both the applications were allowed by the respective Chief Judicial Magistrates. Aggrieved by the order of the Chief Judicial Magistrate, Thrissur, the Borrower preferred an application dated February 1, 2019 under Section 17 of the SARFAESI Act before DRT, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section 13(2), Section 13(4) and Section 14 of the SARFAESI Act.	Implementation of orders for physical possession is pending and the application filed by the Borrower is pending before DRT, Ernakulam.
				Further, our Bank also filed an original application dated March 6, 2019 before DRT, Ernakulam under the RDB Act, for recovery of ₹ 75.34 million with applicable interest from the date of application till realisation and award costs of the application	Matter is pending before DRT, Ernakulam.
22.	MG Gold Realtors Limited and others	June 3, 2017	2807/2017	Our Bank has issued a notice on August 3, 2016 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, the physical possession of the secured property was taken by State Bank of India being the lead bank on behalf of the consortium of banks.	Pursuant to issuance of notice, further action for recovery is under progress.
				Further, our Bank also filed an original application dated June 3, 2017 before DRT-1, Chandigarh under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for recovery of ₹ 74.57 million with applicable interest from the date of application till realisation and award costs of the application. DRT-1, Chandigarh ordered that MG Gold Realtors and other defendants are liable to pay the claim vide order dated May 31, 2018. Further, DRT-1, Chandigarh directed the recovery officer to proceed to recover the amount of	Matter is pending before the recovery officer, DRT- 1, Chandigarh.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				debt from the sale of hypothecated and mortgaged properties.	
23.	Rasi Textiles	November 27, 2017	40/2018	Our Bank issued a notice dated April 5, 2016 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Coimbatore on July 17, 2017 to take steps to issue order for physical possession of the secured properties which are secured to the limit availed by the Borrower and to take possession and handover the possession of secured assets to recover the dues of our Bank. The Borrowers filed an application dated August 4, 2016 under Section 17 of the SARFAESI Act before DRT, Coimbatore challenging the actions of our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	Mattes are pending before the District Magistrate, Coimbatore and DRT, Coimbatore respectively.
				Further, our Bank filed an original application dated November 27, 2017 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed: (i) for recovery of ₹ 73.79 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to realise the entire amount due by sale of scheduled mortgaged properties.	Mattes are pending before the District Magistrate, Coimbatore and DRT, Coimbatore respectively.
24.	Ohm Namasivaya Cashews and others	July 18, 2017	439/18	Our Bank has issued a notice on April 22, 2016 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, our Bank's application under Section 14 of SARFAESI act for possession of scheduled property was allowed on September 30, 2016.	Further steps pursuant to taking possession will be taken in due course. .
				Further, our Bank also filed an original application dated July 18, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 69.74 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order that immovable property mortgaged is liable to be sold retaining first charge in favour of our Bank.	Matter is pending before DRT-2, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
25.	Orma Marble World and others	March 23, 2019	260/19	Our Bank issued a notice dated November 1, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequent to the failure of the Borrower to discharge his liability within 60 days, our Bank also issued possession notice on January 8, 2018 against the Borrower. The Borrower preferred an application before DRT-2, Ernakulam on February 22, 2018 under Section 17 of the SARFAESI Act, challenging the legal validity of the steps initiated by our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	Both the matters are pending before DRT-2, Ernakulam.
				The Borrowers preferred application under Section 17 of the SARFAESI Act on September 6, 2018 before DRT-2, Ernakulam challenging the legal validity of steps initiated by our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	
				Mr. Lalji Joseph filed a civil suit before the Munsiff Court, Irinjalakkuda against the action of our Bank in taking possession of secured properties in the account of Orma Marble World and alleged that scheduled properties were not in the demand notice issued.	Matter is pending before the Munsiff Court, Irinjalakkuda.
				Further, our Bank filed an original application dated March 23, 2019 before DRT-1, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to Orma Marble World. Among other reliefs, our Bank prayed for (i) recovery of ₹ 65.62 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for recovery of the amount from the scheduled mortgaged properties with our Bank.	Matter is pending before DRT-1, Ernakulam.
26.	Horizon Outsource Solutions Private Limited and others	December 18, 2018	4/2019	Our Bank issued a notice dated August 21, 2018 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed a petition under section 14 of the SARFAESI Act before the Chief Metropolitan Magistrate, Mumbai on May 2, 2019 to pass an order to take physical possession of the secured assets. The petition was allowed through an order dated June 26, 2019 and permission was granted to take possession of the secured property.	Implementation of orders for physical possession is pending.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Further, our Bank also filed an original application dated December 18, 2018 before DRT-3, Mumbai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed: (i) for recovery of ₹ 64.86 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to hypothecate and mortgage the scheduled immovable and movable properties respectively in favour of our Bank and to recover the dues payable by the sale of scheduled properties.	Matter is pending before DRT-3, Mumbai.
27.	Aiswarya Cashew Company and others	May 25, 2016	10/16	Our Bank has issued a notice on April 30, 2015 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to the notice Bank has also taken the physical possession of the secured properties.	Pursuant to the physical possession of the secured property, further steps are under progress.
				Further, our Bank also filed an original application dated May 25, 2016 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 63.30 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due. Further, DRT-2, Ernakulam on June 30, 2017 allowed the petition and among other reliefs, passed an order: (i) to pay an amount of 63.30 million with further interest at the rate of 14.25% per annum with monthly costs from May 21, 2016 till realization; (ii) to sell the scheduled property in the event of failure to pay the amount due and appropriate the net sale proceeds; and (iii) if the sale proceeds are not sufficient then defendants will be personally liable to pay the deficient amount. Further, pursuant to the issue of debt recovery certificate on September 26, 2017, a demand notice was issued by the recovery officer to deposit the recovery amount.	Original application was allowed with cost by DRT, Ernakulam. on June 30, 2017. Matter is pending before recovery officer, DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
28.	Sun Mars Steels India Private Limited and others	October 6, 2016	583/16	Our Bank has issued a notice on November 26, 2015 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Coimbatore on November 23, 2017 to take steps to issue order for physical possession of the secured properties which are secured to the limit availed by the Borrower and to take possession and handover the possession of secured assets to recover the dues of our Bank.	Matter is pending before the District Magistrate, Coimbatore.
				A third party claiming himself to be a lessee of the property mortgaged with our Bank filed original suit no. 1286/2019 dated September 13, 2019 before the Principal District Munsiff, Coimbatore against the action of our Bank praying for a decree for not taking the physical possession and to restrain the defendants from interfering with the peaceful possession and enjoyment of the suit property.	Matter is pending before the District Munsiff, Coimbatore.
				Further, our Bank also filed an original application dated October 6, 2016 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, o Bank prayed for (i) recovery of ₹ 62.75 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties for realisation of recovery amount due.	Matter is pending before DRT, Coimbatore.
29.	Mr. N. Jaikumar, proprietor Thirumala Traders and others	August 1, 2015	416/2015	Our Bank issued a notice on July 30, 2014 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to the issuance of the notice, our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Tiruppur on July 20, 2015 to issue order for physical possession of the secured properties which are secured to the limit availed by the Borrower and to take possession of secured assets to recover the dues of our Bank. Aggrieved by the steps initiated by our Bank under Section 13(2), Section 13(4) and Section 14 of the SARFAESI Act, the parties Mr. U V Jeevanandan and J. Hemalatha preferred an application under Section 17 of the	Matters are pending before the District Magistrate, Tiruppur and DRT, Coimbatore, respectively.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				SARFAESI Act before DRT, Coimbatore to quash the proceedings under the SARFAESI Act and alleged that the schedule property belongs to them and the mortgage deed created in favour of our Bank by the borrower/mortgagor is null and void.	
				Further, our Bank also filed an original application dated August 1, 2015 before DRT-2, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for: (i) recovery of ₹ 61.99 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled immovable properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due. Further, our Bank along with one other petitioner filed a writ petition no. 1649/2019 dated January 8, 2019 against the order dated October 13, 2014 in Ref.No. Na.ka.730/2014/C2 passed by the Assistant Commissioner of Land Reforms, ordering to cancel the documents of title by which the Borrower had obtained the title to the property and subsequently mortgaged with our Bank. Borrower is one of the respondents of the writ petition against whom the original application filed by our Bank is pending.	Matter is pending before DRT-2, Coimbatore. Writ petition filed by our Bank is pending before Madras High Court.
30.	Mandakan Energy Products and others	December 12, 2017	8/2018	Our Bank issued a notice dated June 2, 2015 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank also issued a possession notice dated October 30, 2015 against the Borrower and filed a petition for physical possession of the property on December 12, 2017 and the petition was allowed on April 24, 2018. Further, an advocate commissioner was appointed for taking the possession of the properties. Aggreived by the steps, the Borrower preferred application under Section 17 of the SARFAESI Act before DRT-1, Ernakulam on May 1, 2018 challenging the legal validity of the steps initiated by our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	Application filed by the Borrower is pending before DRT-1, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Further, our Bank also filed an original application dated December 12, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs sought, our Bank prayed: (i) for recovery of ₹ 60.60 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to realise the entire amount due by sale of scheduled properties. The original application was disposed off vide orders dated May 28, 2019 in terms of the compromise recorded therein.	The matter was decreed vide order dated May 28, 2019
31.	Royal Splendour Developers Private Limited and others	July 31, 2017	108/18	Our Bank has issued a notice on July 15, 2016 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act.	Pursuant to issuance of notice, further steps under SARFAESI Act are under process and further action will be taken in due course.
				Further, our Bank also filed an original application dated July 31, 2017 before DRT-2, Chennai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. The DRT-2 Chennai allowed the application on May 9, 2019 and passed an order: (i) to recover ₹ 60.51 million with interest at the rate of 12 % p.a. from the date of application till the date of realization with costs; (ii) to sale the scheduled properties in case the amount is not recovered; (iii) to issue recovery certificate in favour of our Bank; and (iv) to file cost memo.	Matter is pending before recovery officer, DRT-2, Chennai.
32.	Sam Steels	July 19, 2018	409/2018	Our Bank issued a notice dated November 3, 2017 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act and subsequently taken possession of the secured properties.	Pursuant to taking the physical possession, further action of recovery is under progress.
				Further, our Bank also filed an original application dated July 19, 2018 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 59.42 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to direct the sale of the schedule immovable property described after recording our Bank's charge/ mortgage bank's for recovering the amount due.	Matter is pending before DRT-2, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
33.	Mr. O.R. Navaneethan, and others.	October 24, 2018	44/19	Our Bank issued a notice dated July 30, 2018 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act.	Subsequent to issuance of notice, appropriate action will be taken in due course.
				Further, our Bank also filed an original application dated October 24, 2018 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrowers. Among other reliefs, our Bank prayed for (i) recovery of ₹ 57.52 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT, Coimbatore.
34.	Arjun Associates	November 27, 2015	555/2015	Our Bank issued a notice on October 14, 2015 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank filed a petition against the Borrower on December 3, 2016 before the Chief Judicial Magistrate, Kozhikode under Section 14 of the SARFAESI Act for taking physical possession of the scheduled property which was granted on December 01, 2017.Further, a notice for sale was also issued on February 5, 2019. Aggrieved by the steps taken, the Borrower filed an original suit before the Munsiff Court, Kozhikode seeking an order to restrain our Bank from conduction any sale of the scheduled properties.	Matter is pending before the Chief Judicial Magistrate, Kozhikode for filing of Advocate Commissioner Report. Suit filed by the Borrower is pending before the Munsiff Court, Kozhikode.
				Further, our Bank also filed an original application dated November 27, 2015 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. The application was allowed on February 19, 2018 and order was passed for (i) recovery of ₹ 55.82 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) sale of scheduled properties. Further, recovery certificate was issued entitling our Bank to recover the amount due from the Borrower.	Matter is pending before the recovery officer, DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
35.	Padmini Jewelers Private Limited and others	December 19, 2012	475/2012	Our Bank has filed an original application dated December 19, 2012 before DRT, Kolkata under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for: (i) recovery of ₹ 55.76 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT, Kolkata.
36.	Flower Cottons	November 27, 2017	50/2018	Our Bank issued a notice dated April 5, 2016 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank has also filed a petition under Section 14 of the SARFAESI Act for taking physical possession of the secured property before the District Magistrate, Coimbatore on July 17, 2017. The Borrowers filed an application dated August 4, 2016 under Section 17 of the SARFAESI Act before DRT, Coimbatore challenging the actions of our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	Matters are pending with the District Magistrate, Coimbatore and Matter is pending before DRT, Coimbatore respectively.
				Further, our Bank also filed an original application dated November 27, 2017 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 54.95 million with applicable interest from the date of application till realization and award costs of the application; and (ii) to direct the sale of scheduled mortgaged properties for realization of the amount due.	Matter is pending before DRT, Coimbatore.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
37.	Sound Craft Industries Limited and others	February 1, 2005	10/2005	Our Bank filed an original application dated February 1, 2005 before DRT-1, Mumbai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. The DRT-1, Mumbai allowed the application on September 10, 2009 and declared that: (i) our Bank is entitled to a recovery certificate against the defendants for a sum of ₹ 54.56 million with further interest at the rate of 10% p.a. from the date of the application till the relisation of the costs; (ii) in case of default, our Bank is allowed to sell the scheduled properties and appropriate the sale proceeds towards the amount due; and (iii) if the sale proceeds are not sufficient then Rajkumar C. Basanthani and Seema R. Basanthani, directors of Soundcraft Industries Limited will be personally liable to pay the deficient amount. Subsequently, a demand notice was issued on January 28, 2010 by the recovery officer to pay the amount due.	Matter is pending before recovery officer, DRT-1, Mumbai.
38.	Digital Designers and others	July 12, 2019	O.A. (L) 427/2019	Our Bank has issued a notice on May 22, 2019 against the borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Symbolic possession of the security property was taken on August 23, 2019.	Pursuant to taking the symbolic possession, further action of recovery is under progress.
				Further, our Bank filed an original application dated July 12, 2019 before DRT-1, Mumbai under the RDB Act against the Borrowers for the credit facilities extended to Digital Designers and others. Among other reliefs, our Bank prayed for (i) recovery of ₹ 54.36 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) recovery of the amount by the sale of scheduled mortgaged properties and hypothecated assets.	Matter is pending before DRT-1, Mumbai.
39.	Mr. Wilson Thomas, proprietor Amala Trading Company and others	May 24, 2016	421/16	Our Bank has issued a notice on March 20, 2015 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Ernakulam on March 18, 2019 to pass an order to take physical possession of the secured immovable properties which are secured to the limit availed by the Borrower which has been allowed on March 19, 2019. Our Bank also issued a sale notice dated	The implementation of the order is pending. The application filed by Mrs. Susan Chandran is pending before the DRT –1, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				February 9, 2017 for the scheduled properties including the property inherited by Mr. Martin Thomas on the expiry of his father, who was the guarantor and mortgagor to the loan transaction. Mr. Martin Thomas preferred an application dated March 15, 2017 under Section 17 of the SARFAESI Act before DRT-2, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section SARFAESI Act and alleged that it is mandatory to issue the demand notice to legal heirs, which is not complied by our Bank. The application filed by the borrower was dismissed vide order dated August 22, 2019. A third party Mrs. Susan Chandran who was not involved in any of the transaction between our Bank and the Borrower filed a securitization application no. 295/19 dated October 10, 2019 before DRT-1, Ernakulam under Section 17 of the SARFAESI Act, challenging the legality of the actions taken by our Bank under SARFAESI Act and claiming right over the mortgaged property in the capacity of legal heir of the deceased owner of the property.	
				Further, our Bank also filed an original application dated May 24, 2016 before DRT-1, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 53.98 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT-1, Ernakulam.
40.	Bhagyalakshmi Cashew	September 29, 2018	532/18	Our Bank issued a notice dated November 4, 2017 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to issue of notice, our Bank filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Kollam on September 22, 2018 to pass an order to take physical possession of the secured properties and the same was allowed.	Matter is pending before the Chief Judicial Magistrate Court for Commission report.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Further, our Bank also filed an original application dated September 29, 2018 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank has prayed for: (i) recovery of ₹ 53.00 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) directing the sale of scheduled properties in public auction or private treaty and sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT, Ernakulam.
41.	Al Ameen Cashew Traders	August 28, 2019	547/2019	Our Bank issued a demand notice dated October 31, 2018 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Sec 13 (4) of the SARFAESI Act.	Subsequent to issuance of notice, appropriate action will be taken in due course.
				Further, our Bank also filed an original application dated August 28, 2019 before DRT-II, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the borrowers. Among other reliefs our Bank prayed for (i) recovery of ₹ 52.51 million with applicable interest from the date of application till realization and award cost of the application; and (ii) to pass an order for realisation of the amount from sale of mortgaged assets.	Matter is pending before DRT-II, Ernakulam.
42.	Chemox Chemical Industries Limited	November 24, 1998	5483/1998 before Bombay High Court Original application no. 1744/2000	Our Bank filed a civil petition dated November 24, 1998 before the Bombay High Court in relation to default made in the repayment of certain credit facilities extended to the Borrower. Subsequently, the Bombay High Court passed an order for liquidation on January 19, 1999. On the formation of debt recovery tribunals, the matter was transferred to DRT, Mumbai which allowed the application on May 11, 2004 and among other reliefs, passed an order to issue a recovery certificate amounting to ₹ 52.31 million with an interest at the rate of 15.27% p.a. with quarterly rests from the date of filing of application till the recovery of the costs keeping the charge of the said amount on the hypothecated and mortgaged properties.	The matter is currently pending.
43.	Baby Shop and others	March 8, 2018	109/2018	Our Bank issued a notice dated November 4, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently,	Matter is pending before the Chief Judicial Magistrate, Trivandrum for implementation of the orders.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				our Bank has also filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Thiruvananthapuram in June, 2018 to pass an order to take physical possession of the secured immovable properties which are secured to the limit availed by the Borrower. The petition was allowed.	
				Further, our Bank has filed an original application dated March 8, 2018 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed: (i) for recovery of ₹ 51.81 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to be permitted to realise the entire amount due by sale of scheduled properties.	Matter is pending before DRT, Ernakulam.
44.	JC Equipments Private Limited, P. Charles Daniel and Rita Sharma	September 5, 2018	683/18	Our Bank issued a notice dated January 24, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to the issuance of notice, our Bank filed a petition under Section 14 of the SARFAESI Act before the District Magistrate, Coimbatore on June 25, 2018 to take possession of the secured assets.	Matter is pending before the District Magistrate, Coimbatore.
				Further, our Bank also filed an original application dated September 5, 2018 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for: (i) recovery of ₹ 51.38 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due. (iii) to pass an order, that if the net sale proceeds of the properties are not sufficient to satisfy dues, the other properties of P. Charles Daniel and Rita Sharma be attached.	Matter is pending before DRT, Coimbatore.
45.	P.M. Sunil proprietor 4 B Marketing Associates and others	December 28, 2016	20/17 TA 37/17	Our Bank has issued a notice on August 4, 2015 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, our Bank filed a petition dated January 30, 2016	Implementation of the orders is kept in abeyance in view of the pendency of application filed under the SARFAESI Act before DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Palakkad on to pass an order to take physical possession of the secured immovable properties which are secured to the limit availed by the Borrower Aggrieved by the steps taken, the Borrower preferred an application dated March 9, 2016 under Section 17 of the SARFAESI Act before DRT, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section 13(2), Section 13(4) and Section 14 of the SARFAESI Act.	Application filed by the Borrower is pending before DRT, Ernakulam.
				Further, our Bank also filed an original application dated December 28, 2016 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 51.07 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled immovable properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT-2, Ernakulam.
46.	Monumia Plantation Private Limited and others	March 3, 2017	313/2017	Our Bank has issued a notice on August 26, 2014 against the Borrowers under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. The symbolic possession of properties was taken on January 20, 2016. After complying with all the formalities, on February 4, 2016, auction sale notice was also issued against the Borrower. The Borrower preferred an application dated February 20, 2016 under Section 17 of the SARFAESI Act before DRT-3, Mumbai, challenging the legal validity of the steps initiated by our Bank under Section 13(2), and Section 13(4) and Section 14 of the SARFAESI Act.	Matters are pending before DRT- 3, Mumbai and DRT-2, Mumbai, respectively.
				Further, our Bank also filed an original application dated March 3, 2017 before DRT-2, Mumbai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 50.77 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order that schedule immovable properties are validly mortgaged in favour of our Bank which can be sold to realise the amount due.	

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
47.	Mr. Sijo Joseph, Orma Granite Center and others	March 23, 2019	261/19	Our Bank issued a notice dated January 2, 2018 against the Borrowers and others under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, an order was passed by the High Court of Kerala for taking the possession of the scheduled property through advocate commissioner and possession was taken by our Bank on July 25, 2018. Aggrieved by this, application under Section 17 of the SARFAESI Act was filed on September 14, 2018 by Mr. Sijo Joseph, proprietor of Orma Granite Center and five others before DRT, Ernakulam challenging the legal validity of the steps initiated by our Bank under Section 13(2) and Section 13(4) of the SARFAESI Act.	Both the matters are pending before DRT, Ernakulam.
				Our Bank further filed an original application dated March 23, 2019 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to Orma Granite Center. Among other reliefs, our Bank prayed for (i) recovery of ₹ 49.48 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to permit to realise the entire amount due in cash credit/ODM accounts by sale of scheduled properties.	
48.	K, Mini, Ardra Medicals & Surgicals and others	May 5, 2018	260/18	Our Bank issued a notice dated August 13, 2015 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Physical possession of the secured properties was taken.	Pursuant to taking physical possession, further steps for recovery are under progress.
				Further, our Bank has filed an original application dated May 5, 2018 before DRT, Ernakulam under the RDB Act, in relation to the default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed (i) for recovery of ₹ 46.83 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) making recovery from the sale of scheduled properties.	Matter is pending before DRT, Ernakulam.
49.	Kairali Cashew Company and others	July 24, 2017	336/17	Our Bank has issued a notice on October 20, 2016 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the	The implementation of the orders is pending.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Kollam on April 24, 2017, to pass an order to take physical possession of the secured immovable properties which are secured to the limit availed by the Borrower. The petition was allowed on May 24, 2017.	
				Further, our Bank also filed an original application dated July 24, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 46.62 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to recover the amount by the sale of mortgaged properties lying with our Bank in case of default of the payment of the debt.	Matter is pending before DRT-2, Ernakulam.
50.	Pranavam Cashew Company and others	August 9, 2017	340/17	Our Bank had issued a notice on October 31, 2014 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, Our bank has also filed petition dated August 10, 2015 under Section 14 of SARFAESI Act before the Chief Judicial Magistrate, Kollam for taking physical possession of the secured properties which was been allowed.	The implementation of the orders of the Chief Judicial Magistrate, Kollam is pending.
				Further, our Bank also filed an original application dated August 9, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 45.03 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT-2, Ernakulam.
51.	Infra Hotels and Resorts Limited and others	January 15, 2019	41/19	Our Bank issued a notice dated January 23, 2019 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, a corrigendum notice was issued on April 17, 2019 to incorporate a credit facility that was	Matters are pending before Munsiff Court, Ernakulam and Chief Judicial Magistrate, Ernakulam. Pursuant to taking the symbolic possession, further action of recovery

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				missed out in the notice dated January 23, 2019. Our Bank filed an original suit no. 1063/2018 dated September 27, 2018 against nine parties (wherein the Borrower is defendant no. 8) before the Munsiff Court, Ernakulam seeking permanent prohibitory injunction restraining the defendants no. 1 to 7 from selling, alienating, transferring and/or in any manner encumbering the plaint schedule properties to any person or entity. The Munsiff Court, Ernakulam issued an ad-interim order dated September 27, 2018 restraining the defendants from selling / alienating or in any other manner encumbering the injunction scheduled properties until further orders. Further, our Bank filed a petition dated July 18, 2019 before the Chief Judicial Magistrate, Ernakulam for taking physical possession of one of the scheduled secured properties and the orders are awaited. Further, our Bank took symbolic possession of another scheduled property on July 4, 2019. Aggrieved by the steps taken, the Borrower filed a securitization application no. 230/2019 dated August 5, 2019 under Section 17 of the SARFAESI Act before DRT-1, Ernakulam and sought relief for restraining our Bank to proceed against the scheduled property and declare that demand notice under Section 13(2) of SARFAESI Act has not been served. As there were some discrepancies in the earlier notice issued by our Bank, the same was recalled and a fresh notice dated September 16, 2019 was issued.	is under progress. Application filed by the Borrower is pending before DRT-1, Ernakulam.
				Further, our Bank also filed an original application dated January 15, 2019 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 43.75 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for making recovery from the sale of scheduled property in the event of non-payment.	Matter is pending before DRT, Ernakulam.
52.	Cauvery Inn and others.	June 27, 2019	386/2019	Our Bank issued a notice on November 7, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Symbolic possession of the property was taken on February 16, 2018.	Pursuant to taking the symbolic possession, further action of recovery is under progress.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Further, our Bank filed an original application dated June 27, 2019 before DRT-1 Ernakulam, under the RDB Act against the Borrowers for recovery of the credit facilities extended to Cauvery Inn and others. Among other reliefs, our Bank prayed for (i) recovery of ₹ 43.06 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) recovery of the amount by the sale of scheduled immovable properties.	Matter is pending before DRT-1, Ernakulam.
53.	MSS Medical Equipments and Services Private Limited	July 27, 2018	527/18	Our Bank issued a notice dated August 20, 2018 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Our Bank also issued a sale notice dated December 19, 2018. Aggrieved by the steps taken, the Borrower filed an application under the provisions of the SARFAESI Act before DRT, Coimbatore on January 19, 2019 challenging the sale notice dated December 19, 2018 issued by our Bank under the SARFAESI Act. Further, Mr. Ashok Kumar, a shareholder of the Borrower company preferred application under Section 17 of the SARFAESI Act on March 12, 2019 before DRT, Coimbatore, challenging the legality of the steps initiated by our Bank under SARFAESI Act.	Matter is pending before DRT, Coimbatore.
				Further, our Bank also filed an original application dated July 27, 2018 before DRT, Coimbatore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrowers. Among other reliefs, our Bank prayed for recovery of ₹ 42.61 million with applicable interest from the date of application till realisation and award costs of the application and (ii) to pass an order for sale of the scheduled properties which have been hypothecated and mortgaged to the applicant bank in default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT, Coimbatore.
54.	Punarjani Institute of Medical Sciences and Research Private Limited	March 2, 2016	198/16, TA 175/16	Our Bank has issued a notice on October 8, 2015 against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to issuance of notice, our Bank filed a petition under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Thiruvananthapuram on January 20, 2016 to	The implementation of the orders is pending.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				pass an order to take physical possession of the secured immovable properties which are secured to the limit availed by the Borrower, The Kerala High Court on April 2, 2019 directed the Chief Judicial Magistrate, Thiruvananthapuram to expedite the proceedings and pass appropriate orders. Subsequently, the Chief Judicial Magistrate, Thiruvananthapuram passed an order on May 20, 2019. Further, the Supreme Court on June 17, 2019 through its order, restrained our Bank from dispossessing the Borrower from its property for seven weeks as there were conflicting decisions of different High Courts with respect to the jurisdiction of Chief Judicial Magistrate under Section 14 of the SARFAESI Act. Further, the Supreme Court vide order dated September 23, 2019 disposed off the matter upholding the jurisdiction of Chief Judicial Magistrate under Section 14 of the SARFAESI Act.	
				Further, our Bank also filed an original application dated March 2, 2016 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 42.57 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the scheduled properties in case of default of the payment of the debt and the net sale proceeds to be appropriated towards the recovery of the amount due. Further, an Interlocutory application was filed on the same date to injunct the defendants from alienating and encumbering the mortgaged property pending in the Original application. Subsequently, an ad-interim injunction was granted on March 8, 2016 restraining the defendants from alienating and encumbering the properties	Matter is pending before DRT, Ernakulam.
55.	KJ International and Bhavik S Thakker	March 15, 2018	222/19	Our Bank issued a notice dated October 9, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank has also filed petition for taking physical possession of the scheduled property on October 25, 2018 before the Chief Metropolitan Magistrate, Mumbai and the same was allowed vide order dated August 31, 2019.	The implementation of the order of Chief Metropolitan Magistrate, Mumbai is pending.
				Further, our Bank has filed an original application dated March 15, 2018 before DRT, Mumbai under the RDB Act, in relation	Matter is pending before DRT, Mumbai.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed: (i) for recovery of ₹ 42.45 million with applicable interest from the date of application till realisation and award costs of the application and (ii) to order and direct attachment and sale of the scheduled property in case of Borrowers failing to deposit the amount due and the net sale proceeds to be appropriated towards the recovery of the amount due	
56.	Riyas K.P., proprietor, SR Traders and others	November 26, 2012	511/02 DRC 4018	Our Bank filed an original application dated November 26, 2012 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. The DRT, Ernakulam allowed the application on October 7, 2013 filed by our Bank and passed an order to recover an amount of ₹ 41.84 million with interest at the rate of 18.25% per annum with monthly rests from the date of application till realisation and costs of the application and recovery by the sale of scheduled immovable properties. Further, in view of the recovery certificate dated October 7, 2013, a notice of demand was also issued.	The matter is pending before the recovery officer, DRT, Ernakulam
57.	G J Exports, J.C. Ganesh and others	June 23, 2018	658/18	Our Bank issued a demand notice on April 13, 2015 against G J Exports and G Divya (wife of the proprietor of G J Exports) and June 18, 2015 against JC Ganesh (proprietor of G J Exports) and G divya under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, the Additional Chief Magistrate, Mayohall, Bengaluru allowed our petition under Section 14 of the SARFAESI Act for the physical possession of the scheduled properties. Aggrieved by the steps taken by our Bank, the Borrowers preferred a securitization application no. 169/2019 dated March 25, 2019 under Section 17 of the SARFAESI Act before DRT- II, Bangalore challenging the legality of the steps initiated by our Bank under SARFAESI Act.	Pursuant to taking physical possession appropriate steps for recovery of amount involved are in process. Application filed by the Borrowers is pending before DRT- II, Bangalore.
				Further, our Bank also filed an original application dated June 23, 2018 before DRT-1, Chennai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the borrowers. Among other reliefs, our Bank prayed for (i) recovery of ₹ 41.36 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order that the scheduled properties will be seized and sold by the Tribunal in case of default of the payment of the debt and the net	Recovery proceedings are pending before DRT-1, Chennai.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				sale proceeds to be appropriated towards the recovery of the amount due.	
58.	K M Stone Crusher	February 22, 2013	97/2013	Our Bank filed an original application dated February 22, 2013 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for: (i) recovery of ₹ 41.34 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for recovery and cost of proceedings from the sale of the properties of defendants mortgaged with the applicant bank.	Matter is pending before DRT, Ernakulam.
59.	Narayana Cashews and others	July 18, 2017	Original application 495/18	Our Bank has also issued a notice on April 22, 2016 against the Borrowers under section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed petition under section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Alappuzha for taking physical possession of the secured property and the same was allowed on September 30, 2016.	The implementation of the orders passed by the Chief Judicial Magistrate, Alappuzha is pending.
				Further, our Bank also filed an original application dated July 18, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 40.64 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order that immovable property mortgaged is liable to be sold retaining first charge in favour of our Bank.	Matter is pending before DRT-2, Ernakulam.
60.	JJ Associates	June 20, 2017	317/2017 DRC 151/18	Our Bank issued a notice dated July 7, 2015 against the Borrower under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, physical possession of the secured properties was taken.	Pursuant to taking physical possession, further action of recovery is under progress.
				Further, our Bank also filed an original application dated June 20, 2017 before DRT, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for recovery of ₹ 40.36 million with applicable interest from the date of application till realisation and award costs of the application and (ii) to direct the sale of the schedule immovable	Recovery proceedings are ongoing before recovery officer, DRT, Ernakulam.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				property described after recording our Bank's charge/ mortgage bank's for recovering the amount due. Further, the application was allowed by the DRT, Ernakulam on March 26, 2018.	
61.	Sajila M.H. proprietor FN Cashews and others	January 5, 2019	103/19	Our Bank issued a notice dated July 7, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Subsequently, our Bank filed a petition under section 14 of the SARFAESI Act for taking the possession of the secured assets which was allowed by the Chief Judicial Magistrate, Kollam through order dated November 9, 2018.	Implementation of the orders passed by the Chief Judicial Magistrate, Kollam is pending.
				Further, our Bank also filed an original application dated January 5, 2019 before DRT, Ernakulam under the RDB Act and among other reliefs, prayed for (i) recovery of ₹ 39.91 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order for sale of the immovable schedule properties and allow the applicant to apply the sale proceeds towards the amounts due from the defendants to which the properties are mortgaged towards the debts claimed.	Matter is pending before DRT, Ernakulam.
62.	Mr. Rao B. Vidyananda	August 28, 2017	933/2017	Our Bank filed an original application dated August 28, 2017 before DRT-1, Bangalore under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 38.52 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) issue of a recovery certificate to the recovery officer and direct him/her to recover amount in terms of the certificate and pay it to our Bank.	Matter is pending before DRT-1, Bangalore.
63.	Ramdewbaba Developers and Builder Limited and others.	March 22, 2018	330/18	Our Bank issued a notice dated December 14, 2017 against the Borrowers under Section 13(2) of the SARFAESI Act, seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Further, our Bank has taken symbolic possession of the scheduled property.	Pursuant to issuance of notice, further steps under SARFAESI Act are ongoing.
				Company petition no. 2765/2019 for oppression and mismanagement was filed before NCLT, Mumbai Bench on July 22, 2019 by Mr. Vitthaldas Chandak and others **("Petitioners")** who were the past directors of the Borrower under Section 241-244 of the	Company petition no. 2765/2019 is pending for hearing before NCLT, Mumbai Bench.

Sr. no.	Account name ("Borrower")	Suit filed for recovery proceeding	Original application no.	Brief description	Present status
				Companies Act, 2013. Our Bank was made one of the respondents in the matter. The Petitioners alleged that the loan taken from our Bank was without their consent or knowledge and without following the proper process under the Companies Act, 2013. Further, the Petitioners alleged that it appears that the said loan has been obtained in connivance with the officials of our Bank who had not verified the correctness and veracity of the documents produced by the Borrower for availing the said purported loan.	
				Further, our Bank also filed an original application dated March 22, 2018 before DRT-III, Mumbai under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed (i) for recovery of ₹ 37.29 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) to pass an order that the mortgaged security will be sold and the net sale proceeds to be appropriated towards the recovery of the amount due.	Matter is pending before DRT-III, Mumbai.
64.	Jayanarayana Cashew and others	June 26, 2017	286/2017	Our Bank has issued a notice against the Borrower under Section 13(2) of the SARFAESI Act seeking repayment of certain credit facilities sanctioned by our Bank within 60 days of the date of notice, failing which our Bank would take recourse to the remedies under Section 13(4) of the SARFAESI Act. Pursuant to issuance of notice, our Bank had filed petition under section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Kollam for taking physical possession of the secured property and the same was allowed on December 22, 2016.	The implementation of the orders passed by the Chief Judicial Magistrate, Kollam, is pending.
				Further, our Bank has filed an original application dated June 26, 2017 before DRT-2, Ernakulam under the RDB Act, in relation to default in the repayment of certain credit facilities extended to the Borrower. Among other reliefs, our Bank prayed for (i) recovery of ₹ 37.11 million with applicable interest from the date of application till realisation and award costs of the application; and (ii) recovery of the amount from the sale of the scheduled mortgaged immovable properties lying with our Bank.	Matter is pending before DRT-2, Ernakulam.

iv. **Litigation proceedings initiated against our Directors**

(a) Criminal proceedings

1. Mr. Madhavan Karunakaran Menon

a) Mr. Bijan Kumar Mitra (the "**Complainant**") registered an FIR bearing no. 44 of 2019 on March 2, 2019 at Rabindra Sarobor Police Station, Kolkata against Mr. Madhavan Karunakaran Menon and two employees of

Thomas Cook (India) Limited (the "**Company**"), alleging commission of offences under Sections 406, 420 and 120B of the IPC. The Complainant has alleged that the Company had failed to refund the initial booking amount after cancellation of the tour by the Complainant, and therefore the Company is liable to be prosecuted. The Company had arrived at an amicable settlement with the Complainant and refunded the amount, and the same was acknowledged by the Complainant. The Complainant has requested the concerned police officer to withdraw his complaint against Mr. Madhavan Karunakaran Menon and employees of the Company. The Company is in the process of closing the matter before the concerned Police Officer.

b) Mr. Ajay Kumar Singhania (the "**Complainant**") registered an FIR bearing no. 279 of 2018 on October 14, 2018 at Posta Police Station, Kolkata, against Mr. Madhavan Karunakaran Menon and 14 others, employees of Sterling Holiday Resorts Limited ("**SHRL**"), alleging commission of offences under Sections 406, 420 and 120B of the IPC. The Complainant alleged that SHRL had failed to provide holiday to the Complainant in Corbett Resort, neither constructed the Corbett Resort till date nor refunded the amount of ₹ 0.06 million with interest of ₹ 2.52 million. Subsequently, SHRL filed a petition for quashing the FIR under Section 482 of the Code of Criminal Procedure, 1973 in the Calcutta High Court. Further, the Calcutta High Court stayed the proceedings of the lower court and restrained the Police from taking any coercive action against the directors and employees of SHRL.

c) Metropolitan Magistrate, Kolkata issued a summon in a complaint registered by Mr. Nirmala Devi Singhania under Section 200 of the Code of Criminal Procedure, 1973 against Mr. Madhavan Karunakaran Menon and 13 others of SHRL alleging commission of offences under Sections 406, 417, 418, 420 and 120B of the IPC. Mr. Nirmala Devi Singhania has alleged that SHRL has failed to adjust an amount of ₹ 0.03 million with interest of ₹ 0.76 million against the arrangement which was done in the years 2000 and 2003 respectively. SHRL filed a quashing petition before the Calcutta High Court and thereafter, the proceedings of the Metropolitan Magistrate Court, Kolkata was put on a stay by the Calcutta High Court.

(b) Taxation proceedings (consolidated)

Sr. no.	Type of tax	no. of cases	Amount demanded/ in dispute (*in ₹ million*)
1.	Direct tax	Nil	Nil
2.	Indirect tax	Nil	Nil

(c) Other pending proceedings

1. Mr. Sumit Maheshwari

The State Bank of India ("**SBI**") filed an original application no. 547/2017 on September 15, 2017 against its borrowers and National Collateral Management Services Limited ("**NCML**") before DRT, Pune in relation to recovery of an amount of ₹ 347.53 million. Mr. Sumit Maheshwari is a director on the board of NCML. Further, SBI filed an interim application impleading the directors and key managerial personnel of NCML. Subsequently, NCML filed a reply to the said interim application along with the necessary supporting documents opposing the claims of SBI. The matter is currently pending before DRT, Pune.

2. Mr. Thomas Mathew

a) Satyam Computers Services Limited filed a civil suit on June 12, 2012 against Mr. Thomas Mathew for damages, along with 127 others, before the City Civil Court, Hyderabad. Further, Mr. Thomas Mathew has filed applications for discharge and dismissal of suit, which are currently pending for adjudication by the City Civil Court, Hyderabad.

b) Mr. Thomas Mathew has, on November 12, 2019, received a summons dated October 5, 2019 from the Enforcement Directorate (Eastern Region) under the Foreign Exchange Management Act, 1999 asking him to appear before the Enforcement Directorate to give evidence and produce certain records in relation to certain partnership firms where Mr. Mathew was a partner during that time and he retired in 2011. Mr. Mathew had replied to the summons received and is fully co-operating with the Enforcement Directorate.

v. **Litigation proceedings initiated by our Directors**

(a) Criminal proceedings

Nil

(b) Other pending proceedings

Nil

(c) Details of all proceedings initiated by the regulatory authorities

Nil

***vi.* Litigation involving our Promoter**

(a) Criminal proceedings

Nil

(b) Statutory or regulatory proceedings

Nil

(c) Taxation proceedings (consolidated)

Nil

(d) Other pending proceedings

Nil

(e) Disciplinary action including penalty imposed by SEBI or stock exchanges against FIHM in the last five financial years including outstanding action

Nil

***vii.* Any major litigation, complaints against the top ten shareholders of our Bank as of date which has been brought to the notice of our Bank**

Nil

***viii.* Any pending litigation involving the Group Company which has a material impact on our Bank**

Nil

Micro, small and medium enterprises or any other creditors

As of the date of this Prospectus, there are no outstanding dues (trade payables) owed to micro, small and medium enterprises. Further, our Bank does not have any creditors.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, our Bank has obtained all material consents, licences, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking its business activities and operations. In the event any of the approvals and licences that are required for our business operations expires in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Prospectus. Stated below are the material approvals in relation to our Bank. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies in India" beginning on page 183.

1. *Approvals in relation to the Offer*

For details, see "*Other Regulatory and Statutory Disclosures*" beginning on page 604.

2. Incorporation details of our Bank

i. Bank was incorporated on November 26, 1920 under the Indian Companies Act, 1913 as 'The Catholic Syrian Bank Limited';

ii. A fresh certificate of incorporation under the Companies Act, 1956 was issued by the RoC on April 14, 1987;

iii. The Shareholders of our Bank approved the change of the name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited' through a postal ballot resolution dated May 4, 2019. RBI through its letter bearing reference number DBR.PSBD.No.8231/16.01.060/2018-19 dated April 1, 2019, conveyed its 'no objection' in terms of Section 49B of the Banking Regulation Act to change of name of our Bank from 'The Catholic Syrian Bank Limited' to 'CSB Bank Limited'. Subsequently, a fresh certificate of incorporation was issued by the RoC under the Companies Act, 2013 on June 10, 2019 pursuant to change of name as mentioned above. RBI, vide its letter dated June 28, 2019, has granted a fresh license to our Bank to carry on banking business in India under the new name, in lieu of the previous license dated June 19, 1969, consequent to the change of name of our Bank. RBI through its letter bearing reference number DBR.No.Ret.BC.21/12.07.160/2019-20 dated October 17, 2019 conveyed alteration in the name of "The Catholic Syrian Bank Limited" to "CSB Bank Limited" in Schedule II to the RBI Act.

3. Approvals from taxation authorities

i. Permanent Account Number of our Bank: AABCT0024D.

ii. As disclosed below, GST registrations have been obtained by our Bank for each state where our Bank has an office:

Sr. No.	Registration Number	Issuing Authority	Principal place of business	Date of issue
1.	24AABCT0024D1Z6	GoI and Government of Gujarat	Ahmedabad, Gujarat	July 2, 2017
2.	26AABCT0024D1Z2	GoI and Dadra and Nagar Haveli	Silvassa, Dadra and Nagar Haveli	July 6, 2017
3.	02AABCT0024D1ZC	GoI and Government of Himachal Pradesh	Solan, Himachal Pradesh	July 6, 2017
4.	21AABCT0024D1ZC	GoI and Government of Odisha	Bhubaneswar, Odisha	July 6, 2017
5.	08AABCT0024D2ZZ	GoI and Government of Rajasthan	Jaipur, Rajasthan	July 6, 2017
6.	36AABCT0024D1Z1	GoI and Government of Telangana	Hyderabad, Telangana	July 6, 2017
7.	09AABCT0024D2ZX	GoI and Government of Uttar Pradesh	Noida, Uttar Pradesh	July 6, 2017
8.	19AABCT0024D1ZX	GoI and Government of West Bengal	Kolkata, West Bengal	July 6, 2017
9.	23AABCT0024D1Z8	GoI and Government of Madhya Pradesh	Ujjain, Madhya Pradesh	July 21, 2017
10.	07AABCT0024D1Z2	GoI	New Delhi	July 27, 2017
11.	30AABCT0024D1ZD	GoI	Panaji, Goa	July 27, 2017
12.	32AABCT0024D2Z8	GoI	Thrissur, Kerala	July 27, 2017

Sr. No.	Registration Number	Issuing Authority	Principal place of business	Date of issue
	(ISD Registration)			
13.	06AABCT0024D1Z4	GoI	Faridabad, Haryana	July 30, 2017
14.	33AABCT0024D3Z5	GoI and Government of Tamil Nadu	Chennai, Tamil Nadu	July 2, 2017
15.	34AABCT0024D1Z5	GoI	Puducherry	September 19, 2017
16.	29AABCT0024D1ZW	GoI	Bangalore, Karnataka	September 20, 2017
17.	32AABCT0024D1Z9	GoI	Thrissur, Kerala	September 21, 2017
18.	04AABCT0024D1Z8	GoI	Chandigarh	September 22, 2017
19.	03AABCT0024D1ZA	GoI	Jalandhar, Punjab	September 26, 2017
20.	37AABCT0024D1ZZ	GoI	Vijaywada, Andhra Pradesh	September 26, 2017
21.	27AABCT0024D1Z0	GoI	Mumbai, Maharashtra	November 22, 2017

4. Material approvals received relating to our Bank's business and operations

Regulatory approvals

Sr. No.	Approval / Licence	Issuing authority	Reference No.	Date	Validity
Banking Regulation Act					
1.	To carry on banking business in India under Section 22 (1) of the Banking Regulation Act*	Chief General Manager, Department of Banking Regulation, Central Office, RBI, Mumbai	MUM-147	June 28, 2019	-
2.	Permission for setting up staff training college at Trichur under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations & Development, RBI, Trivandrum	DBOD (T) No. BL.1350/2(31) - 78	April 12, 1978	-
3.	Permission for setting up an international banking division from Bombay to Ernakulam (Kochi) under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations & Development, RBI	DBOD (T) No. BL. 1112/2(31)82	March 22, 1982	-
4.	Permission for setting up Central Processing Centres for carrying out back office function under Section 23 of the Banking Regulation Act	Assistant General Manager, Department of Banking Operations and Development RBI Mumbai.	DBOD.No.BAPD.8624 /22.03.033/2012 - 13	December 17, 2012	-
RBI Act					
1.	Alteration in the name of "The Catholic Syrian Bank Limited" to "CSB Bank Limited" in Schedule II to the RBI Act	General Manager, Department of Banking Regulation, Central Office, RBI, Mumbai	DBR.No.Ret.BC.21/12. 07.160/2019-20	October 17, 2019	-
2.	Inclusion in Schedule II to RBI Act as per Section 42(6) of the RBI Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Chennai	DBOD(M)No.Bks.2662 /Sch.11-69 and RBI notification No. DBOD.No.90/Incl/C:10 2-69 dated August 18, 1969	September 17, 1969 with effect from August 30, 1969	-
3.	Establishment of currency chest and small coin depot at Ernakulam	Assistant Chief Officer, Department of Currency Management, RBI, Mumbai	4654/CC.3(CSB) – 92/93	January 28, 1993	-

Sr. No.	Approval / Licence	Issuing authority	Reference No.	Date	Validity
4.	Approval to establish a 'B' class currency chest and small coin depot at Singanallur branch	Deputy General Manager, Department of Currency Management, RBI, Mumbai	DCM(CC)/1104/03.06.14./2002-03	June 27, 2003	-
5.	Membership of negotiated dealing system (No. BYA00150)	Regional Director, Public Debt Office, RBI, Mumbai	PDO/SGL/NDS-MEM/3986/2003-04	June 15, 2004	-
6.	Grant of centralised fund management system membership ("**CFMS**")	General Manager, Deposit Accounts Department, RBI, Mumbai	DAD/CFMS/716/24.16.01/2006-07	December 26, 2006	-
7.	Approval for issuance and operation of Prepaid Payment Instruments ("**PPI**")	Manager, Department of Payment and Settlement Systems, Central Office, RBI, Mumbai	DPSS.CO.AD.No.1313 /02.14.004/2017 -18	October 31, 2017	-
Other approvals/ licences granted by RBI					
8.	Membership of INFINET	Assistant General Manager, Information Technology Cell, RBI, Mumbai	MUM ITC 713/02.90/2001-2002	June 7, 2002	-
9.	RTGS system membership (Type A) under RTGS (Membership) Regulations, 2004 and RTGS (Membership) Business Operating Guidelines, 2004	General Manager, RBI, Mumbai	DAD/CA/RTGS/203/2004-05	August 12, 2004	-
10.	Admission for participation in the RBI NEFT system	Assistant General Manager, Department of Payment & Settlement Systems, RBI, Mumbai	DPSS(CO)No.238/04.03.02/2006-07	August 23, 2006	-
11.	Permission to commence and operate mobile banking services	Deputy General Manager, RBI, Mumbai	DPSS.CO.AD/2201/02.23.003/2010-11	March 24, 2011	
12.	Membership of SWIFT	-	CSYBIN55 (Bank identifier code)	February 28, 2014	-
13.	Permission to carry on cross – border inward money transfer services under money transfer services scheme, in association with Royal Exchange (USA) Inc. New Jersey, USA.	Deputy General Manager, RBI, Mumbai	DPSS.CO.AD.No.2678 /02.27.004/2018-19	June 24, 2019	June 30, 2021
		Assistant General Manager, RBI, Mumbai	KOC.FED.FMID1574/55.10.007/2017-18	April 2, 2018	February 22, 2021
FEMA					
1.	Licence to deal in foreign exchange in India.	General Manager, Exchange Control Department, RBI, Kochi	EC.CHN.FMID.3/75	April 10, 2001	-

**Subsequent to the change in the name of our Bank to 'CSB Bank Limited', a fresh banking license was issued to our Bank in lieu of license bearing reference no. Tri/7 dated June 19, 1969.*

Memberships and registrations

Sr. No.	Particulars	Issuing authority	Reference No.	Date of issuance/ registration	Validity
1.	Membership of Fixed Income Money Market and Derivatives	FIMMDA	-	April 1, 2019	Up to March 31, 2020

Sr. No.	Particulars	Issuing authority	Reference No.	Date of issuance/ registration	Validity
	Association of India ("**FIMMDA**")				
2.	Membership of Banking Codes and Standards Board of India ("**BCSBI**")	Chief Executive Officer, BCSBI	-	October 1, 2010	-
3.	Registration with Clearing Corporation of India Limited ("**CCIL**")	CCIL	CCIL membership ID: CCBPCSBL0132	June 21, 2002	-
4.	Registration as Telemarketer under Telecom Commercial Communications Customer Preference Regulations, 2010	Telecom Regulatory Authority of India	R22137335	June 11, 2015	Up to June 10, 2020
5.	Registration under SEBI (Bankers to an issue) Regulations, 1994	SEBI	INBI00001164	May 31, 2016	Up to May 30, 2021
6.	Registration of Member Lending Institution ("**MLI**") under Credit Guarantee Fund for Micro Units	National Credit Guarantee Trustee Company Limited	0139/NCGTC/MUDRA – 12/1	July 13, 2016	-
7.	Certificate of completion for compliance with e-KYC Interface Specification Version 2.5.1	National Payments Corporation of India	Certification Id: NP2CSBKAEPS18076906 ACQ ID – 200045	July 31, 2018	-
8.	Certificate of completion for AEPS Auth 2.5 (BIO & OTP) with Auth XML H-H specification 2.5.1	National Payments Corporation of India	Certification Id: NP2CSBKAEPS18128657 ACQ ID – 200045	December 19, 2018	-
9.	Licence to act as a Corporate Agent (Composite) under the IRDAI (Registration of Corporate Agents) Regulations, 2015	Insurance Regulatory and Development Authority of India	CA0015	February 26, 2019	Up to March 31, 2022
10.	Membership of Indian Bank's Association – Basic Annual Subscription and Special Fixed Asset Building Fund for the FY 2018-19	Chief Executive, Indian Bank's Association	-	April 1, 2019	For the Fiscal 2019-2020

Further, pursuant to RBI circular no. DBOD NO. Comp. BC.14/07.03.29/2005-06 dated July 20, 2005, no prior approval of the RBI is required for offering internet banking services.

5. Material approvals relating to our branches

Pursuant to RBI circular no. DBOD.No.BAPD.BC.54/22.01.001/2013-14 dated September 19, 2013, domestic scheduled commercial banks (other than RRBs) are permitted to open branches in Tier 2 to Tier 6 centres and in the rural semi-urban and urban centres in northern states and Sikkim, without any permission from RBI in each case, subject to certain conditions. The general permission has been extended to branches in Tier 1 centres as well, subject to fulfilment of criteria laid down under the circular.

There are certain restrictions on our Bank on opening of branches. For details in relation to the same, see "*Risk Factor – We are required to obtain prior permission from RBI to open new branches*." on page 45.

As of the date of this Prospectus, our presence is spread across 16 states and four union territories. Our top 25 branches are located in five states and two union territories on the basis of their business contribution (advances and deposits). Further, out of the remaining 11 states and two union territories, top one branch has been identified from each of these remaining states and union territories on the basis of their business contribution (advances and deposits) ("**Material Branches**"). The details of our Material Branches are as given below:

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
1.	***Mumbai - Fort***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T.4/77	January 11, 1977, as amended on October 16, 1987, November 18, 2004 and June 20, 2018 pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	MUMT10570A	
2.	***Thrissur - East Fort***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy General Manager, Department of Banking Operations and Development, RBI, Trivandrum	BL(T) 29 /2002	October 29, 2002
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNT00990D	
3.	***Tiruppur***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T. 84/81	December 1, 1981
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CMBT03862F	
4.	***Kodambakkam***			

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum – 3	BL.T.112/80	May 21, 1980
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHET00973A	
5.	***Thrissur – Main***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations, RBI, Trivandrum – 4	BL.T. 49/64	October 29, 1964
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNC00239B	
6.	***Coimbatore – (Raja Street)***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant General Manager, Department of Banking Supervision, RBI, Chennai	DBS(Che)BL/5236/02.05.01/2004 – 05	May 11, 2005*
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CMBT03195D	
7.	***Chennai - 2 (Mount Road)***			
(a)	Registration under Section 23 of the Banking Regulation Act	Joint Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T.72/84	September 27, 1984
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHET07356G	
8.	***Chennai - 1 (Beach Road)***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum – 3	BL.T. 54/73	October 23, 1973
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHET07911B	
9.	***Guruvayur***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations, RBI, Trivandrum – 4	B.L.T. 16/64	October 13, 1964

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNC00227D	
10.	***Bangalore - Brigade Road***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum – 3	BL.(T)11/73	March 31, 1973
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	BLRT00179E	
11.	***Pune***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Bombay	BL.B.608	March 8, 1988
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	PNET00154A	
12.	***Secunderabad***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy General Manager, Department of Banking and Operations, RBI, Hyderabad – 4	BL (H)/324/95 - 96	August 21, 1995
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	HYDT00550E	
13.	***Ernakulam - Market Road*****			
(a)	Registration under Section 23 of the Banking Regulation Act	RBI	Branch Code Part I – 6070026; Part II 9700008	November 15, 1928
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNC00458D	
14.	***Kaloor (Kochi-17)*****			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T.100/74	November 14, 1974, as amended on March 7, 2001 pursuant to shifting of our Bank branch.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNC00870C	
15.	***Kottayam***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of	BL.T.62/69	December 31, 1969

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
		Banking Operations and Development, RBI, Trivandrum – 3		
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	TVDT00797G	
16.	***New Delhi***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T.27/81	March 26, 1981, as amended on December 27, 1996 pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	DELT05104B	
17.	***Hyderabad***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum – 3	BL.T. 110/80	May 7, 1980
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	HYDT00059D	
18.	***Mumbai – Chembur***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum – 3	BL.T.38/72	April 28, 1972
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	MUMT03372F	
19.	***Ashok Vihar – Delhi***			
(a)	Registration under Section 23 of the Banking Regulation Act	General Manager, Department of Banking Operations and Development, RBI, New Delhi	BL.D.6170	May 8, 1996, as amended on April 1, 2004 pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	DELT04683A	
20.	***Vashi***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy General Manager, Department of Banking Operations and Development, RBI,	B.L.B. 378	August 16, 1995

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
		Mumbai		
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	MUMT10676B	
21.	***Gandhipuram***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T.12/75	March 15, 1975
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CMBT03321D	
22.	***Kuttanallur***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.T. 99/71	September 2, 1971
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNC00237G	
23.	***Aluva***			
(a)	Registration under Section 23 of the Banking Regulation Act	Department of Banking Operations and Development, RBI, Trivandrum	DBS(T)NO.1669/03.05.01/2004.2005****	March 1, 1965, as amended on October 25, 2004 pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNT01012E	
24.	***Puducherry***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Chennai	BL.(M)No.1/OPR/3(7)/87-88	January 7, 1988, as amended on December 10, 2004 and March 7, 2007 pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHET03010A	
25.	***Irinjalakuda********			
(a)	Registration under Section 23 of the Banking Regulation Act	RBI	Branch Code Part I – 6070037; Part II 9720074	April 29, 1942
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CHNC00228E	
26.	***Panaji***			
(a)	Registration under Section 23 of the	Deputy Chief Officer,	BL.B.351	April 3, 1995, as amended on March 22, 1996 and May 4, 2011

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
	Banking Regulation Act	Department of Banking Operations and Development, RBI, Bombay		pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	BLRC04573C	
27.	***Chandigarh***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant General Manager, Department of Banking Operations and Development, RBI, Chandigarh	DBOD(CHG)/1151/02.02.68/2002-03	June 6, 2003
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	PTLT10881D	
28.	***Baroda***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, RBI, Ahmedabad	BL.AH.110/03.02.04/93	February 16, 1993
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	BRDT00947C	
29.	***Guntur***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy Chief Officer, Department of Banking Operations and Development, Trivandrum	BL.(H)/1056/2002-03	May 29, 1981 as amended on April 7, 2003 pursuant to shifting of our Bank branch to the present location.
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	HYDT01736A	
30.	***Ujjain***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant General Manager, Department of Banking Operations and Development, RBI, Mumbai	DBOD No. BL. 1888/22.03.033/2011 - 12	August 2, 2011
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	BPLT01740E	
31.	***Bhubaneswar***			
(a)	Registration under Section 23 of the Banking Regulation Act	General Manager, Department of Banking Supervision, RBI,	BL.BHU.636/2004	December 29, 2004

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
		Bhubaneswar		
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	BBNT00311D	
32.	***Jalandhar***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant General Manager, Department of Banking Supervision, RBI, Chandigarh	DBS/CHG/1325/02.02.68/2004 - 005	November 25, 2004
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	JLDC01086B	
33.	***Gurgaon***			
(a)	Registration under Section 23 of the Banking Regulation Act	General Manager, Department of Banking Supervision, RBI, New Delhi	BL.D. - 7086	April 5, 2005
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	RTKT02067C	
34.	***Kolkata (Burra Bazaar)***			
(a)	Registration under Section 23 of the Banking Regulation Act	Assistant Chief Officer, Department of Banking Operations and Development, RBI, Trivandrum	BL.(T) 199/77	August 23, 1977
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	CALT00928E	
35.	***Jaipur***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy General Manager, Department of Banking Operations and Development, RBI, Jaipur	BL.(JPR)No.2507	February 10, 2004
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	JPRT01440F	
36.	***Noida***			
(a)	Registration under Section 23 of the Banking Regulation Act	Deputy General Manager, Department of Banking Operations and Development, RBI, Lucknow	BL.LK.20/2003	August 13, 2003
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	MRTT00318D	
37.	***Silvassa***			

Sr. No.	*Particulars*	*Issuing authority*	*Reference No.*	*Date of issuance/ registration*
(a)	Registration under Section 23 of the Banking Regulation Act	Manager, RBI, Ahmedabad	RBI/San/No:1821/21.03.22/2011-12	June 6, 2012
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	SRTT01578D	
38.	***Solan***			
(a)	Registration under Section 23 of the Banking Regulation Act	Department of Banking Supervision, RBI, Chandigarh	DBOD.No.BL.BC.65/22.01.001/2009-10	July 16, 2012
(b)	Tax Deduction and Collection Account Number	Income Tax Department, GoI	PTLC12372D	

**Our Bank had originally obtained the branch licence on March 16, 1959, copy of which is not traceable by our Bank. Hence, at the request of our Bank, RBI issued a letter on May 11, 2005, indicating the details of the branch licence originally obtained.*
***Our Bank has not been able to trace the copy of the license and details provided herein are based on a search conducted on the website of RBI.*
****Our Bank has not been able to trace the copy of the letter issued by the RBI for the shifting of our Bank branch to the present location and details provided herein are based on a search conducted on the website of RBI.*
*****Our Bank has not been able to trace the copy of the license and details provided herein are based on a search conducted on the website of RBI.*
******Our Bank has not been able to trace the copy of the license and details provided herein are based on a search conducted on the website of RBI.*

6. Material approvals relating to our labour / employees

As on September 30, 2019, our Bank had 412 branches (excluding three service branches and three asset recovery branches). Set out below are the material approvals applicable to our labour / employees and branch offices:

S. No.	Approval/ Licence	Issuing Authority	Location	Reference No.	Date of issuance/ registration	Validity
Approvals from taxation authorities						
1.	Order under Income Tax Act according recognition to the Catholic Syrian Bank Limited Employees' Provident Fund, Trichur	Commissioner of Income Tax, Mysore, Travancore – Cochin and Coorg, Bangalore	Kerala	C.H.601-38(a)/51	April 1, 1950	-
2.	Approval to Catholic Syrian Bank Limited Employees' Pension Fund, Trichur	Commissioner of Income Tax, Cochin	Kerala	C. No. 4C/Tech-3/96-97/	September 29, 1995	-
3.	Approval to Catholic Syrian Bank Limited Gratuity Fund, Trichur	Commissioner of Income Tax, Cochin	Kerala	CIT/CHN/Tech/Gty-16/99-2000	July 1, 1999	-

Our Bank is not required to obtain licenses under the relevant Shops and Establishments Acts applicable in Karnataka, Kerala, Tamil Nadu, Delhi, Andhra Pradesh and Puducherry. Therefore, out of our 38 Material Branches, 20 branches are not required to procure licenses under the relevant Shops and Establishments Acts.

S. No.	Approval/ Licence	Issuing Authority	Location	Reference No.	Date of issuance/ registration	Validity
Approvals under the relevant Shops and Establishments Acts						
1.	Certificate of registration of establishment under Rajasthan Shops and Commercial Establishment Act, 1958	Labour Department, Rajasthan Government	Plot no. 11, Motilal Atal Road, Opposite Ganpati Plaza, Jaipur, Rajasthan	S.H-724/R-9K/pg-101/2015	March 18, 2015	Up to December 31, 2019
2.	Certificate of registration of establishment under Himachal Pradesh Shops and Commercial Establishments Act, 1969	Inspector, Shops and Commercial Establishment, Solan Circle, Solan, Himachal Pradesh	Dang Complex, Rajgarh Road, Solan, Himachal Pradesh	Solan (CE)598/2015	May 14, 2015	Up to December 31, 2019
3.	Certificate of registration of establishment issued under Maharashtra Shops and Establishment (Regulations of Employment and conditions of Service) Act, 2017	Office of Chief Facilitator, Mumbai	Ground floor, Magatlal House, HT Parekh Marg, Backbay, Reclamation, Churchgate, Mumbai - 400020, Maharashtra	820016089/ A Ward/ COMMERCIAL II	December 19, 2018	Up to December 18, 2019
4.	Certificate of registration of establishment under Odisha Shops and Commercial Establishment Act, 1956	District Labour Officer, Khordha, Bhubneswar	Plot no. 23 – E, First floor, Ashok Nagar, Bhubaneswar	KHU/R/OS & CE/II-7643	January 1, 2019	December 31, 2019
5.	Certificate of registration of establishment under the Goa, Daman and Diu Shop and Establishment Act, 1973	Labour Inspector, Office of Commissioner, Labour and Employment, Panaji	Ground floor, Hotel Summit Building, near Fidalgo, Panaji, Tiswadi, Goa – 403 001	B/V/P/2K/15	January 1, 2019	Up to December 31, 2019
6.	Certificate of registration of establishment under the Bombay Shops and Commercial Establishment Act, 1948	Inspector under the Bombay Shops and Establishments Act, 1948, Shops and Establishments Branch, Vadodara Municipal Corporation	Ground floor, Parth Avenue, near Kabir Plaza, Manjalpur, Vadodara, Gujarat	B-28/524	January 21, 2019	Up to December 31, 2019
7.	Certificate of registration of	Labour Department,	7-1-818 to 820,	SEA/HYD/ALO/03/01297 59/2019	February 11, 2019	Up to December 31, 2019

S. No.	Approval/ Licence	Issuing Authority	Location	Reference No.	Date of issuance/ registration	Validity
	establishment under Telangana Shops and Establishments Act, 1988	Government of Telangana	Gangishetty Arcadia, Near Bata Bus Stop, R. P. Road, Secunderabad, Hyderabad, Circle 17			
8.	Certificate of registration of establishment Certificate under Madhya Pradesh Shops and Establishment Act, 1958	Department of Labour, Madhya Pradesh	37/1, Amar Singh Marg, Freeganj, Ujjain, Madhya Pradesh	C/1007064	March 5, 2019	Up to December 31, 2023
9.	Certificate of registration of establishment under Telangana Shops and Establishments Act, 1988	Labour Department, Government of Telangana	3-6-276/2, Ground floor, Uma Square, Opposite old MLA quarters, Himayath Nagar, Circle 20, Hyderabad	SEA/HYD/ALO/03/01411 24/2019	April 8, 2019	Up to December 31, 2019
10.	Certificate of registration of establishment under Maharashtra Shops and Establishments Act, 2017	Facilitator, Office of Deputy Commissione r of Labour, Pune	325, M.G. road, Camp Pune, Pune City, Pune 411001	1931000313014437	April 9, 2019	Up to April 9, 2021
11.	Certificate of registration of establishment under Punjab Shops and Commercial Establishments Act, 1958	Department of Labour, Chandigarh Administratio n	SCO 114-115, sector-34, Chandigarh	CH/Sector-34/2019-20/84	May 2, 2019	Up to March 31, 2020
12.	Certificate of registration of establishment under the Goa, Daman and Diu Shop and Establishment Act, 1973	Inspector, Shops & Establishment s Act, D& N.H, Silvassa	Shop no. 10, 11, 12, 13, Ground floor, Vapi-Silvassa main road, Silvassa, Dadra and Nagar Haveli.	LEO/Renewal/S&E/RC/6 45/2019	June 12, 2019	Up to November 29, 2019
13.	Certificate of registration of establishment under Punjab Shops and Commercial Establishments Act, 1958	Inspector under Labour Department Haryana.	SCO No 4, Sector 14 near Payal Cinema, Gurgaon – 122001, Vil: Gurgaon – I, Teh: Gurgaon, Distt: Gurugram, State:	PSA/REG/GGN//0196855	July 5, 2019	Up to March 31, 2021

S. No.	Approval/ Licence	Issuing Authority	Location	Reference No.	Date of issuance/ registration	Validity
			Haryana.			
14.	Certificate of registration of establishment under Punjab Shops and Commercial Establishments Act, 1958	Inspector, Shops and Commerical Establishments, Jalandhar – 4, Grade-I Circle	Ground floor, 32 G.T. Road, Oppsite Narinder Cinema, Jalandhar I, Jalandhar, 144001	JAL04/201907/017	July 5, 2019	–

7. Material approvals for which applications have been made but are currently pending grant

S. No.	Approval/licence	Approval sought from	Reference no. of the application letter	Date of application
1.	Approval to adopt new set of articles of association of our Bank	The Chief General Manager, RBI, Department of Banking Regulation, Mumbai	B&S/126/2019	April 11, 2019
2.	Permission to open 25 banking outlets*	The Chief General Manager, RBI, Department of Banking Regulation, Mumbai	S&P/215/2019	March 28, 2019
			S&P/212/2019	February 15, 2019

*RBI has granted permission to our Bank to open 10 banking outlets vide a letter dated May 13, 2019 bearing reference no. DBR.No.BAPD.9608/22.03.033/2018-19.

8. Material approvals which have expired for which renewal applications have been made

S. No.	Approval/ Licence	Issuing Authority	Location	Reference no. of application	Date of application
1.	Certificate of registration under Maharashtra Shops and Establishments Act, 2017	Office of Chief Facilitator, Mumbai	Plot No. 238, Gama Grandeur, Central Avenue Road, 10th Road, Chembur, Mumbai – 400071, Maharashtra	890158589/MW Ward/ Commercial II	February 2, 2019
2.	Certificate of registration of establishment under Maharashtra Shops and Establishment (Regulations of Employment and conditions of Service) Act, 2017	Officer of the Shop Inspector	Sector 12, Vashi, Navi Mumbai, Thane	104172351903	May 31, 2019
3.	Certificate of registration of establishment under West Bengal Shops and Establishments Act, 1963	Labour Commissionerate, Government of West Bengal	48, Sir Hariram Goenka Street, Ward no. – 22, Borough – IV, Kolkata Municipal	KL04002019000635	July 5, 2019

S. No.	Approval/ Licence	Issuing Authority	Location	Reference no. of application	Date of application
			Corporation, Kolkata Sub Division, P.S. – Burrabazar, P.O. – Barabazar H.O., Kolkata-700007		
4.	Certificate of registration of establishment under Uttar Pradesh Shops and Establishments Act, 1962	Labour Commissioner Organization, Uttar Pradesh	B-1A/6, Commercial Market, Sector – 51, Noida – 201301, Uttar Pradesh	SA10722337	July 9, 2019

9. Material approvals related to trademarks:

The following trademarks are registered in the name of our Bank:

Sr. No.	Registration no.	Class	Date of application	Date of expiry
1.	1255739	36	December 16, 2013	December 15, 2023
2.	1652341	36	February 12, 2018	February 11, 2028
3.	3735980	36	January 24, 2018	January 23, 2028
4.	3735981	16	January 24, 2018	January 23, 2028
5.	3735982	35	January 24, 2018	January 23, 2028
6.	3736785	36	January 25, 2018	January 24, 2028
7.	3736092	36	January 24, 2018	January 23, 2028
8.	3736093	16	January 24, 2018	January 23, 2028
9.	3736643	36	January 25, 2018	January 24, 2028
10.	3736786	16	January 25, 2018	January 24, 2028
11.	3736787	35	January 25, 2018	January 24, 2028
12.	3736797	16	January 25, 2018	January 24, 2028
13.	3736799	35	January 25, 2018	January 24, 2028
14.	3736800	36	January 25, 2018	January 24, 2028
15.	3736094	35	January 24, 2018	January 24, 2028

Following trademark approvals are registered in the name of our Bank for which applications have been made but are currently pending grant:

Sr. No.	Registration no.	Class	Date of application
1.	3736641	16	January 25, 2018
2.	3736642	35	January 25, 2018
3.	4228068	16	July 7, 2019
4.	4228069	35	July 7, 2019
5.	4228070	36	July 7, 2019
6.	4228071	16	July 7, 2019
7.	4228073	35	July 7, 2019
8.	4228074	36	July 7, 2019
9.	4228078	36	July 7, 2019

10. Investment approvals

In accordance with the Banking Regulations Act, the applicable FDI policy, directions issued by RBI from time to time and applicable law, approvals from the DFS, the *erstwhile* FIPB and RBI have been obtained for issuance of equity shares, from time to time. Further, the DFS, by its letter dated October 9, 2018, provided its approval to our Bank for increasing its FDI limits to 74% of its paid up share capital and the RBI, by its letter dated July 12, 2018, provided its approval for acquisition by FIHM of up to 51% of the post-Offer paid-up share capital of our Bank. Our Bank, through letters dated April 18, 2019 and May 7, 2019, had requested the DFS to amend the approval granted by the *erstwhile* FIPB and the aforementioned approval from DFS and to permit the foreign investment in our Bank, subject to applicable law, of up to 74% of the paid up capital of our Bank, without any monetary investment limit. In addition to the above, our Bank through its letter dated September 7, 2019 had requested the DFS to grant our Bank an approval to raise an additional amount of ₹ 30,000 million from all type of non-resident investors apart from the amount already raised, for the proposed Offer and any future fund raising in our Bank in the form of QIP or preferential issue or any other permitted mode of fund raising in terms of the provisions of the Companies Act, 2013 and SEBI ICDR Regulations. Pursuant to which, the DFS by its letter dated October 30, 2019, subject to certain terms and conditions, granted its approval to raise additional share capital of up to a maximum of ₹ 30,000 million, including premium such that the composite foreign shareholding in our Bank, inclusive of all types of foreign investments, both direct and indirect, shall not exceed 74% of the enhanced paid up capital of our Bank.

For further details of such approvals, see "*Capital Structure - Share Capital History of our Bank*" beginning on page 75.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- Our Board has, pursuant to its resolution dated March 6, 2019, authorised the Offer.
- The shareholders of our Bank have authorised the Offer by a resolution passed through postal ballot on May 4, 2019.
- The Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale in relation to their respective portion of Offered Shares.
- The Board had approved the Draft Red Herring Prospectus pursuant to its resolution dated August 9, 2019.
- The Red Herring Prospectus has been approved by our Board pursuant to its resolution dated November 13, 2019, alongwith the resolution of the IPO Committee dated November 13, 2019.
- This Prospectus has been approved by our Board pursuant to its resolution dated November 27, 2019 along with the resolution of the IPO Committee dated November 27, 2019.
- Our Bank has applied to the BSE and the NSE for obtaining their in-principle approval for listing of the Equity Shares under this Offer and has received the in-principle approvals from BSE and NSE pursuant to their letters dated September 18, 2019 and September 20, 2019, respectively. For the purposes of this Offer, NSE shall be the Designated Stock Exchange.

Authorisation by the Selling Shareholders

Sr. No.	Name of the Selling Shareholder	Date of consent	No. of Equity Shares offered	% of shareholding
1.	Ananthagopal K P	June 13, 2019	7,500	0.004
2.	P-Cube Enterprises Private Limited	June 20, 2019	324,000	0.188
3.	Edelweiss Tokio Life Insurance Company Limited	June 21, 2019	846,100	0.491
4.	Mecheri Unni	June 19, 2019	2,000	0.001
5.	ICICI Lombard General Insurance Company Limited	June 25, 2019	1,000,000	0.581
6.	Satellite Multicomm Private Limited	June 11, 2019	1,939,097	1.126
7.	Way2Wealth Securities Private Limited	June 11, 2019	1,555,214	0.903
8.	Ranjan Ghosh	June 25, 2019	100,000	0.058
9.	Paresh Babulal Gandhi	June 24, 2019	1,000	0.001
10.	Bhupendra Babulal Gandhi	June 24, 2019	777	0.000
11.	Narendra Babulal Gandhi	June 24, 2019	2,000	0.001
12.	Sukumar Menon	June 17, 2019	1,000	0.001
13.	T. S. Anantharaman	June 21, 2019	100,270	0.058
14.	Sheela Raja Ram	June 21, 2019	160,771	0.093
15.	Raja Ram	June 21, 2019	68,969	0.040
16.	Ananth Raja Ram	June 21, 2019	155,401	0.090
17.	Bridge India Fund	June 11, 2019	2,500,000	1.452
18.	Vinod Mohan Nair	June 25, 2019	1,000,000	0.581
19.	HDFC Life Insurance Company Limited	June 25, 2019	4,044,000	2.348
20.	Plant Lipids Private Limited	June 20, 2019	134,722	0.078

Sr. No.	Name of the Selling Shareholder	Date of consent	No. of Equity Shares offered	% of shareholding
21.	The Federal Bank Limited	June 25, 2019	2,785,661	1.617
22.	Nirav Bhushan Mehta	June 21, 2019	3,000	0.002
23.	Shrikrishna Vinayak Patwardhan	June 24, 2019	1,416	0.001
24.	Prasanna Padmanabhan	June 24, 2019	1,200	0.001
25.	Baby M.	June 25, 2019	200	0.000
26.	ICICI Prudential Life Insurance Company Limited	June 25, 2019	3,044,000	1.767

Prohibition by SEBI or other Governmental Authorities

Our Bank, Promoter, members of the Promoter Group, persons in control of the Promoter, the Selling Shareholders, our Directors and the persons in control of our Bank are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Bank, Promoter, members of the Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against the Directors of our Bank in the past five years preceding the date of this Prospectus.

Eligibility for the Offer

Our Bank is eligible for this Offer in accordance with the Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so."

Since our Bank does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations, we are required to allot at least 75% of the Offer to QIBs to meet the conditions specified under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Bank confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Bank confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) Our Bank, Promoter, members of the Promoter Group, the Selling Shareholders or our Directors are not debarred from accessing the capital markets by the SEBI.

(b) Neither our Promoter nor Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) Our Bank, Promoter or Directors are not wilful defaulters.

(d) None of our Directors has been declared a fugitive economic offender (in accordance with the Fugitive Economic Offenders Act, 2018).

(e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

The Selling Shareholders confirm that they are in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE BANK IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE BANK AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, AXIS CAPITAL LIMITED AND IIFL SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 9, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE BANK FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Bank, the Selling Shareholders and the BRLMs

Our Bank, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Bank's instance and anyone placing reliance on any other source of information, including our Bank's website, www.csb.co.in, would be doing so at his or her own risk. Each Selling Shareholder, its respective directors, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by such Selling Shareholders in relation to itself as a Selling Shareholder and its portion of Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Bank, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Bank, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Bank, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Bank, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Bank, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer was made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who were authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India and systemically important non banking financial companies) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they were eligible under all applicable laws and regulations to purchase the Equity Shares.

The Draft Red Herring Prospectus did not constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Invitations to subscribe to or purchase the Equity Shares in the Offer were made only pursuant to the Red Herring Prospectus if the recipient was in India or the preliminary offering memorandum for the Offer, which comprised the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient was outside India. Any person into whose possession the Red Herring Prospectus came or this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Neither the delivery of the Red Herring Prospectus and this Prospectus nor any sale thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Bank and the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer clause of the RBI

A license authorising the Bank to carry on banking business has been obtained from the Reserve Bank of India in terms of section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the license the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank.

Disclaimer clause of BSE

*"BSE Limited ("the **Exchange**") has given vide its letter dated September 18, 2019 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:–*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer clause of the NSE

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/663 dated September 20, 2019 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, legal counsel to our Bank as to Indian law, legal counsel to the Selling Shareholders as to Indian law, legal counsel to the BRLMs as to Indian law, Special Purpose International Legal Counsel to the BRLMs, Bankers to our Bank, the BRLMs, the Registrar to the Offer, the Registrar to our Bank, have been obtained; and consents in writing of the Syndicate Members and the Banker to the Offer to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the

Companies Act. Further, consents received prior to filing of the Red Herring Prospectus have not been withdrawn up to the time of delivery of this Prospectus with the RoC.

Expert to the Offer

Except as stated below, our Bank has not obtained any expert opinions:

Our Bank has received written consent dated November 13, 2019 from the Statutory Auditors namely, M/s. R.G.N. Price & Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the report dated October 17, 2019, on the Restated Financial Information and the statement of special tax benefits dated November 13, 2019, included in this Prospectus. Such consent has not been withdrawn up to the time of delivery of this Prospectus.

Particulars regarding public or rights issues by our Bank during the last five years

Our Bank has not made any public issue during the last five years. Further, except as stated below, our Bank has not made any rights issues during the last five years:

Year of Issue	Closing Date	Date of allotment	Date of refunds	Date of listing on the stock exchange(s)	Premium / discount amount (in ₹)
2015	March 23, 2015	March 27, 2015	April 9, 2015	N.A.	65 (premium)

For further details, in relation to the above mentioned allotment, see "*Capital Structure - Share capital history of our Bank from the financial year ended December 31, 1982 till date*" beginning on page 76.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since incorporation.

Capital issue during the previous three years

Our Bank neither has a subsidiary nor an associate. Further, our Group Company has not made any capital issuances in the three years preceding the date of filing this Prospectus. For details in relation to the capital issuances by our Bank in the three years preceding the date of filing this Prospectus, see "*Capital Structure – Notes to Capital Structure*" beginning on page 75.

Performance vis-à-vis objects – Public/ rights issue of our Bank

Our Bank has not undertaken any public issue in the five years preceding the date of this Prospectus. For details of rights issue made by our Bank in the past five years, preceding the date of filing of this Prospectus, see "*Capital Structure - Share capital history of our Bank from the financial year ended December 31, 1982 till date*" beginning on page 76. Further, our Bank has not experienced any shortfall or delays in the achievement of objects.

Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries/Promoter of our Bank

Our Bank does not have a subsidiary. Our Promoter has no securities listed on any stock exchange.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

Axis Capital Limited

Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % 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	Sterling And Wilson Solar Limited	28,809.42	780.00	20-Aug-19	706.00	-21.88%, [-1.60%]	-48.63%, [+7.97%]	-
2	Spandana Sphoorty Financial Limited	12,009.36	856.00	19-Aug-19	825.00	-0.56%, [-2.14%]	+52.76%, [+7.61%]	-
3	Polycab India Limited	13,452.60	538.00^	16-Apr-19	633.00	+15.36%, [-5.35%]	+14.70%, [-1.99%]	+23.76%, [-4.09%]
4	Chalet Hotels Limited	16,411.80	280.00	07-Feb-19	294.00	+1.14%, [-0.31%]	+24.41%, [+3.87%]	+10.77%, [-1.87%]
5	Ircon International Limited	4,667.03	475.00*	28-Sep-18	412.00	-27.04%, [-8.24%]	-6.60%, [-1.84%]	-15.71%, [+5.06%]
6	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	+57.43%, [+1.17%]	+30.61%, [-7.32%]	+23.78%,[-4.33%]
7	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+18.09%, [+5.17%]	+15.95%,[+4.92%]	-4.20%, [+7.04%]
8	Hindustan Aeronautics Limited	41,131.33	1,215.00!	28-Mar-18	1,152.00	-6.96%, [+4.98%]	-25.84%, [+6.41%]	-25.45%, [+10.18%]
9	Bandhan Bank Limited	44,730.19	375.00	27-Mar-18	499.00	+31.81%, [3.79%]	+42.96%, [+6.26%]	+51.89%, [+9.42%]
10	Aster DM Healthcare Limited	9801.00	190.00	26-Feb-18	183.00	-13.66%, [-3.77%]	-4.97%, [+0.21%]	-8.16%, [+9.21%]

Source: www.nseindia.com
** Offer Price was 465.00 per equity share to Retail Individual Bidders and Eligible Employees*
! Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees
^Offer Price was ₹485.00 per equity share to Eligible Employees

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

Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Axis Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2019-2020*	3	54,271.38	-	-	2	-	-	1	-	-	-	-	-	1
2018-2019	4	54,206.94	-	1	-	1	-	2	-	-	2	-	-	2
2017-2018	18	492,662.22	-	1	9	1	3	4	-	2	7	4	2	3

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

IIFL Securities Limited

Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by IIFL Securities Limited

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % 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	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
2	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
3	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
4	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	-46.2%, [+7.5%]
5	Varroc Engineering Limited	19,549.61	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	-13.9%, [-1.4%]	-25.2%, [+0.4%]
6	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+52.9%, [+1.0%]	+30.6%, [-7.1%]	+23.8%, [-4.1%]
7	Credit Access Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.2%, [-3.7%]	-12.4%, [-8.4%]	-7.2%, [-8.4%]
8	Polycab India Limited	13,452.60	538.00	April 18, 2019	633.00	+10.7%, [-3.2%]	+16.5%, [-0.9%]	+31.0%, [-3.0%]
9	Spandana Sphoorty Financial Ltd	12,009.36	856.00	August 19, 2019	825.00	-0.6%, [-1.9%]	+52.8%, [+7.7%]	NA
10	Sterling and Wilson Solar Ltd	28,809.42	780.00	August 20, 2019	706.00	-23.8%, [-3.2%]	-58.9% [+7.5%]	NA

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by IIFL Securities Limited:

Table 2: Summary Statement of Disclosure

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	4	94,015.43	-	1	1	1	-	1	-	2	1	-	-	1
2019 – 20	3	54,271.38	-	-	2	NA	NA	1	NA	NA	NA	NA	1	NA

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, http://www.axiscapital.co.in and www.iiflcap.com.

Stock market data of Equity Shares

This being an initial public offer of the Equity Shares of our Bank, the Equity Shares are not listed on any stock exchange.

Redressal of investor grievances

The agreement between the Registrar to the Offer, our Bank and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Bank, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Bank shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Bank has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends,

approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "*Our Management - Stakeholders' Relationship Committee*" beginning on page 221.

Our Bank has appointed Mr. Sijo Varghese, as the Company Secretary and Compliance Officer. For further details, see "*General Information – Company Secretary and Compliance Officer*" beginning on page 66.

Disposal of investor grievances by our Bank

Our Bank does not have any subsidiary. Further, our Bank estimates that the average time required by our Bank or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 30 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Bank will seek to redress these complaints as expeditiously as possible.

Our Bank has not received any investor complaint during the three years preceding the date of this Prospectus. Further, no investor complaint in relation to our Bank is pending as on the date of filing of this Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the Banking Regulation Act, the terms of the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN or the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer consists of Fresh Issue and an offer for sale of the Equity Shares by the Selling Shareholders.

Offer expenses

The Offer-related expenses (excluding listing fees) shall be shared between our Bank and the Selling Shareholders in proportion of the Equity Shares to be offered by each of the Selling Shareholders and the Equity Shares allotted by our Bank respectively. For details, see "*Objects of the Offer*" beginning on page 98.

Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of voting, right to receive dividend and other corporate benefits if any, declared by our Bank after the date of Allotment. For details, see "*Main Provisions of the Articles of Association*" beginning on page 641.

Mode of Payment of Dividend

Our Bank shall pay dividends, if declared, to shareholders of our Bank as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the Banking Regulation Act, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Bank after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* beginning on pages 236 and 641, respectively of this Prospectus.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10. The Floor Price of Equity Shares is ₹ 193 per Equity Share and the Cap Price is ₹ 195 per Equity Share. The Anchor Investor Offer Price is ₹ 195 per Equity Share. The Price Band, and minimum Bid Lot for the Offer was decided by our Bank, in consultation with BRLMs, and advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and in all Kerala editions of the Malayalam daily newspaper Deepika (Malayalam being the regional language of Kerala wherein our Registered and Corporate Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, was pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price was determined by our Bank in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Bank shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the Shareholders of our Bank shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer the Equity Shares, subject to the Banking Regulation Act, foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the Banking Regulation Act, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" beginning on page 641.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. Further, our Bank has entered into tripartite agreements with the respective Depositories and the Registrar to our Bank:

- Tripartite Agreement dated April 12, 2010 among NSDL, our Bank and the Registrar to our Bank.
- Tripartite Agreement dated March 20, 2003 among CDSL, our Bank and the Registrar to our Bank.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of 1 Equity Share, subject to a minimum Allotment of 75 Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 620.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Bank.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there is no requirement for a separate nomination with our Bank. Nominations registered with the respective Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Bank does not receive (a) the minimum subscription of 90% of the Fresh Issue, and (b) subscription in the Offer equivalent to at least 10% post-Offer paid up equity share capital of our Bank (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Offer Closing Date on the date of closure of the Offer or withdrawal of applications, or if the subscription level falls below the threshold under Rule 19(2)(b) of the SCRR mentioned above after the Bid/Offer Closing Date; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Bank shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days, our Bank and our Directors, who are officers in default, shall pay interest at the rate of fifteen per cent per annum.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale; and (ii) through the balance part of the Fresh Issue.

Under-subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Bank, in consultation with the BRLMs and the Designated Stock Exchange.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Bank shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are made.

Restriction, if any, on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Shares, Allotments made to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" beginning on page 75, in the Banking Regulation Act and rules and regulations made thereunder and our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. For details, see, "*Main Provisions of the Articles of Association*" beginning on page 641.

In accordance with Section 12B of the Banking Regulation Act read with the Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector banks) Directions, 2015 dated November 19, 2015, no person (along with his relatives, associate enterprises or persons acting in concert with such person) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. For details, see *"Key Regulations and Policies in India"* and "*Offer Procedure"* beginning on pages 183 and 622, respectively.

Withdrawal of the Offer

Our Bank, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Bank would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Bank. Upon receipt of instructions from our Bank and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Bank, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Bank shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER STRUCTURE

Initial public offering of 21,009,067* Equity Shares of face value of ₹ 10 each for cash at a price of to ₹ 195 per Equity Share (including share premium of ₹ 185 per Equity Share) aggregating to₹ 4,096,768,065* comprising a Fresh Issue of 1,230,769* Equity Shares aggregating to ₹ 239,999,955* and an Offer for Sale of 19,778,298 Equity Shares aggregating to ₹ 3,856,768,110* by the Selling Shareholders. The Offer will constitute 12.11% of the post-offer paid-up equity share capital of our Bank.

**Subject to finalisation of Basis of Allotment.*

The Offer was made through the Book Building Process.

Particulars	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / Allocation[(1)$]	15,756,801 Equity Shares or the Offer less allocation to Retail Individual Bidders and Non-Institutional Bidders.	3,151,360 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders were available for allocation.	2,100,906 Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders were available for allocation.
Percentage of Offer available for Allotment/allocation[$]	Atleast 75% of the Offer was available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion was allocated proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion were also eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation would be available for allocation to QIBs (other than Anchor Investor Portion).	Not more than 15% of the Offer.	Not more than 10% of the Offer.
Basis of Allotment/ allocation if respective category is oversubscribed[$]	Proportionate as follows (excluding the Anchor Investor Portion): (a) 315,136 Equity Shares were available for allocation on a proportionate basis to Mutual Funds; and (b) 5,987,585 Equity Shares may be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate, subject to minimum Bid Lot. For details, see "*Offer Procedure*" beginning on page 622.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000	75 Equity Shares and in multiples of 75 Equity Shares thereafter.

Particulars	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
	and in multiples of 75 Equity Shares thereafter.	and in multiples of 75 Equity Shares thereafter.	
Maximum Bid	Such number of Equity Shares, not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of 75 Equity Shares not exceeding the size of the Offer (excluding QIB Portion), subject to applicable limits.	Such number of Equity Shares in multiples of 75 whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.		
Bid Lot	75 Equity Shares and in multiples of 75 Equity Shares thereafter		
Allotment Lot	A minimum of 75 Equity Shares and in multiples of 1Equity Share thereafter.		
Trading Lot	One Equity Share		
Who can Apply[(2)]	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than individuals, corporate bodies and family offices) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.
Terms of Payment[(3)]	**In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI mechanism (only for RIBs), that is specified in the ASBA Form at the time of submission of the ASBA Form **In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

[$] *Subject to finalisation of Basis of Allotment.*

[#] *Our Bank, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or*

non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.
(1) Subject to valid Bids being received at or above this Offer Price. This Offer was made in accordance with Rule 19(2)(b) of the SCRR in compliance with Regulation 6 (2) of the SEBI ICDR Regulations.
(2) In case of joint Bids, the Bid cum Application Form contained only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.
(3)Provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay - in Date as mentioned in the CAN.

Bidders will be required to confirm and will be deemed to have represented to our Bank, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Bank, in consultation with the BRLMs and the Designated Stock Exchange.

Bid/Offer Programme

BID/ OFFER OPENED ON*	**November 22, 2019**
BID/ OFFER CLOSED ON	**November 26, 2019**

**Our Bank in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors Bid on the Anchor Investor Bidding Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about December 2, 2019
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	On or about December 3, 2019
Credit of the Equity Shares to depository accounts of Allottees	On or about December 3, 2019
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about December 4, 2019

The above timetable is indicative and does not constitute any obligation on our Bank, the Selling Shareholders or the BRLMs. While our Bank shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Bank, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall severally extend reasonable co-operation required by our Bank and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

Submission of Bids (other than Bids from Anchor Investors)

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids were accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form except that:

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Offer Closing Date:

(a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(b) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids were accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which were extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or the Sponsor Bank, as the case may be, will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date. Bidders were cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system were not considered for allocation under this Offer. Bids were only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids were accepted only during Monday to Friday and were not accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders were uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Bank, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should review the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The Bidders should note that the details and process provided in the General Information Document should be read along with this section.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). However, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has extended the timeline for implementation of UPI Phase II up to March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the procedure set forth is under UPI Phase II.*

Our Bank, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, our Bank, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer was made through the Book Building Process, in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein atleast 75% of the Offer was allocated to QIBs on a proportionate basis provided that our Bank in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, such number of Equity Shares representing 5% of the Net QIB Portion was allocated on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was allocated on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the Bid Amounts received by our Bank shall be refunded. Further, not more than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Bank in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs bidding using the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

In accordance with Section 12B of the Banking Regulation Act read with the Reserve Bank of India (Prior approval for acquisition of shares or voting rights in private sector banks) Directions, 2015, as amended dated November 19, 2015, no person either by himself or acting in concert with any other person can acquire, directly or indirectly, or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, in case of Bids for such number of Equity Shares, as may result in the shareholding of a Bidder (along with his relatives, associate enterprises or persons acting in concert with such person) 5% or more of the total paid-up share capital of our Bank, such Bidder is required to submit the approval obtained from the RBI with the Registrar, at least one Working Day prior to the finalisation of the Basis of Allotment. In case of failure by such Bidder to submit the approval obtained from the RBI within the above time period, our Bank may Allot maximum number of Equity Shares, as adjusted for the Bid Lot (and in case of oversubscription in the Offer, after making applicable proportionate allocation for the Equity Shares Bid for), that will limit the aggregate shareholding of the Bidder (along with his relatives, associate enterprises or persons acting in concert with such person and including existing shareholding, if any) to less than 5% of the post-Offer paid-up share capital of our Bank. For further details, see "*Key Regulations and Policies in India*" beginning on page 183.

A clear legible copy of the approval obtained from the RBI together with the application submitted by such Bidder with the RBI for obtaining such approval must be submitted by the Bidders along with a copy of the Bid cum Application Form, with the Registrar at any time prior to the date falling one Working Day before the date for finalisation of the Basis of Allotment as stated above. The approval obtained from the RBI should clearly mention the name(s) of the entities which propose to Bid in the Offer, the aggregate shareholding of the Bidder in the pre-Offer paid-up share capital of our Bank and the maximum permitted holding of Equity Shares by such Bidder, in accordance with the above requirements.

Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, 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/DCR2/CIR/P/2019/133 dated November 8, 2019 (collectively the "**UPI Circular**") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI is to be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a) **Phase I:** This phase was applicable from January 1, 2019 till June 30, 2019. Under this phase, a Retail Individual Bidder had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

b) **Phase II:** This phase has become applicable from July 1, 2019 and will continue up to March 31, 2020. Under this phase, submission of the Bid cum Application Form by a Retail Individual Bidder through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

c) **Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three

Working Days.

All SCSBs offering facility of making application in public issues provided a facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

Copies of the ASBA Forms and the abridged prospectus were available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. The ASBA Forms were available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

Bidders (other than RIBs bidding using the UPI Mechanism and Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

Further, such Bidders (other than Anchor Investors) shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. The Sponsor Bank shall provide details of the UPI linked bank account of the Bidders to the Registrar to the Offer for purpose of reconciliation.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors**	White

** Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors were made available at the office of the BRLMs.*

^Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Subsequently, except in case of RIBs Bidding using UPI Mechanism, Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application to the respective SCSB, where the

Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA form and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIBs Bidding using UPI Mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Who can Bid?

In addition to the category of Bidders set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs eligible under the applicable law;
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

Participation by Promoter, Promoter Group, BRLMs, associates and affiliates of the BRLMs, the Syndicate Members, persons related to Promoter, Promoter Group and the Selling Shareholders

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the BRLMs) nor; (ii) any "person related to the Promoter or Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoter and members of the Promoter Group will not participate in the Offer.

Further, the Selling Shareholders will not participate in the Offer except to the extent of the Offered Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Bank reserves the right to reject any Bid without assigning any reason therefore.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted. Further, Bids by mutual funds with the same PAN but with different Client IDs and DP IDs, shall

not be treated as multiple Bids.

No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. Further, the Banking Regulation Act requires any person to seek prior approval of the RBI to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by itself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by such person or associate enterprise or persons acting in concert with the concerned person) results in aggregate shareholding of such person to be 5% or more of the paid up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank. For details, see "*Key Regulations and Policies in India*" beginning on page 183.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their SCSB to block their Non- Resident Ordinary ("**NRO**") accounts, for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents in white colour.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents in blue colour.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means multiple entities having common ownership, directly or indirectly, of more than fifty percent. or common control) must be below 10% of the post-issue equity share capital of a company. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In accordance with the FEMA Rules, participation by FPIs is restricted under Schedule 2 of the FEMA Rules, in accordance with applicable law, subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Bank and the aggregate limit for FPI investment not exceeding 24% of the post-Offer paid-up capital of our Bank. The aggregate limit of 24% may be increased up to the sectoral cap, if any by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of a company. The aggregate limit of foreign investment, in our Bank, of 24% has been increased to 74%, with a sub limit of 49% for FPIs and 24% for NRIs, by way of a resolution passed by our Board in its meeting held on December 22, 2014 followed by a special resolution passed by the Shareholders in the general meeting held on February 19, 2015 and amended by the resolutions passed by our Board in its meeting held on February 17, 2018 followed by a special resolution passed by the Shareholders in the general

meeting held on March 21, 2018. The said resolutions were amended by the resolution passed by the board of directors on March 6, 2019 and by the shareholders by way of postal ballot on May 4, 2019. Further, pursuant to a letter dated August 19, 2015 issued by the *erstwhile* Foreign Investment Promotion Board and letter dated October 9, 2018 issued by Department of Financial Services, our Bank has received approval for increase in the foreign investment limit up to 74% of its paid up share capital and the RBI, by its letter dated July 12, 2018, provided its approval for acquisition by FIHM of up to 51% of the post-Offer paid-up share capital of our Bank. Our Bank, through letters dated April 18, 2019 and May 7, 2019, had requested the DFS to amend the approval granted by the erstwhile FIPB and the aforementioned approval from DFS and to permit the foreign investment in our Bank, subject to applicable law, of up to 74% of the paid up capital of our Bank, without any monetary investment limit. In addition to the above, our Bank through its letter dated September 7, 2019 had requested the DFS to grant our Bank an approval to raise an additional amount of ₹ 30,000 million from all type of non-resident investors apart from the amount already raised, for the proposed Offer and any future fund raising in our Bank in the form of QIP or preferential issue or any other permitted mode of fund raising in terms of the provisions of the Companies Act, 2013 and SEBI ICDR Regulations. Pursuant to which, the DFS by its letter dated October 30, 2019, subject to certain terms and conditions, granted its approval to raise additional share capital of up to a maximum of ₹ 30,000 million, including premium such that the composite foreign shareholding in our Bank, inclusive of all types of foreign investments, both direct and indirect, shall not exceed 74% of the enhanced paid up capital of our Bank. For further details, see "*Government and other Approvals*" on page 587. In accordance with the FEMA Rules, with effect from April 1, 2020, the aggregate investment limit shall be the sectoral cap applicable to our Bank, i.e. 74%. For details of restrictions on investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 640.

Further, the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants and our Bank and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF or

FVCI registered with SEBI, in any company should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Bank nor the BRLMs will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Bank reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Bank reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in another banking company as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 (the "**Financial Services Directions**"), is 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to *inter alia* make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Financial Services Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid up share capital or 10% of the bank's paid up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see "*Key Regulations and Policies in India*" beginning on page 183.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by NBFC – SI

In case of Bids made by NBFC – SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Bank in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof. NBFC – SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Bank in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**") are set forth below:

(i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Bank reserves the right to accept or reject any Bid in whole or

in part, in either case, without assigning any reason thereof.

Our Bank in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Bank, in consultation with the BRLMs, may deem fit, without assigning any reasons thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the office of the BRLMs.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors was open one Working Day before the Bid/ Offer Opening Date, i.e., the Anchor Investor Bidding Date, and was completed on the same day.

(v) Our Bank in consultation with the BRLMs finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:

(a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

(b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

(c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors was completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made was made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Office Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) Neither the Promoter, members of the Promoter Group, the BRLMs or any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are

associates of the BRLMs) shall apply in the Offer under the Anchor Investor Portion. For details, see "- *Participation by Promoter, Promoter Group, BRLMs, associates and affiliates of the BRLMs, the Syndicate Members and persons related to Promoter, Promoter Group*" beginning on page 625.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see the General Information Document.

Payment into Escrow Account

Our Bank in consultation with the BRLMs has decided the list of Anchor Investors to whom the CAN has been sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

Anchor Investors were not permitted to Bid in the Offer through the ASBA process. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "Anchor Escrow Account – CSB Bank Limited IPO – Anchor Investor - R"
(ii) In case of non-resident Anchor Investors: "Anchor Escrow Account – CSB Bank Limited IPO – Anchor Investor - NR "

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Bank, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Bank reserves the right to reject any Bid, without assigning any reason therefor.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Bank and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus, the Red Herring Prospectus or this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, RIBs who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 200,000 with respect to RIBs if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹ 200,000 with respect to RIBs, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Bank, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and in all Kerala editions of Deepika (a widely circulated Malayalam newspaper, Malayalam also being the regional language of Kerala where our Registered Office is located). Our Bank in the pre-Offer advertisement stated the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Bank and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters. Our Bank will file this Prospectus with the RoC, in accordance with applicable law. This Prospectus contains details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangement and is complete in all material respects.

General instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. RIBs bidding in the issue to ensure that they shall use only their own ASBA bank account or only their own

bank account linked UPI ID to make an application and not ASBA bank account or bank account linked UPI ID of any third party;

7. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs bidding using the UPI Mechanism) in the Bid cum Application Form;

8. RIBs bidding using the UPI Mechanism should ensure that the correct UPI ID is mentioned in the Bid cum Application Form;

9. RIBs bidding shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

13. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;

14. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

15. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;

16. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the BRLMs;

19. Ensure that the Demographic Details are updated, true and correct in all respects;

20. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

21. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant

documents, including a copy of the power of attorney, are submitted;

23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

24. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

25. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and in case of Bidding through a Designated Intermediary (other than for Anchor Investors and RIBs bidding through the UPI Mechanism) the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in) or such other websites as updated from time to time;

27. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

28. For RIBs bidding using the UPI Mechanism, ensure that you approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;

29. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

30. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

31. RIBs bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of allotment in a timely manner; and

32. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe,

after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the Bid cum Application Forms to any non-SCSB bank;

8. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;

9. Do not Bid at Cut-off Price in case of Bids by QIBs and Non-Institutional Investors;

10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

11. If you are a Non-Institutional Investor or a Retail Individual Investor, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;

13. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

14. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect UPI ID details if you are a RIB bidding through the UPI Mechanism;

17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

19. Do not submit more than one Bid cum Application Form per ASBA Account;

20. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs bidding through the Designated Intermediaries using the UPI Mechanism;

21. In case of ASBA Bidders (other than RIBs using UPI Mechanism), do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms. If you are RIB and are Bidding using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

23. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

25. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB using the UPI Mechanism;

26. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

27. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

28. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism); and

29. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in the Red Herring Prospectus, as applicable, is not complied with.

Further, in case of any pre–Offer or post–Offer related issues regarding share certificates, demat credit, refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information - Company Secretary and Compliance Officer*" beginning on page 66.

Grounds for technical rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds, *inter – alia*:

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as provided in *"-Who can bid?"* beginning on page 625;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. The ASBA Form not signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Investors with Bid Amount for a value of more than ₹ 200,000;

11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids accompanied by stock invest, money order, postal order or cash; and

13. Bids by OCB.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Bank will not make any Allotment in excess of the Equity Shares through the Red Herring Prospectus and this Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Offer may be made for the purpose of making Allotment in minimum lots. The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis subject to applicable law.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Bank, the respective Depositories and the Registrar to our Bank:

- Tripartite Agreement dated April 12, 2010 among NSDL, our Bank and the Registrar to our Bank.
- Tripartite Agreement dated March 20, 2003 among CDSL, our Bank and the Registrar to our Bank.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Bank

Our Bank undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Bank expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire

subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds/ unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Bank;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(vii) that, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by Selling Shareholders

Each Selling Shareholder severally undertakes the following in respect of itself and its respective portion of the Offered Shares:

(i) that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible for Offer in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer;

(ii) that it is the legal and beneficial owner of and holds clear and marketable title to their respective portion of the Offered Shares;

(iii) that it shall extend reasonable support, documentation and cooperation as may be required in relation to its respective portion of the Offered Shares and to the extent of facilitating the process of listing of Offered Shares in accordance with applicable law;

(iv) that it specifically confirms that it shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges;

(v) that its shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer;

(vi) that it shall not offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any encumbrances in relation to the Offered Shares;

(vii) they it provide reasonable support and extend reasonable cooperation as required or requested for the purpose of redressal of such investor grievances, only in relation to itself, its Offered Shares and the Offer, to the extent applicable;

(viii) that it shall transfer its portion of the Offered Shares to an escrow demat account in accordance with the share escrow agreement executed between the parties to such share escrow agreement;

(ix) that it has confirmed in its consent letter that there is no agreement or commitment outstanding which calls

for the transfer of, or accords to any person the right to call for the transfer of, its Offered Shares, whether directly or indirectly, and such Offered Shares are not subject to any restrictions on transfer, including, without limitation, any lock-up, standstill or other similar agreements or arrangements; and

(x) that it is not aware of and does not anticipate any legal proceeding or action by any regulatory or governmental authority or any third party, that could hinder its ability to participate in the Offer for Sale or affect the rights of the purchaser of the Offered Shares.

Utilisation of Offer Proceeds

Our Bank and the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received from the Offer shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Further, details of all utilised and unutilised monies out of the Fresh Issue shall be disclosed and continued to be disclosed under an appropriate separate head in the balance sheet of our Bank indicating the purpose for which such monies have been utilised or invested.

The above information is given for the benefit of the Bidders. Our Bank, the Selling Shareholders and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in the Red Herring Prospectus and this Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. The Union Cabinet had approved phasing out the FIPB, as provided in the press release dated May 24, 2017. Accordingly, FIPB has now been abolished and the process for FDI and approval from the GoI will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion under the Ministry of Commerce and Industry ("**DIPP**"). The Ministry of Finance through an office memorandum dated June 5, 2017 has notified the specific ministries that will be granting approvals to the notified sectors. For details in relation to the DFS approval received by our Bank for increasing the FDI limits, see "*Government and Other Approvals*" beginning on page 587.

The DIPP issued the Standard Operating Procedure for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post-facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, DIPP shall identify the Competent Authority.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

As per the consolidated FDI Policy, the aggregate foreign direct investment in a private sector bank is permissible up to 49% of the paid-up voting equity capital, through automatic route and beyond 49% up to 74%, through Government route. For details, see "*Key Regulations and Policies in India*" beginning on page 183.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per the existing policy of the Government, OCBs cannot participate in this Offer.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized / defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning inthese Articles.

The Articles of Association of our Bank comprises two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part A shall, subject to applicable Law, prevail and be applicable. However, Part A shall automatically terminate and cease to have any force and effect from the date of listing and trading of the Equity Shares on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of our Bank, without any further corporate action by our Bank or by the shareholders and Part B shall continue to be in effect.

PART A

Part A and Part B of the Articles of Association of our Bank provide for rights and obligations of the parties to the investment agreement dated February 20, 2018, as amended by the amended and restated investment agreement dated October 15, 2018 entered into between the Bank and FIHM. Until the commencement of listing and trading of the equity shares of our Bank on BSE Limited and/or National Stock Exchange of India Limited, in case of any inconsistency between Part A and Part B of the Articles, the provisions of Part A shall prevail over Part B.

Part A of the Articles of Association shall terminate and shall be deemed to fall away without any further action immediately on the commencement of listing and trading of the equity shares of our Bank on BSE Limited and/or National Stock Exchange of India Limited in accordance with applicable laws and Part B shall continue to be in effect.

PART B

Capital

5. (a) The Authorized Capital of the Company shall be as stated in clause 5 of the Memorandum of Association.

(b) Subject to the provisions of Sections 47, 48 and 55 of the Act, and the provisions of the Banking Act, any shares in the Company may be issued with such preferred or other special rights, or such restrictions, whether in regard to dividend or repayment of Capital or both, as the Company may from time to time by resolution determine, and any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed or converted into equity shares on such terms and conditions and in such manner as may be determined by the Company in General Meeting.

Provided that:

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;

(ii) no such shares shall be redeemed unless they are fully paid;

(iii) where such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of the Act relating to reduction of share capital of a Company shall, except as provided in section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

Shares to be under control of Board

10. Subject to the provisions of the Act and these presents, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such times or in such other manner as they may from time to time think fit and proper. Subject to the provisions of the Act, the Board is also empowered to give to any person or persons the option or right to call for any shares either at par or premium or at a discount, during such time and for such consideration as the Board thinks fit. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board may also issue depository receipts whether domestic or foreign, with shares as underlying security.

Share Certificates

23. (a) The Company shall, unless prohibited by any provision of law or any order of Court, Tribunal or other authority, deliver the certificates of all securities allotted, transferred or transmitted –

(i) within a period of two months from the date of allotment, in the case of any allotment of any of its shares;

(ii) within a period of one month from the date of receipt by the Company of the instrument of transfer or, as the case may be, of the intimation of transmission, in the case of a transfer or transmission of securities;

(iii) within a period of six months from the date of allotment in the case of any allotment of debenture.

Provided that every person subscribing to securities offered by the Company shall have the option either to receive the share/ security certificates or to hold shares/ securities in a dematerialised form.
Provided that where the securities are dealt with in a Depository, the Company shall intimate the details of

allotment of securities to Depository immediately on allotment of such securities.

Notwithstanding anything contained above, the certificates in respect of all securities allotted, transferred or transmitted will be delivered within such other shorter period as may be required by stock exchanges where the securities of the Company are listed.

Forfeiture and Lien

50. The Company shall have no lien on its fully-paid shares. In the case of partly paid-up shares, the Company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

Transfer and Transmission of Shares

54. A common form of transfer shall be used. The Company shall not register a transfer of securities of the Company, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer/common form of transfer as prescribed in the Rules made under sub-section (1) of Section 56 of the Act, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee within a period of sixty days from the date of execution, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities:

Provided that where the instrument of transfer/ common form of transfer has been lost or the instrument of transfer/ common form of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit. No instrument of transfer/ common form of transfer shall be necessary as regards transfer of shares or other securities held in dematerialized form and such transfers shall be registered in accordance with the applicable regulations of the Depositories Act;

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

64. Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board shall require, either be registered as a Member in respect of such shares or may subject to the regulations as to transfer contained in these presents transfer such shares to some other person. This Article is in these presents referred to as the "Transmission Clause".

Increase, Reduction and Alteration of Capital

70. Subject to the provisions of said Acts, the Company may from time to time increase its share capital by such sums to be divided into shares of such amount, as may be specified in the resolution issuing new shares.

71. Subject to the provisions of the Act and these presents, the new shares (except such of them as shall be unclassified shares subject to the provisions of Article 12) shall be issued upon such terms and conditions and with such rights and privileges annexed and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company.

72. Subject to the provisions of the Act and these presents, the new shares (resulting from an increase of capital as aforesaid) may be issued or disposed of by the Company in General Meeting or by the Board under their powers in accordance with the provisions of Articles 10, 11, 12, 13 and the following provisions:-

(a) (i) Such new shares may be offered to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer.

(ii) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(iii) The offer aforesaid shall include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in aforesaid clause shall contain a statement of this right;

(iv) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company; or

Provided that the right of the renouncees for the share allotment shall be subject to the right of refusal by the Board under Article 57 (b), (c) and (d) of these Articles in the same manner as applicable to transfer of shares, and further subject to other terms and conditions, if any, whatsoever as may be decided by the Company in General Meeting or by the Board of Directors and stipulated in the terms of issue.

(b) The new shares may be offered to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and on satisfying other conditions as prescribed by the Act and the Rules, Guidelines and other regulations made in this regard under any of the laws.

(c) The new shares may also be offered to any persons, whether or not such persons include persons mentioned in clause (a) and (b) of this Article, if it is authorised by a special resolution, either for cash or for consideration other than cash, if the price of such share is determined by the valuation report of a registered valuer, and such other conditions as prescribed by the Act and the Rules, Guidelines and other regulations made in this regard under any of the laws are satisfied.

(d) Nothing in this article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

(e) Notwithstanding anything contained in sub-article (d), debentures issued to or loan obtained from any Government by the Company or any part thereof may be converted into shares in the Company even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion, in accordance with the provisions of section 62 of the Act, and where such conversion has the effect of increasing the authorised share capital of the Company, the memorandum of association of the Company shall stand altered and the authorised share capital of the Company shall

stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

74. Subject to the provisions of section 61 of the Act and Rules thereto, the Company may alter the condition of shares as contained in its Memorandum and Articles of Association as follows:

(a) increase its authorised share capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Buy – Back of Shares

75. Subject to the provisions of the Act and the Rules and regulations as may be issued / notified by competent authority, the Company may buy back its own shares or other securities.

Reduction of Share Capital

76. The Company may, reduce its share capital in accordance with relevant statutory provisions that may be in force at the time of reduction.

Anti – dilution

77. Notwithstanding anything contained under these Articles and unless otherwise agreed to in writing by the Company and the Majority Shareholder, the Company shall not, at any time after the Completion Date and until the Fall Away Date, issue any Equity Securities of any type or class to any Person ("**Proposed Issuance**") unless the Company has offered the Majority Shareholder the right to subscribe for up to such number of Equity Securities as would result in the percentage of the Majority Shareholder's shareholding in the Company immediately following the completion of the Proposed Issuance, on a Fully Diluted Basis, being maintained at the same percentage as the percentage of the Majority Shareholder's shareholding in the Company immediately prior to the completion of the Proposed Issuance, on a Fully Diluted Basis ("**Majority Shareholder's Pro Rata Share**") in accordance with Article 77 to Article 78. The Majority Shareholder may, subject to applicable Law, choose to exercise such right itself or through renunciation in favour of an Affiliate.

78. Process

(a) Unless otherwise agreed to in writing by the Company and the Majority Shareholder, the Company shall, no later than 30 (thirty) Business Days prior to the date on which the Proposed Issuance is intended to be undertaken, deliver to the Majority Shareholder written notice ("**Offer Notice**") in relation to the Proposed Issuance setting forth (i) the number, type and terms of the Equity Securities proposed to be issued pursuant to the Proposed Issuance ("**New Securities**"), including the subscription consideration payable for the subscription for such New Securities, and (ii) the number of New Securities that represents the Majority Shareholder's Pro Rata Share of the Proposed Issuance and for which the Majority Shareholder is entitled to subscribe.

(b) Unless otherwise agreed to in writing by the Company and the Majority Shareholder, the Majority Shareholder may, if it elects to exercise its rights under Article 77 and Article 78, deliver a written notice

to the Company, within 15 (fifteen) Business Days from the date of the Offer Notice ("**Offer Period**"), specifying the number of New Securities to be subscribed for the Majority Shareholder and the aggregate subscription price payable by the Majority Shareholder for the subscription to such New Securities. The Company and/or the Majority Shareholder, as the case may be, shall apply for and obtain all such consents as may be applicable, and take all necessary corporate actions as may be required to issue the New Securities that the Majority Shareholder has elected to subscribe for to the Majority Shareholder within 30 (thirty) Business Days from the date of the Offer Notice, and in any event simultaneously with the completion of the issuance of New Securities to any other Person pursuant to the Proposed Issuance.

(c) Unless otherwise agreed to in writing by the Company and the Majority Shareholder, if the Majority Shareholder does not elect to subscribe for all of the New Securities representing the Majority Shareholder's Pro Rata Share of the Proposed Issuance, the Company may, at its election following the expiration of the Offer Period and within a period of 3 (three) months from the date of the Offer Notice, issue any remaining New Securities that the Majority Shareholder has not elected to subscribe for to any Person pursuant to the Proposed Issuance at a price and upon terms not more favourable to the such Person than those contained in the Offer Notice. In the event the Company has not completed the Proposed Issuance within 3 (three) months from the date of the Offer Notice, the Company shall not thereafter issue any Equity Securities to any Person without first being required to re-offer the Majority Shareholder the right to subscribe to such Equity Securities in accordance with Article 77 and Article 78.

79. Issuance of equity shares pursuant to the ESOP Plans. Unless otherwise agreed to in writing by the Company and the Majority Shareholder, in the event that the Company proposes to issue any equity shares pursuant to the exercise of any employee stock options under the ESOP Plans, such issuance of equity shares shall also be deemed a Proposed Issuance, and the Company shall be required to comply with the provisions of Article 77 and Article 78, provided that in such instance, the price at which the Investor shall be entitled to subscribe to the Majority Shareholder's Pro Rata Share of the Proposed Issuance shall be the fair market value of such equity shares.

Borrowing Powers

82. Subject to the relevant provisions of the said Acts, the Board of Directors may from time to time, by a resolution passed at a meeting of the Board, borrow monies and may generally raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or promissory notes or any other instruments by creating any mortgage or charge or other security on the undertaking or the whole or any part of the property or undertaking of the Company, both present and future.

Provided that the Board shall not borrow monies, where monies to be borrowed together with the monies borrowed by the Company, apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall exceed the aggregate of the paid-up capital of the Company, its free reserves, that is to say, reserves not set apart for any specific purpose and securities premium, except with the sanction of the company in General Meeting:

Provided, further, that:

(a) nothing contained hereinabove shall apply to any sums of monies borrowed by the Company from any other banking companies or from the Reserve Bank of India, State Bank of India or any other bank established by or under any law for the time being in force;
(b) acceptance by the Company in the ordinary course of business of deposits of monies shall not be deemed to be borrowing of monies by the Company for the purpose aforesaid.

Meetings

87. The Company shall, in each year, hold, in addition to any other meetings, a general meeting which shall be styled as its "Annual General Meeting" in accordance with the provisions of Section 96 of the Act.

88. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

89. The Board of Directors may, whenever they think fit, and shall, on the requisition of such number of Members of the Company as is specified in sub-article (c) of this Article forthwith proceed and call an Extraordinary General Meeting of the Company and in case of such requisition the following provisions shall apply:

(a) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or by electronic means.

(b) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(c) The number of Members entitled to requisition a meeting with regard to any matter shall be such number of them as hold at the date of the receipt of the requisition by the Company, not less than one-tenth of such of the paid- up capital of the Company as at that date carries the right of voting in regard to that matter.

(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-article (c) above shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-article is fulfilled.

(e) If the Board does not, within 21 days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than 45 days from the date of the receipt of the requisition, the meeting may be called and held by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in sub-article (c) above, whichever is less. However, for the purpose of this sub-article, the Board shall, in the case of a meeting at which a resolution is to be proposed as a Special Resolution, give such notice thereof as is required by the Act.

Directors

128. Unless otherwise agreed to in writing by the Company and the Major Shareholder, and other than the Directors appointed by the Reserve Bank of India pursuant to section 36AB of the Banking Act, if any, the Board of Directors shall consist of a maximum of 7 (seven) directors, including the Majority Shareholder Directors, 4 (four) of which Directors shall be independent directors. Not less than fifty one percent of the total number of directors shall be persons who satisfy the conditions laid down in Section 10A of the Banking Act.

131. (a) Unless otherwise agreed to in writing by the Company and Majority Shareholder, for as long as the Majority Shareholder holds such number of Equity Securities as represents at least 15% (fifteen per cent) of the Equity Share Capital on a Fully Diluted Basis, the Majority Shareholder shall have the right to nominate to the Board of Directors, 2 (two) Directors (collectively, the "**Majority Shareholder Directors**"). The Majority Shareholder Directors nominated to the Board will be required to comply with such provisions as may be applicable to non-executive Directors of a banking company in India under applicable Law. The Majority Shareholder Directors, if required to retire by rotation under the Act, shall retire by rotation and shall be eligible for re-appointment to the Board in accordance with the

provisions of the Act.

(b) The Majority Shareholder Directors shall be non-executive Directors, who shall have no responsibility for the day-to-day management of the Company.

148. Subject to the provisions of the said Acts and these presents, the Board of Directors of the Company shall be entitled to appoint from time to time, one or more of the Directors to act as Part-time Chairman or a Managing Director or Managing Director(s) and/or Whole-time Director or Whole-time Director(s) of the Company for such term not exceeding five years at a time as the Board of Directors may think fit, but shall be eligible for re-appointment. Subject to provisions of any contract between him / them and the Company, the Board may also remove or dismiss him or them from office and appoint another in his / their place. The Managing Director shall be the Chief Executive Officer of the Company under its whole time employment, and shall be entrusted with the management of the whole of the affairs of the Company. Subject to the provisions of the said Acts and these presents, the Part time Chairman or the Managing Director or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation but he shall be subject to the provisions of any contract between him and the Company and be subject to the same provisions as to disqualification, removal, vacation or resignation of office of director as are applicable to the other Directors of the Company and he shall ipso facto and immediately cease to be Part time Chairman or Managing Director or Whole-time Director if he ceases to hold the office of Director from any cause.

Nomination and Remuneration Committee

157. (a) Unless otherwise agreed to in writing by the Company and the Majority Shareholder, as long as the Majority Shareholder holds such number of Equity Securities as represents at least 15% (fifteen per cent) of the Equity Share Capital on a Fully Diluted Basis, at least one of the members of the Nomination and Remuneration Committee constituted by the Board ("**NRC**") shall be a Majority Shareholder Director.

(b) Notwithstanding anything contained in these presents and unless otherwise agreed to in writing by the Company and the Majority Shareholder, for as long as the Majority Shareholder holds such number of Equity Securities as represents at least 15% (fifteen per cent) of the Equity Share Capital on a Fully Diluted Basis (i) all decisions in relation to the appointment, termination or replacement of any Directors, key managerial personnel (as defined under the Act), officers or senior executives of the Company, or any alteration in the terms of their appointment or engagement ("**NRC Matters**"), shall, require an approval from a majority of the members of the NRC including an approval from the Majority Shareholder Director; and (ii) any matter which constitutes an NRC Matter may only be tabled for the Board for consideration if such matter has first been tabled before the NRC, approved by the NRC and thereafter referred to the Board for approval by the NRC.

Restrictions regarding Inspection

173. (a) The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations the accounts and books of the company or any of them shall be open to the inspection of members other than directors. No member other than a director shall have any right of inspecting any account or books or documents of the company except as conferred by law or authorized by the Board or the company in general meeting.

(b) Notwithstanding anything contained in Article 173(a) and unless otherwise agreed to in writing by the Company and the Majority Shareholder, the Company shall (i) reasonably cooperate, and shall cause its respective subsidiaries, officers, employees, and auditors to reasonably cooperate in preparing and auditing, as applicable, at the expense of the Majority Shareholder, any financial information that Majority Shareholder or any of its Affiliates may request in connection with filings required under the applicable securities laws in their respective jurisdictions or in connection with any tax filings of Majority Shareholder or any of its Affiliates; and (ii) procure that all information as may be required to

be provided to the Majority Shareholder and/or their respective Affiliates, shall be provided by the Company, in the manner and in accordance with the terms agreed to between the Company and the Majority Shareholder in writing.

Dividends

181. Subject to the provisions of the said Acts, the Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment.

182. No larger dividend shall be declared than is recommended by the Board but the Company in General Meeting may declare a smaller dividend. Subject to the provisions of the Act, no dividend shall be payable except out of (a) the profits of the company for that year arrived at after providing for depreciation, (b) the profits of the company for any previous financial year or years arrived at after providing for depreciation and remaining undistributed, (c) as otherwise provided for under the Act, or (d) any or all of the above. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

183. Subject to the provisions of the said Acts and these presents, the Board may from time to time pay to the Members interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.

In case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

188. Subject to the relevant provisions in the Act as in force, if the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special Unpaid Dividend account to be opened in that behalf in any scheduled bank.

Winding Up

204. For winding up of the Company, the provisions contained in the Banking Act will apply and the provisions of the Act will also apply to the extent to which they are not varied or inconsistent with the Banking Act.

Indemnity

206. Subject to the provisions of applicable Law, the Company shall indemnify, defend and hold harmless each of the Directors promptly upon demand at any time and from time to time, from and against any and all Losses to which the Directors may become subject, including Losses pursuant to any Claim against the Directors or to which the Directors are made a party, insofar as such Losses arise out of, in any way relate to, or result from the Directors' holding a position on the Board and Committees and/or otherwise from the Directors' current or past association with the Company.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Bank (not being contracts entered into in the ordinary course of business carried on by our Bank) which are or may be deemed material were attached to the copy of the Red Herring Prospectus which were delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, were available for inspection at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Bank or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar Agreement dated August 9, 2019 entered into between our Bank, the Selling Shareholders and the Registrar to the Offer.

2. Offer Agreement dated August 9, 2019 entered into between our Bank, the Selling Shareholders and the BRLMs.

3. Share Escrow Agreement dated August 9, 2019 entered into between our Bank, the Selling Shareholders and the Share Escrow Agent.

4. Cash Escrow and Sponsor Bank Agreement dated November 13, 2019 entered into between our Bank, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker to the Offer.

5. Syndicate Agreement dated November 13, 2019 entered into between our Bank, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer.

6. Underwriting Agreement dated November 27, 2019 entered into between our Bank, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the MoA and AoA of our Bank as amended until date.

2. Certificate of incorporation dated November 26, 1920 the Indian Companies Act, 1913 and fresh certificate of incorporation dated April 14, 1987 under the *erstwhile* Companies Act, 1956.

3. Certificate of incorporation pursuant to change of name from '*The Catholic Syrian Bank Limited*' to '*CSB Bank Limited*' dated June 10, 2019 under the Companies Act, 2013.

4. Resolution of the Board of Directors dated March 6, 2019 in relation to the Offer and other related matters and resolution of the Shareholders passed through the postal ballot held on May 4, 2019, approving the Offer.

5. Resolution of the Board of Directors dated August 9, 2019 approving the Draft Red Herring Prospectus.

6. Resolution of the Board of Directors dated November 13, 2019 and resolution of the IPO Committee dated November 13, 2019, approving the Red Herring Prospectus.

7. Resolution of the Board of Directors dated November 27, 2019 along with the resolution of the IPO Committee dated November 27, 2019 approving this Prospectus.

8. Consent letters from the Selling Shareholders, authorising participation in the Offer.

9. Letter dated March 28, 2019 issued by our Bank to its shareholders inviting them to participate in the Offer amended by letter dated June 8, 2019.

10. Letter dated July 12, 2018 bearing no. DBR. PSBD. No. 341/16.01.060/2018-19 from RBI amended by letter dated August 27, 2018 bearing no. DBR.PSBD.No.1643/16.01.060/2018- 2019 through which RBI granted its approval to FIHM to acquire up to 51% of the post-issue paid-up share capital of our Bank.

11. Letter from DFS dated October 30, 2019 bearing no. F.No 2/14/2019 – BOA – II to raise additional share capital of up to a maximum of ₹ 30,000 million, including premium such that the composite foreign shareholding in our Bank, inclusive of all types of foreign investments, both direct and indirect, shall not exceed 74% of the enhanced paid up capital of our Bank.

12. Letter dated October 9, 2018 bearing no. F. No. 26/5/2018-BOA from the DFS for increase in FDI investment limit to 74%.

13. Letter dated April 22, 2019 bearing number DBR.PSBD.No.8910/16.01.060/2018-19 from the RBI identifying FIHM as the promoter of our Bank.

14. RBI letter dated October 25, 2019 bearing reference number DBR.PSBD.No.3344/16.01.060/2019-20 on listing of Equity Shares of our Bank.

15. Consent dated November 13, 2019 from the Statutory Auditors namely, R.G.N Price & Co., to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a Statutory Auditor and in respect of their (i) examination report dated October 17, 2019 on our Restated Financial Information; and (ii) their report dated November 13, 2019 on the Statement of Special Tax Benefits included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

16. Statement of special tax benefits dated November 13, 2019 from the Statutory Auditors included in this Prospectus.

17. Copies of the annual reports of our Bank for Fiscals 2017, 2018 and 2019.

18. Consent of our Promoter, Promoter Group, Directors, BRLMs, Syndicate Members, legal counsel to our Bank as to Indian law, legal counsel to the Selling Shareholders as to Indian law, legal counsel to the BRLMs as to Indian law, Special Purpose International Legal Counsel to the BRLMs, Registrar to the Offer, Registrar to our Bank, Banker to the Offer, Sponsor Bank, Bankers to our Bank and the Company Secretary and Compliance Officer as referred to in their specific capacities.

19. Investment agreement dated February 20, 2018 between FIHM and our Bank.

20. Amended and Restated Investment Agreement dated October 15, 2018 between FIHM and our Bank.

21. Warrant Letter dated August 7, 2019 between FIHM and our Bank.

22. Waiver letter dated July 30, 2019 issued by FIHM and our Bank and extended by the letter dated September 27, 2019.

23. Agreement dated December 9, 2016 between our Bank and Mr. Rajendran Chinna Veerappan for appointment as the Managing Director and Chief Executive Officer.

24. Due diligence certificate dated August 9, 2019 addressed to SEBI from the BRLMs.

25. In-principle listing approvals dated September 18, 2019 and September 20, 2019 issued by BSE and NSE, respectively.

26. Tripartite agreement dated April 12, 2010 among our Bank, NSDL and the Registrar to our Bank and Tripartite agreement dated March 20, 2003 among our Bank, CDSL and the Registrar to our Bank.

27. SEBI interim observation letter no. SRO/Issues/SG/SKK/19-20/22628/1/2019 dated August 30, 2019.

28. SEBI final observation letter no. SRO/Issues/SG/25951/1/2019 dated October 1, 2019.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines and regulations issued by the Government of India and the rules, guidelines or regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR BANK

Mr. Madhavan Karunakaran Menon
(Part – time Chairman and Non-executive Director)

Mr. Rajendran Chinna Veerappan
(Managing Director and Chief Executive Officer)

Mr. Sumit Maheshwari
(Non-executive Director)

Mr. Thomas Mathew
(Independent Director)

Ms. Bhama Krishnamurthy
(Independent Director)

Mr. Aravamuthan Madhavan
(Independent Director)

Mr. Syed Nagoor Ali Jinnah
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Ms. Veluthattil Maheswari

Place: MUMBAI

Date: 27/11/2019

DECLARATION BY THE SELLING SHAREHOLDERS

Each Selling Shareholder, severally and not jointly, certifies that all statements and undertakings specifically confirmed or made in this Prospectus by it in relation to itself as a Selling Shareholder and the Equity Shares being offered by it by way of the Offer for Sale are true and correct. Each Selling Shareholder assumes no responsibility for any other statements in this Prospectus.

Signed on behalf of the Selling Shareholders by its duly constituted attorney holder

Bhamale

Name: Ms. Bhama Krishnamurthy

Designation: Independent Director

CSB Bank Limited
(as the duly constituted power of attorney holder for the Selling Shareholders)

Place: MUMBAI

Date: 27/11/2019

ANNEXURE A

Sr. No.	Name	Number of Equity Shares offered
1.	Ananthagopal K P	7,500
2.	P-Cube Enterprises Private Limited	324,000
3.	Edelweiss Tokio Life Insurance Company Limited	846,100
4.	Mecheri Unni	2,000
5.	ICICI Lombard General Insurance Company Limited	1,000,000
6.	Satellite Multicomm Private Limited	1,939,097
7.	Way2Wealth Securities Private Limited	1,555,214
8.	Ranjan Ghosh	100,000
9.	Paresh Babulal Gandhi	1,000
10.	Bhupendra Babulal Gandhi	777
11.	Narendra Babulal Gandhi	2,000
12.	Sukumar Menon	1,000
13.	T. S.Anantharaman	100,270
14.	Sheela Raja Ram	160,771
15.	Raja Ram	68,969
16.	Ananth Raja Ram	155,401
17.	Bridge India Fund	2,500,000
18.	Vinod Mohan Nair	1,000,000
19.	HDFC Life Insurance Company Limited	4,044,000
20.	Plant Lipids Private Limited	134,722
21.	The Federal Bank Limited	2,785,661
22.	Nirav Bhushan Mehta	3,000
23.	Shrikrishna Vinayak Patwardhan	1,416
24.	Prasanna Padmanabhan	1,200
25.	Baby M.	200
26.	ICICI Prudential Life Insurance Company Limited	3,044,000