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Relationship beyond banking

BANK OF INDIA

Our Bank was incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as "Bank of India Limited". Subsequently, our Bank was constituted as 'Bank of India' under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 as amended ("**Banking Companies Act**") on July 19, 1969. For further details with respect to constitution of our Bank, please see section "*General Information*" on page 318.

Head Office: Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
Telephone: +91 6668 4444; **Website:** www.bankofindia.co.in, **Email:** headoffice.share@bankofindia.in; **Contact person:** Rajesh Upadhya

Bank of India (the "**Issuer**" or the "**Bank**") is issuing 40,54,71,866 equity shares of face value ₹ 10 each (the "**Equity Shares**") at a price of ₹ 62.89 per Equity Share, including a premium of ₹ 52.89 per Equity Share (the "**Issue Price**"), aggregating to approximately ₹ 25,500.13 million (the **"Issue"**). For further details, see "*Summary of the Issue*" on page 28.

THIS ISSUE IS IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), THE BANKING COMPANIES ACT, THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), BANK OF INDIA (SHARES AND MEETINGS) REGULATIONS, 2007, AS AMENDED (THE "BANK OF INDIA REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970 (THE "NATIONALISED BANKS SCHEME")

THE ISSUE, AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("ELIGIBLE QIBs") AS DEFINED UNDER THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs.

YOU ARE NOT AUTHORISED TO, AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT, OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR BANK PRIOR TO MAKING AN INTIMATION TO SUBSCRIBE TO THE EQUITY SHARES.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 52 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS ISSUE. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR.

Invitations for subscription, offer and sale of the Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the respective Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 260. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Bank to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Bank, Subsidiaries, Joint Venture or Associates or any website directly or indirectly linked to the websites of our Bank, Subsidiaries or the website of the Book Running Lead Managers or their respective affiliates, does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE on August 24, 2021 was ₹ 63.60 and ₹ 63.50 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares have been received from BSE and NSE each on August 25, 2021. Applications to the Stock Exchanges will be made for obtaining listing and trading approvals for the Equity Shares offered through the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on BSE and NSE should not be taken as an indication of the merits of the business of our Bank or the Equity Shares.

A copy of the Preliminary Placement Document and this Placement Document have been delivered to the Stock Exchanges. The Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the Registrar of Companies ("**RoC**") in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Preliminary Placement Document and this Placement Document will not be registered as a private placement offer letter with the RoC. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or the RoC or any other regulatory or listing authority and is intended only for use by the Eligible QIBs.

OUR BANK HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Placement Document as a "U.S. QIB") in transactions exempt from the registration requirements of the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S ("Regulation S") under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs". For further information, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284, respectively.

This Placement Document is dated August 30, 2021.

IDBI Capital Markets & Securities Limited	**ICICI Securities Limited**	**IIFL Securities Limited**	**JM Financial Limited**	**ITI Capital Limited**	**Systematix Corporate Services Limited**	**BOI Merchant Bankers Limited***

**BOI Merchant Bankers Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended ("SEBI Merchant Bankers Regulations") and Regulation 174(2) of the SEBI ICDR Regulations.*

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NOTICE TO INVESTORS

Our Bank has furnished, and accepts full responsibility for, all of the information contained in this Placement Document and confirms that, to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Bank and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Bank and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Bank and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Bank. There are no other facts in relation to our Bank and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Bank has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Bank and other sources identified herein.

IDBI Capital Markets & Securities Limited, ICICI Securities Limited, IIFL Securities Limited, JM Financial Limited, ITI Capital Limited, Systematix Corporate Services Limited and BOI Merchant Bankers Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified the information contained in this Placement Document (financial, legal or otherwise). In compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations, BOI Merchant Bankers Limited will be involved only in the marketing of the Issue. Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Bank and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Bank or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered 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 state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States, only to persons who are reasonable belived to be U.S QIBs in transactions exempt from the registration requirements of the U.S. Securities Actand (b) outside the United States in "offshore transactions (as defined in Regulation S in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares will be transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs".

The subscribers of the Equity Shares offered in the Issue have been deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 5, 275 and 284, respectively.

The distribution of this Placement Document and the issuance of Equity Shares pursuant to the Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been taken by the Bank and the Book Running Lead Managers which would permit an issue of the Equity Shares offered in the Issue or the distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" on page 275.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Bank to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by such QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Issue.

In making an investment decision, investors must rely on their own examination of our Bank and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Bank nor the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Bank under Indian law, including Chapter VI of the SEBI ICDR Regulations and is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in securities.

The information on our Bank's website (www.bankofindia.co.in) or any website directly or indirectly linked to our Bank's website or the websites of the Book Running Lead Managers and of their respective affiliates, does not constitute or form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to "you" or "your" is to the prospective investors in the Issue.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BANK AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF 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 STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE U.S. QIBS IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S UNDER AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES ARE MADE. THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*TRANSFER RESTRICTIONS*" ON PAGES 275 AND 284, RESPECTIVELY.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Placement Document has been prepared on the basis that all offers of Equity Shares in Member States of the European Economic Area ("**EEA**") (each a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Placement Document should only do so in circumstances in which no obligation arises for the Bank or any of the Book Running Lead Managers to produce a prospectus for such offer. None of the Bank or the Book Running Lead Managers have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Placement Document.

Information to distributors

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares the subject of the Offering have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this document is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments and who are investment professionals falling within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**FSMA Order**"), (ii) falling within Article 49(2)(a) to (d) of the FSMA Order, and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on in the United Kingdom, by persons who are not relevant persons. Any investment or investment activity to which the document relates is available only to, in the United Kingdom, relevant persons. The communication of this offering memorandum to any person who is not a relevant person is unauthorized and may contravene the Financial Services and Markets Act 2000, as amended.

NOTIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification – the Bank has determined, and hereby notifies all relevant persons (as defined in Section 309A of the Securities and Futures Act (Chapter 289 of Singapore)) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284, respectively.

Any information about our Bank available on any website of the Stock Exchanges, our Bank or the BRLMs, other than this Placement Document, shall not constitute a part of this Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

References herein to "you, "your" is to the prospective investors to the Issue.

By bidding for and/or subscribing to any Equity Share under the Issue, you are deemed to have represented, warranted to us and the Book Running Lead Managers, and acknowledged and agreed as follows:

a. your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Bank or Subsidiaries or Joint Venture or Associates that is not set forth in the Preliminary Placement Document and this Placement Document;

b. you are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, and undertake to comply with the SEBI ICDR Regulations and all other applicable laws, including in respect of reporting requirements in India, or making necessary filings, including with the RBI, if any, in connection with the Issue;

c. if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are within the United States and certain other jurisdictions), see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284, respectively;

d. you are aware that the Equity Shares have not been and will not be filed through a prospectus under the Companies Act, SEBI ICDR Regulations or under any other law in force in India, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Placement Document has not been reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges or any other regulatory or listing authority and will not be filed with the RoC, and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document are required to be displayed and will be displayed on the websites of our Bank and the Stock Exchanges;

e. you are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdiction(s) which apply to you and that you have the necessary capacity and fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities to enable you to participate in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

f. you are aware of the additional requirements that are applicable, as set forth under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284 respectively and you are permitted and have necessary capacity to acquire / subscribe to the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities and have obtained all necessary consents and approvals to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

g. neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendation to you, advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of any of the Book Running Lead Managers and that the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have no duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;

h. you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Bank or its agents ("**Bank's Presentations**") with regard to our Bank, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Bank's Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Bank or its agents may have made at such Bank's Presentations and are therefore unable to determine whether the information provided to you at such Bank's Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Bank's Presentations, and (b) confirm that, you have not been provided any material information relating to our Bank, the Equity Shares or the Issue that was not publicly available;

i. you are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Bank shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures being made by us;

j. you understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Banking Companies (Acquisition And Transfer Of Undertakings) Act, 1970 read with the Banking Regulation Act, 1949, the Nationalised Banks (Management And Miscellaneous Provisions) Scheme, 1970 and the Bank of India (Shares and Meetings) Regulations, 2007 and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

k. you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, each as amended;

l. all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Bank's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Bank's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Bank's present and future business strategies and environment in which our Bank will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Our Bank assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

m. you have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read them in its entirety, including, in particular, "*Risk Factors*" on page 52;

n. you are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and the Allotment of the same shall be made by our Bank on a discretionary basis, in consultation with the Book Running Lead Managers;

o. you are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 275 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 275, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

p. you understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

q. if you are within the United States, you are a U.S. QIB, who is acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part, and are not an affiliate of the Bank or a person acting on behalf of such an affiliate;

r. if you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act, and are not our Bank's or the BRLMs' affiliate or a person acting on behalf of such an affiliate;

s. you are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales (a) in the United States, are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act, and the Equity Shares may not be eligible for resale under Rule 144 thereunder; and (b) outside the United States, are being made in offshore transactions in compliance with Regulation S;

t. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 284 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions*" on page 284, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

u. that in making your investment decision, (i) you have relied on your own examination of our Bank and the terms of the Issue, including the merits and risks involved; (ii) you have made and will continue to make your own assessment of our Bank, the Equity Shares and the terms of the Issue based on such information as is publicly available; (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by our Bank or the Book running Lead Managers or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Bank and the Equity Shares and; (vi) relied upon your investigation and resources in deciding to invest in the Issue. You are seeking to subscribe to / acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;

v. you are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of entities in a similar nature of the business, similar stage of development, and in similar jurisdictions. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Bank and/or the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by our Bank of any of its respective obligations or any breach of any representations and warranties by our Bank, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

w. our Bank or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You have obtained your own independent tax advice and have not relied on the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates or our Bank when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares).

You waive and agree not to assert any claim against the Book Running Lead Managers or our Bank or any other respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;

x. you acknowledge that the Preliminary Placement Document did not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

y. where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

z. you are not a 'promoter' of our Bank (as defined under the SEBI ICDR Regulations) and are not a person related to the Promoter (as defined hereinafter), either directly or indirectly and your Application does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Bank or a person related to the Promoter;

aa. you have no rights under a shareholders agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board of our Bank other than the rights acquired if any in the capacity of a lender not holding any equity Shares of our Bank the acquisition of which shall not deem you to be a Promoter or a person related to the Promoter;

bb. you have no right to withdraw or revise downwards your Application after the Bid/ Issue Closing Date (as defined hereinafter);

cc. you are eligible to apply and hold Equity Shares so Allotted and together with any securities of our Bank held by you prior to the Issue. You further confirm that your holding upon the issue and allotment of the Equity Shares shall not exceed the level permissible as per any regulation applicable to you including, but not limited to, the Banking Regulation Act, 1949, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and in the event of your holding of the Equity Shares reaches any applicable limits as may be prescribed you will make the appropriate disclosures and obtain the necessary permissions in this regard from the relevant authorities/RBI;

dd. the Bid submitted by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter), and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

ee. your aggregate holding together with other prospective Investors participating in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

- QIBs belonging to the "same group" shall mean entities where (a) any 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) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

- 'control' shall have the same meaning as is assigned to it by clause 1 (e) of Regulation 2 of the SEBI Takeover Regulations (as defined hereinafter).

ff. you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

gg. you are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement (as defined hereinafter) with our Bank whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein agreed to manage the Issue and, undertaken to use its reasonable endeavours to seek to procure subscription for the Equity Shares on the terms and conditions set forth therein;

hh. if you are an Eligible FPI as defined in this Placement Document, you confirm that you will participate in the Issue only under and in conformity with Schedule II of FEMA Rules and you confirm that you are not an FVCI or a multilateral or bilateral development financial institution and that you are not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Bank does not exceed 10% of the post-Issue paid-up capital of our Bank on a fully diluted basis, and further with effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Bank. You also confirm that you are eligible to invest in India under applicable laws, including those issued by the RBI, and the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India

ii. you confirm that neither are you an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and Rule 6 of the FEMA Rules;

jj. that the contents of this Placement Document are exclusively the responsibility of our Bank and that neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Bank and are not liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Bank or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents, associates or affiliates or any other person and neither the Book Running Lead Managers nor our Bank or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents, associates or affiliates nor any other person are liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

kk. that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of the Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Book Running Lead Managers or our Bank and neither the Book Running Lead Managers nor our Bank are liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you have obtained or received;

ll. that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

mm. you agree to indemnify and hold our Bank and the Book Running Lead Managers and their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgments and agreements made by you in this Placement Document and the Placement Document. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares Allotted under the Issue by or on behalf of the managed accounts;

nn. that our Bank, the Book Running Lead Managers, their respective affiliates and others have relied on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Book Running Lead Managers on their own behalf and on behalf of our Bank and are irrevocable and it is agreed that if any of such representations, warranties, acknowledgements, undertakings and agreements are no longer accurate, you will promptly notify the Book Running Lead Managers;

oo. that you understand that none of the Book Running Lead Managers nor its respective affiliates has any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

pp. that you are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and such approval has been received from the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Bank nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives shall be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

qq. any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and/or this Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible 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 a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Bank and do not constitute any obligation of, claims on or interests in our Bank. Our Bank has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Bank. Our Bank and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto.

Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Bank, its Promoter, its management or any scheme or business activity of our Bank;

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "Bidder", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs who are the prospective investors of the Equity Shares in the Issue and references to the "Issuer", "Bank" or "our Bank" are to the Bank of India, on a standalone basis. All references to the "we", "us" or "our" are to the Bank of India, its Subsidiaries, Joint Venture or Associates on a consolidated basis, unless otherwise specified or the context otherwise indicates or implies.

References in this Placement Document to "India" are to the Republic of India and its territories and possessions and the "Government" or the "Central Government" or the "state government" are to the Government of India, or the governments of any state in India, as applicable and as the case may be. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions. References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Currency and Units of Presentation

In this Placement Document, references to "USD", "$", "U.S.$" and "U.S. dollars" are to the legal currency of the United States and references to, "₹","Rs.", "INR" and "Rupees" are to the legal currency of India.

All the numbers in this Placement Document, have been presented in millions or billions or whole numbers, unless stated otherwise. One million represents ₹1,000,000 and one billion represents ₹1,000,000,000. Furthermore, the numbers stated in the Financial Statements are being presented in thousands or whole numbers.

Financial and Other Information

In this Placement Document, we have included the following financial statements prepared under Indian GAAP: (i) audited standalone and consolidated financial statements for Fiscal 2019 read along with the notes thereto (the "**Fiscal 2019 Audited Financial Statements**"); (ii) audited standalone and consolidated financial statements for Fiscal 2020 read along with the notes thereto (the "**Fiscal 2020 Audited Financial Statements**"); (iii) audited standalone and consolidated financial statements for Fiscal 2021 read along with the notes thereto (the "**Fiscal 2021 Audited Financial Statements**") (iv) unaudited standalone and consolidated financial statements of our Bank, which comprises of the standalone and consolidated balance sheet as of June 30, 2021, the related standalone and consolidated profit & loss account for the three months period ended June 30, 2021 and selected explanatory notes thereon, subjected to a limited review, as filed with the Stock Exchanges on August 3, 2021 (the "**Reviewed Financial Results**).

The Audited Financial Statements are prepared in accordance with Indian GAAP as applicable to banks, guidelines issued by the RBI from time to time, practices generally prevailing in the banking industry in India and the applicable standards on auditing. Our Bank prepares its financial statements in Rupees in accordance with Indian GAAP which differ in certain important aspects from U.S. GAAP and other accounting principles and standards on auditing with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

In addition, the Ministry of Corporate Affairs (the "**MCA**"), 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, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. These regulations required our Bank to prepare Ind-AS based financial statements for accounting period commencing April 1, 2018 with comparative financial statements for the accounting period ending March 31, 2018. On June 23, 2016, RBI directed all scheduled commercial banks (excluding regional rural banks) to submit proforma Ind-AS financial statements, for the half year ended September 30, 2016 to Reserve Bank of India, Mumbai. RBI *vide* notification dated March 22, 2019, decided to defer the implementation of Ind-AS on scheduled commercial banks (excluding regional rural banks) till further notice. The nature and extent of the possible impact of Ind-AS on our financial reporting and accounting practices is currently uncertain, and there can be no assurance that such impact will not be significant. Our Bank cannot assure you that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on our Bank's future financial information. For further information on the transition to Ind AS, see "*Risk Factors – Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 90.

The Fiscal Year of our Bank commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Placement Document to a particular year are to the calendar year ended on December 31, and to a particular "Fiscal" or "Fiscal Year" or "FY" are to the fiscal year ended on March 31.

All figures appearing in this Placement Document have been rounded off to two decimal places. Accordingly, the figure shown as totals herein may not be an arithmetic aggregation of the figures which precede them.

Basis of Presentation

Unless otherwise stated, the Bank's financial information included in this Placement Document (including the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*") has been derived from Audited Financial Statements and Reviewed Financial Results. Although the Bank possesses certain Subsidiaries Joint Venture and Associates, it believes that the impact of those entities on the Bank's consolidated financial statements is not significant. Accordingly, the Bank's management primarily utilizes the Bank's standalone financial information to monitor the operational strength and performance of the Bank's business. For more information on the Bank's financial information on a consolidated basis, see the Bank's consolidated financial statements, which have been included in this Placement Document. For more information on the Bank's subsidiaries, see " *Our Business– Subsidiaries, Joint Venture, associates and strategic investments*" on page 226.

Non-GAAP Financial Measures

The Bank uses a variety of financial and operational performance indicators to measure and analyze its operational performance from period to period, and to manage its business. The Bank's management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian banking industry to evaluate our financial and operating performance. These key financial and operational performance indicators and ratios are defined along with a brief explanation in the sections, see "*Definitions and Abbreviations*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Select Statistical Information*" on pages 21, 107 and 139, respectively.

These financial and operational performance indicators are not defined under Indian GAAP and have limitations as analytical tools. As a result, they should not be considered in isolation from, or as substitutes for, an analysis of the Bank's historical financial performance, as reported and presented in its financial statements in accordance with Indian GAAP. While these financial and operational performance indicators may be used by other banks and financial institutions operating in the Indian banking industry, they may not be comparable to similar financial or performance indicators used by other banks or financial institutions. Other banks or financial institutions may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by the Bank. For a reconciliation of the Bank's non-GAAP financial measures to Indian GAAP, see " *see "Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 107.

The Bank's website, and the websites of its Subsidiaries, Joint Venture or Associates shall not form a part of this Placement Document.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupees and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on BSE and NSE. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares. The exchange rate between the Rupee and US Dollar has been volatile over the past year.

We have translated certain Rupee amounts included in this Placement Document into U.S. dollars. Unless otherwise indicated, all financial information that is presented in U.S. dollars in this Placement Document has been translated from Rupees using the exchange rate of U.S.$1.00 = ₹74.39 as of July 30, 2021, as reported by the RBI and the Financial Benchmarks India Private Limited (the "**FBIL**"), and available on the website of the RBI and FBIL. The U.S. dollar equivalent information presented in this Placement Document is provided solely for the convenience of the reader and should not be construed as implying that the Rupee amounts represent, could be or could have been converted into U.S. dollars at that rate or at any rate at all.

INDUSTRY AND MARKET DATA

Information regarding market position, market size, growth rates, other industry data and certain industry forecasts pertaining to the businesses of our Bank contained in this Placement Document consists of estimates, forecasts based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which our Bank competes. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which our Bank operates has been reproduced from various trade, industry and government publications and websites.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on or base their investment decision on this information. In certain cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring us to rely on internally developed estimates.

All such data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Bank nor any of the Book Running Lead Managers have independently verified this data and do not make any representation regarding accuracy or completeness of such data. Our Bank takes responsibility for accurately reproducing such information but accept no further responsibility in respect of such information, data, projections, forecasts, conclusions or any other information contained in this section. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so our Bank has relied on internally developed estimates. Similarly, while our Bank believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither our Bank nor any of the Book Running Lead Managers can assure potential investors as to their accuracy. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/source documents. The actual data for those years may vary significantly and materially from the estimates so contained.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

AVAILABLE INFORMATION

Our Bank has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Bank will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Bank are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Bank's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Bank's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about the Bank that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- Our inability to predict the impact of the COVID-19 pandemic on our Bank's business, cash flows, results of the operations;

- Failures of our internal control system may cause significant operational errors;

- An increase in defaults by borrowers or of the Bank's NPA portfolio or provisioning requirements mandated by the RBI;

- Ability to manage value of our collateral and delays in enforcing collateral or failure to recover the expected value of collateral;

- Ability to manage credit, market and operational risks;

- External or internal fraud;

- Increased competition as a result of consolidation of public sector banks;

- Default by any large borrower of our Bank or the premature withdrawal of deposits or a deterioration in the performance of any of the industry sectors in which our Bank has significant exposure;

- Inability of our Bank to secure long-term funding for its operations when required or at a cost that is favourable or at a competitive cost; and

- Laws, rules, regulations, guidelines and norms applicable to the banking industry, including priority sector lending requirements, capital adequacy and liquidity requirements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 52, 107, 171 and 195 respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Bank. Although our Bank believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Bank nor the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Bank's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Bank could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Bank are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

All of our Bank's Directors, key managerial personnel and members of senior management are residents of India and a substantial portion of the assets of our Bank are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Bank or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where the judgment has been obtained by fraud; and
- where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States of America, may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. The Bank and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute or regulations or policies shall include amendments thereto, from time to time.

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

Notwithstanding the foregoing, terms used in "*Selected Financial Information of our Bank*", "*Taxation*", "*Industry Overview*", "*Legal Proceedings*" and "*Financial Statements*" on pages 41, 295, 171, 312 and 319, respectively, shall have the meaning given to such terms in such sections.

Bank Related Terms

Term	Description
"Our "Bank", the "Bank", the "Issuer",	Bank of India, was incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as "Bank of India Limited". Our Bank was constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended ("**Banking Companies Act**") and nationalized on July 19, 1969, having its Head Office at Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
"we", "us" or "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Bank together with our Subsidiaries, Joint Venture or Associates
Associates	i. STCI Finance Limited ii. ASREC (India) Limited iii. Indo-Zambia Bank Limited iv. Vidharbha Konkan Gramin Bank v. Aryavart Bank vi. Madhya Pradesh Gramin Bank
Audited Financial Statements	Collectively, the Fiscal 2019 Audited Financial Statements, Fiscal 2020 Audited Financial Statements and the Fiscal 2021 Audited Financial Statements
Auditors/Statutory Auditors	The statutory central auditors of our Bank being M/s. Chaturvedi & Co., Chartered Accountants, M/s. V Sankar Aiyar & Co., Chartered Accountants, and M/s. Laxmi Tripti & Associates, Chartered Accountants
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Board or Board of Directors	Board of directors of our Bank
CFO	Chief financial officer of our Bank
Head Office	The head office of our Bank situated at Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
Directors	Directors on our Board
Equity Shares	Equity shares of face value ₹ 10 each of our Bank
Financial Statements	Audited Financial Statements and Reviewed Financial Results.
Fiscal 2019 Audited Financial Statements	Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP for Fiscal 2019 read along with the notes
Fiscal 2020 Audited Financial Statements	Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP for Fiscal 2020 read along with the notes
Fiscal 2021 Audited Financial Statements	Audited standalone and consolidated financial statements of our Bank prepared under Indian GAAP for Fiscal 2021 read along with the notes
Joint Venture	Star Union Dai-Ichi Life Insurance Company Limited
Managing Director and Chief Executive Officer	Managing Director and Chief Executive Officer of our Bank, namely Atanu Kumar Das
Nationalized Banks Scheme	The Nationalized Banks (Management & Miscellaneous Provisions) Scheme 1970
NPS	National Pension Scheme
OBUs	Offshore Banking Units
PoS	Point of Sale
Promoter	The promoter of our Bank namely, the President of India, acting through the Ministry of Finance,

Term	Description
	Government of India
Reviewed Financial Results	Unaudited Standalone Financial Statements and Unaudited Consolidated Financial Statements
Subsidiaries	i) PT Bank of India Indonesia TBK; ii) Bank of India (Tanzania) Limited; iii) Bank of India (New Zealand) Limited; iv) Bank of India (Uganda) Limited; v) BOI Shareholding Limited; vi) BOI AXA Investment Managers Private Limited; vii) BOI AXA Trustee Services Private Limited; and viii) BOI Merchant Bankers Limited* **BOI Merchant Bankers Limited is one of the BRLMs, and shall be involved only in the marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Banker Regulations and Regulation 174(2) of the SEBI ICDR Regulations*
Unaudited Standalone Financial Statements	The unaudited limited reviewed standalone financial statements of our Bank, which comprises of the standalone balance sheet as of June 30, 2021, the related standalone profit & loss account for the three months period then ended and selected explanatory notes thereon
Unaudited Consolidated Financial Statements	The unaudited limited reviewed consolidated financial statements of our Bank, which comprises of the related consolidated profit & loss account for the three months period then ended and selected explanatory notes thereon

Issue Related Terms

Term	Description
Allocated/Allocation	The allocation of Equity Shares, by our Bank in consultation with the Book Running Lead Managers, following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, and in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable laws
Allotted/Allotment/Allot	Unless the context otherwise requires, Issue and allotment of Equity Shares to successful Bidders pursuant to this Issue
Allottee	Bidders to whom the Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Bid(s)	An indication of interest of a Bidder to subscribe for the Equity Shares in the Issue as provided in the Application Form (including all revisions and modifications thereto). The term "Bidding" shall be construed accordingly.
Bid Amount	With respect to each Bidder, the amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder
Bid/Issue Closing Date	August 30, 2021, the date after which our Bank (or BRLMs on behalf of our Bank) shall cease acceptance of Application Forms and the Bid Amount.
Bid/Issue Opening Date	August 25, 2021, the date on which our Bank (or the Book Running Lead Managers on behalf of our Bank) commenced the acceptance of the Application Forms and the Bid Amount
Bid/Issue Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders submitted their Bids including any revision and/or modification thereof along with the Bid Amount.
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being IDBI Capital Markets & Securities Limited, ICICI Securities Limited, IIFL Securities Limited, JM Financial Limited, ITI Capital Limited, Systematix Corporate Services Limited and BOI Merchant Bankers Limited.
CAN/Confirmation of Allocation Notice	Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about August 31, 2021.
Designated Date	The date of credit of Equity Shares to the Allottees' demat account, pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not restricted from participating in the Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules
Escrow Account	The non-interest bearing, no-lien, current account opened with the Escrow Agent, pursuant to the Escrow Agreement, into which the application monies payable by Bidders towards subscription of the Equity Shares and for remitting refunds pursuant to the Issue shall be

Term	Description
	deposited.
Escrow Agent	Bank of India
Escrow Agreement	The escrow agreement dated August 24, 2021 entered into amongst our Bank, the Escrow Agent and the Book Running Lead Managers.
Floor Price	The floor price of ₹ 66.19 per Equity Share which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Bank offered a discount of 4.99% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on July 20, 2021.
Issue	Issue of 40,54,71,866 Equity Shares of face value ₹ 10 each at a price of ₹ 62.89 per Equity Share, including a premium of ₹ 52.89 per Equity Share, pursuant to this Placement Document aggregating to approximately ₹ 25,500.13 million.
Issue Price	₹62.89 per Equity Share
Issue Proceeds	The gross proceeds of the Issue. For details, see "*Use of Proceeds*".
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Placement Agreement	The placement agreement dated August 25, 2021 entered into amongst our Bank and the Book Running Lead Managers
Placement Document	This placement document dated August 30, 2021 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations
Preliminary Placement Document	The preliminary placement document cum application form dated August 25, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations, pursuant to which an Eligible QIB submitted a Bid in the Issue
Qualified Institutional Buyers or QIBs	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under chapter VI of the SEBI ICDR Regulations
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	Letters from our Bank intimating the Bidders on the amount to be refunded, if any, either in part or whole, to their respective bank accounts.
Relevant Date	August 25, 2021, being the date of the meeting in which a committee of Directors (duly authorised by the Board), decides to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount (along with the Application Form) and who will be Allocated Equity Shares in the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
ALCO	The Asset Liability Management Committee of our Bank
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AMC	Asset management company
AOP	Association of persons
App	Mobile application
AS	Accounting Standards issued by ICAI
AY	Assessment year
Banking Companies Act	Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
Banking Regulation Act	The Banking Regulation Act, 1949
Banking Ombudsman Scheme	Banking Ombudsman Scheme, 2006
Basel III	A global regulatory framework for more resilient banks and banking systems published by the Bank for International Settlements. RBI issued guidelines on the implementation of Basel III capital regulations in India on May 2, 2012 and revised as per notification issued by the RBI on March 27, 2014
Billion	1,000 million
BSE	BSE Limited
Calendar Year	Year ending on December 31
CBI	Central Bureau of Investigation

Term	Description
CDR	Corporate debt restructuring
CDR System	A joint forum of banks and financial institutions in India established in 2001 as an institutional mechanism for corporate debt restructuring
CDSL	Central Depository Services (India) Limited
CII	Confederation of Indian Industry
CIN	Corporate identity number
CMP	Cash Management Product
Civil Code	The Code of Civil Procedure, 1908
Cr.P.C.	The Code of Criminal Procedure, 1973
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DIIPT	Department for Promotion of Industry and Internal Trade (Formerly known as Department of Industrial Policy & Promotion)
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999 and the regulations issued thereunder
FEMA Rules/FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FICCI	Federation of Indian Chambers of Commerce and Industry
Fiscal or Fiscal Year	Period of 12 months ended 31 March of that particular year, unless otherwise stated
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FRA/IRS	Forward rate agreements/interest rate swaps
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax; a reform to Indian tax laws relating to indirect taxes on goods and services
HNIs	High net worth individuals
HR	Human resources
HUF	Hindu undivided family
ICA	The Institute of Cost Accountants of India
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IMF	International Monetary Fund
IND AS	Indian Accounting Standards converged with IFRS, which has been proposed for implementation by the ICAI
Indian GAAP	Generally Accepted Accounting Principles of India as applicable to banks
IT	Information technology
IT Act	The Income Tax Act, 1961
ITES	Information technology enabled services
MAT	Minimum alternate tax
Million	1000 thousand
MNC	Multinational corporation
MoF	Ministry of Finance
MoU	Memorandum of understanding
MSEs	Micro and small enterprises
NEAT	National Exchange for Automated Trading

Term	Description
NEFT	National electronic fund transfer
NGOs	Non-government organizations
NPCI	National Payments Corporation of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Ordinary non-resident
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Nationalised Banks Scheme	The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970
OFAC	Office of Foreign Assets Control of the U.S. Treasury Department
PAN	Permanent account number
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	The Prevention of Money Laundering Act, 2002
Prudential Framework	The Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019.
Prudential Norms	Prudential norms on income recognition, asset classification and provisioning pertaining to advances issued by the RBI on July 1, 2015
PTC	Pass through certificate
RBI	Reserve Bank of India
RBI Dividend Circular	RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC. 88 / 21.02.067 / 2004-05) dated May 4, 2005 on declaration of dividends by banks.
RBI Act	The Reserve Bank of India Act, 1934
Recovery of Debts Act	The Recovery of Debts Due to Banks and Financial Institutions Act, 1993
Regulation D	Regulation D under the U.S. Securities Act
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RFID	Radio frequency identification
Rs./Rupees/INR/₹	Indian Rupees
RWA	Risk weighted assets
SARFAESI Act	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCBs	Scheduled commercial banks
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SFIO	Serious Fraud Investigation Office, Ministry of Corporate Affairs, Government of India
SIDBI	Small Industries Development Bank of India
SLM	Straight Line Method
STT	Securities transaction tax
U.K.	United Kingdom
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. QIBs	"Qualified Institutional Buyers" as defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/U.S. /United States	The United States of America
USD/U.S. $ /U.S. dollar	United States Dollar, the legal currency of the United States of America
VCF	Venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
WDV	Written Down Value Method

Term	Description
WOS	Wholly owned subsidiaries
WPI	Wholesale price index
WTO	World Trade Organisation

Industry Related Terms

Term/Abbreviation	Full Form/Description
ATMs	Automated Teller Machines
BSI	Banking Stability Indicator
CPI	Consumer Price Index
CRR	Cash Reserve Ratio
CRAR	Capital to risk weighted asset ratio
DCBS	Department of Cooperative Bank Supervision
FCs	Financial Conglomerates
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNPA	Gross Non-Performing Asset
GST	Goods and Service Tax
GVA	Gross Value Added
HFC	Housing Finance Companies
LABs	Local Area Banks
LAF	Liquidity Adjustment Facility
LCR	Liquidity Cover Ratio
MFI	Micro Finance Institutions
MSME	Micro, Small and Medium Enterprises
MTM	Mark to Market
MSF	Marginal Standing Facility
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non Banking Financial Companies
NHB	National Housing Bank
NDTL	Net Demand and Time Liabilities
NPA	Non-Performing Asset
NNPA	Net Non-Performing Asset
NRO	Non-Resident Ordinary
NSFR	Net stable funding ratio
NSO	National Statistical Office
MPC	Monetary Policy Committee
OMO	Open Market Operation
PCA	Prompt corrective action
PCR	Provision Coverage Ratio
PMI	Purchasing managers' Index
PSBs	Public Sector Banks
PSLCs	Priority Sector Lending Certificates
PVBs	Private Sector Banks
Repo Rate	Re-purchase option rate; the annual rate at which RBI lends to other banks in India
Reverse Repo Rate	The rate at which RBI borrows money from banks in India
RRB	Regional rural bank
RTGS	Real time gross settlement
SBNs	Specified bank notes
SDR	Strategic Debt Restructuring
SLR	Statutory liquidity ratio (as per requirements of the RBI)
S4A	Sustainable Structuring of Stressed Assets
SME	Small and medium enterprises
SCBs	Scheduled Commercial Banks
SIDBI	Small Industries Development Bank of India
SFBs	Small Finance Banks
SMA	Special Mention Account
SPARC	Supervisory Programme for Assessment of Risk
Tier I Capital	Tier I capital instruments as defined under the guidelines on capital adequacy issued by RBI
Tier II Capital	Tier II capital instruments as defined under the guidelines on capital adequacy issued by RBI
UAN	Udyog Aadhaar Number
UCBs	Urban Cooperative Banks
VaR	Value-at-risk

Term/Abbreviation	Full Form/Description
WLA	White Label ATMs
YTM	Yield to maturity

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under "Risk Factors", "Use of Proceeds", "Issue Procedure", "Description of the Equity Shares" and "Placement" on pages 52, 104, 260, 291 and 273 respectively. *The information contained in "Description of the Equity Shares" shall prevail in the event of any inconsistency with the terms set out in this section.*

Issuer	**Bank of India**
Issue Size	40,54,71,866 Equity Shares of face value ₹10 each at a price of ₹ 62.89 per Equity Share, including a premium of ₹ 52.89 per Equity Share, aggregating up to ₹25,500.13 million. **A minimum of 10% of the Issue Size i.e. at least 4,05,47,187 Equity Shares were made available for Allocation to Mutual Funds only, and the balance of 36,49,24,679 Equity Shares were made available for Allocation to all Eligible QIBs, including Mutual Funds.**
Face Value	₹10 per Equity Share
Issue Price	₹62.89 per Equity Share
Floor Price	The Floor Price for the Issue calculated in terms of Regulation 176 under Chapter VI of the SEBI ICDR Regulations is ₹ 66.19 per Equity Share with reference to August 25, 2021 as the Relevant Date. Our Bank has offered a discount of 4.99% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the shareholders of our Bank accorded through their resolution passed on July 20, 2021.
Date of Board resolution authorizing the Issue	April 30, 2021
Date of Shareholders resolution authorizing the Issue	July 20, 2021
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form have been delivered and who are eligible to make a Bid and participate in the Issue. See "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 260, 275, and 284, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered has been determined by the Book Running Lead Managers, in consultation with our Bank, at their sole discretion
Equity Shares subcribed, issued, paid-up and outstanding immediately prior to the Issue	3,69,80,94,204 Equity Shares
Equity Shares subscribed, issued, paid-up and outstanding immediately after the Issue	4,10,35,66,070 Equity Shares
Dividend	For more information, see "*Description of the Equity Shares*", "*Dividend Policy*" and "*Taxation*" on pages 291, 106 and 295, respectively.
Indian Taxation	For more information, see "*Taxation*" on page 295.
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 260.
Listing	Our Bank has obtained in-principle approvals each dated August 25, 2021 for the listing of the Equity Shares in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, from BSE and NSE. Our Bank shall apply to BSE and NSE for the final listing and trading approvals, after the Allotment and after the credit of the Equity Shares to the respective beneficiary accounts of the successful Bidders maintained with a Depository Participant.
Transfer Restriction	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a Stock Exchange. The Equity Shares are subject to certain selling and transfer restrictions. For details, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284, respectively.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected to be made, i.e., on or about August 31, 2021.
Ranking	The Equity Shares being issued shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by our Bank after the date of Allotment. Shareholders may attend and vote in shareholders' meetings

	in accordance with applicable laws. For details, see "*Description of the Equity Shares*" on page 291.
Lock-up	For further details, see "*Placement – Lock-up*" on page 273 for a description of restrictions on our Bank in relation to Equity Shares.
Use of Proceeds	The gross proceeds from the Issue aggregate to approximately ₹ 25,500.13 million. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are approximately ₹ 25,302.70 million. For further details, see "*Use of Proceeds*" on page 104.
Risk Factors	Prior to making an investment decision, Eligible Investors should consider carefully the matters discussed under "*Risk Factors*" on page 52.
Security Codes for the Equity Shares:	
ISIN	INE084A01016
BSE Code	532149
NSE Code	BANKINDIA

SUMMARY OF BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", for a discussion of certain factors that may affect our business, financial condition or results of operations.

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 each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2019, 2020 and 2021 are derived from our Audited Financial Statements, and the financial information included herein for the three months ended June 30, 2021 (including the comparative financial information with respect to the three months ended June 30, 2020) is based on the Reviewed Financial Results, included in this Placement Document.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "Government") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by the Bank, the Book Running Lead Managers or any of their affiliates or advisers.

Overview

We were incorporated in 1906 and operated as a private bank until nationalization in 1969. As on June 30, 2021, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. We cater to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to our banking operations, we provide other financial services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of the date of this Placement Document, the Government of India ("**GoI**") owned 90.34% of the Bank and exercises control over the Bank's management and operations.

As of June 30, 2021, the Bank had around 102 million customers, reflecting our large customer base. The Bank's operations covered 28 States and eight Union Territories across India, with 5,084 branches across India, 5,426 ATMs (including 3,081 offsite and 2,345 onsite ATMs). The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. Our Bank also has internet, mobile banking and door step banking solutions. As of June 30, 2021, our Bank had approximately 7.60 million internet banking users and 4.70 million mobile banking users.

We have over the past century expanded our presence in India and globally. We commenced international operations, through our branch in London in 1946 and our branch in Paris in 1974 and have since developed our international presence significantly. As of June 30, 2021, the Bank operated in 19 countries, through 23 branches and one representative office, including branches in Dubai, Hong Kong, London, New York, Singapore, and Tokyo. We have also set-up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of June 30, 2021. Operating profits of foreign branches accounted for 6.00% of the Bank's global operating profits in the three months ended June 30, 2021. The Bank's foreign business makes up 24.80% of the Bank's global net profits.

The Bank leverages technology to identify opportunities, and deliver products and services. For instance, the Bank has recently launched 'BOI Seva', a virtual digital assistant for better customer service and has launched the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has migrated all of its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. The Bank launched its mobile banking application in August 2018, and revamped its website that was launched in December 2018 with device agnostic features for easy access on multiple devices. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also GoI supported UPI / BHIM, Bharat QR and Aadhaar Pay facilities.

The Bank intends to undertake further initiatives to facilitate digital and alternate delivery channels. For further information, see "—*Technology*" on page 219. The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

Our principal banking operational units include:

- ***Corporate Banking***. Our corporate banking operations include fund based and non-fund based products, of which the fund based products consist of term loans, and non-fund based includes export finance, bullion banking, drawee bill financing, and extending foreign currency swing limits. We also offer trade loans, bridge financing and project finance and syndication services. Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of our Bank's total advances, our Bank's advances in the corporate banking segment accounted for 41.72%, 45.09%, 41.88% and 42.14% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively.
- ***Retail Banking***. Our retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Our retail banking also includes retail hubs / business centers, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. As a percentage of our Bank's total advances, our Bank's advances in the retail banking segment accounted for 14.76 %, 14.61%, 16.58% and 16.43% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively.
- ***MSME Banking***. Our MSME banking operations include loans to enterprises engaged in manufacturing and service activities in the form of investment as well as working capital. We also consider other criteria including cost of project/ relevant sector, while allocating the account under large, mid or SME verticals. As a percentage of our Bank's total advances, our Bank's advances in the MSME banking segment accounted for 14.26 %, 13.47%, 15.45% and 15.30% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.
- ***Agricultural Banking***. Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. The Bank has also set-up dedicated 84 Star Krishi Vikas Kendra ("**SKVKs**") specialized to build its agricultural banking portfolio especially in investment credit. These branches are specialized in technology linked agriculture projects and large volume agriculture businesses. As a percentage of our Bank's total advances, our Bank's advances in the agricultural banking segment accounted for 14.97 %, 12.70%, 14.38% and 14.30% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively.
- ***International Banking***. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches, Joint Venture and representative

office. As a percentage of our Bank's total advances, our Bank's advances in the international banking segment accounted for 14.29%, 14.13%, 11.71% and 11.83% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***Other Services***. In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments such as collection of taxes, stamp duty collection, and pension disbursements. We also provide certain non-banking services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

History

The Bank was originally established as a private commercial bank in Mumbai in September 1906 and rapidly expanded its presence across India and abroad. The Bank was nationalized along with 13 other banks in July 1969 and was mandated under the Banking Companies Act, 1969 and Scheme to serve the needs of the development of the Indian economy in conformity with national policies and objectives including, among others, priority sector lending. The Bank initially offered its shares publicly in 1997 and, as of the date of this Placement Document, the Government holds 90.34% of the Bank's issued and paid-up share capital. The Bank originated as a local Mumbai operation but rapidly expanded to establish a presence both in India and abroad.

The Bank established a relationship with the Bombay Stock Exchange in 1921 when it began operating the exchange's clearinghouse and has maintained this relationship through its subsidiary, BOI Shareholding Limited. The Bank has since opened branches in a number of major financial centres including New York, Paris, Tokyo, Hong Kong, Singapore and Antwerp.

Recent Developments

Impact of COVID-19

The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Further, on March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown announced on March 24, 2020 for three weeks, which was subsequently extended to May 31, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. However, banking services were determined to be operating as an essential industry, which allowed us to continue our operations at majority of our branches and ATMs during the nationwide lockdown with limited workforce and other safety measures. While India has commenced gradual easing of lockdown measures, the trajectory of the eventual outcome remains uncertain and contingent on the future path of the viral outbreak and the effectiveness of measures to counter it. The second wave of COVID-19 infections had impacted India in April, May, and June 2021. This second wave in India had seen new peaks in daily cases, daily deaths, active cases, and positivity rates. The second wave has resulted in significant strain on the health infrastructure in the country resulting in several states announcing lockdown measures. More recently with the decline in COVID-19 reported cases, the government has gradually started to ease some of the strict precautionary measures.

Further, the COVID-19 pandemic caused substantial disruption to the global economy and supply chains, creating significant volatility and disruption in financial markets, including India. In order to address the financial implications of the COVID-19 pandemic, central banks around the world, including India, have taken monetary, fiscal and administrative measures. For instance, the RBI issued guidelines as part of a COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. In terms of these guidelines, we have granted a moratorium of up to six months on the payment of all instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers, in accordance with the schemes approved by the Board. For further information on the moratorium benefit that has been extended in accordance with the COVID-19 Regulatory Package issued by the RBI, see "*Selected Statistical Information"* on page 139. Further, the RBI reduced the reverse repo rate to 3.35% and the LCR was reduced from 100% to 80%. The LCR was restored gradually in two phases, i.e. 90% from October 1, 2020 and 100% from April 1, 2021. Further, the RBI deferred the implementation of the final phase of the Basel III Capital Regulations on capital conservation buffer until September 30, 2020 and subsequently until September 30, 2021.

In addition, the RBI issued the circular on the "*Resolution Framework for COVID-19 Related Stress*" ("**Resolution Framework 1.0**") dated August 6, 2020 which enabled lending institutions to implement a resolution plan for corporate exposures, without requiring a change in ownership and personal loans while continuing to classify such exposures as standard assets, subject to specified conditions. Further, recently, the Government of India announced the "*Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020)*", which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions. Further, the RBI, vide its circular dated September 7, 2020 on "*Resolution Framework for COVID- 19-related Stress – Financial Parameters*", laid down key ratios to be mandatorily considered while finalizing the resolution plans in respect of resolution framework. Further, it also laid down, sector specific thresholds to be considered by the lenders, intended as floors or ceilings. The resolution plans shall take into account the pre-COVID-19 operating and financial performance of the borrower and impact of COVID-19 on its operating and financial performance at the time of finalizing the resolution plan, to assess the cash flows in subsequent years, while stipulating appropriate ratios in each case. For further details on regulatory measures taken by the RBI in order to address the impact of the COVID-19 pandemic, see *"Industry Overview – Effect of COVID-19"* and "*Regulations and Policies"* on pages 173 and 243, respectively. However, the extent of economic disruption on account of the extended lockdown currently remains unknown and may have significant impact on our Bank's ability to achieve its strategies.

In accordance with the RBI guidelines relating to COVID-19 regulatory package, our Bank had initially offered a moratorium of three months on the payment of all instalments falling due between March 1, 2020 and May 31, 2020, in respect of term loans and working capital facilities sanctioned in the form of cash credit/ overdraft to various eligible borrowers. This was further extended by the RBI until August 31, 2020 upon announcement of the second regulatory package by the RBI on May 23, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins must be restored to the original levels by March 31, 2021; and/or, (ii) review the working capital sanctioned limits up to March 31, 2021, based on a reassessment of the working capital cycle. In respect of such working capital facilities, lenders were also permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021. The RBI also clarified that the accounts which benefit from the moratorium period, will get the benefit of an ageing standstill and hence would not be classified as NPAs if the accounts have any instalments or interest are overdue for more than 90 days during the moratorium period. However, lenders are required to make general provisions of 10% to be phased over two quarters in respect of accounts which were in default on February 29, 2020 where moratorium is granted, and asset classification benefit is availed. The utilization and/or release of the provision are subject to the applicable RBI directions that may be amended from time to time. There are currently pending challenges to banks' ability to charge interest on such loans during the moratorium period by various industry bodies, which, if decided adversely to the Bank, could adversely affect the Bank's results of operations. The Government of India has already waived off compound interest charged on loans up to ₹20 million for the six-months moratorium period by way of implementation of "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020)" ("**Scheme**"). In terms of the Scheme, banks could credit the interest amount to the account of the eligible borrower(s) and lodge a claim for reimbursement from the Government of India. Under the Scheme, the Bank has paid ₹0.74 billion and the same has been reimbursed by the GoI. The following table provides certain information in relation to the moratorium provided by our Bank based on the sectors as of August 31, 2020:

Sector	**Total Number of Accounts**	**Availed accounts**	**Percentage of availed accounts**	**Total outstanding amount** *(₹ in billion)*	**Availed amount** *(₹ in billion)*	**Percentage of availed amount to total amount**
Agriculture	2,772,200	543,851	19.62%	102.89	19.45	18.90%
Retail	885,621	564,310	63.72%	323.05	16.15	5.00%
MSME[(1)]	749,511	428,195	57.13%	200.88	17.46	8.70%
Corporate	2,617	570	21.78%	402.19	65.58	16.30%
Others	323,297	43,890	13.57%	1.61	0.15	9.57%
Total	**4,733,246**	**1,580,816**	**33.40%**	**1030.62**	**118.79**	**11.52**%

Note:

(1) Retail sector includes deposit products including savings, current, recurring, term and tax saving deposit arrangements.

Our Bank proactively implemented various measures to reduce the impact of the COVID-19 pandemic related lockdown on its operations, including the following:

- Launched COVID Emergency Credit Support Schemes (CESS) for stressed sectors encompassing Corporate, MSME, Agriculture as well as personal loan scheme;
- Formulated comprehensive operating procedures and advisories for implementation, not only to ensure safety and well-being of employees, but also to ensure continuity of services;
- Developed and promoted COVID-19-specific loans, working capital, and products through our Bank website, in order to generate leads and provide credit assistance to interested customers;
- Formulated a special resolution framework for a COVID-19-related, one-time restructuring of loans for MSME entities;
- Launched a special scheme under the RBI's COVID-19 Regulatory Package for borrowers facing distress on account of the economic fallout of the pandemic;
- Successfully implemented various government-supported COVID-19 relief schemes (e.g. ECLSG-1, ECLGS 2, CGSSD) to help MSME entrepreneurs meet their operational liabilities and restart their businesses;
- Developed a finance restructuring application form our website where eligible borrowers affected by the COVID-19 pandemic could seek relief, whether through a loan moratorium or extension of the tenure of the loans; and
- Granted a moratorium benefit to all borrowers from March 1 to August 31, 2020, whereby eligible accounts were rescheduled and restructured in accordance with the RBI relief package guidelines.

The resurgence of COVID-19 pandemic in India in the recent weeks and the consequent containment measures to check the spread of the pandemic may impact the recovery process and create new uncertainties. The RBI on May 5, 2021 announced several measures as part of a calibrated strategy to mitigate the risks posed to the Indian economy by the second wave of COVID-19. The measures will help healthcare providers, key medical suppliers, small borrowers, MSMEs and businesses. Some of the measures announced by the RBI include:

- *Term Liquidity Facility of ₹50,000 crore to Ease Access to Emergency Health Services*: this facility will enable improvement of COVID-19 related healthcare infrastructure and services in India. This facility is open till March 31, 2022. Banks are incentivised to make advances under the facility through the extension of priority sector classification to such lending.
- *Credit to MSME Entrepreneur*: scheduled commercial banks are allowed to deduct an amount equivalent to credit disbursed to 'New MSME borrowers' from their net demand and time liabilities for the calculation of their cash reserve ratio.
- *Resolution of COVID Related Stressed Assets of Individuals, Small Businesses and MSMEs ("**Resolution Framework 2.0**")*: with the objective of alleviating the potential stress to individual borrowers and small businesses, the RBI has further announced set of measures vide a notification dated May 5, 2021 that are broadly in line with the contours of the Resolution Framework - 1.0, provided that (i) aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does not exceed ₹250 million as at March 31, 2021; and (ii) borrower's account was a 'standard asset' as at March 31, 2021. The RBI has permitted lending institutions, including our Bank, to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their

credit exposures while classifying the same as standard under the RBI's IRAC norms upon implementation of the resolution plan subject to certain conditions. In respect of accounts of borrowers which were restructured in terms of the MSME restructuring circulars, lending institutions are permitted, as a one-time measure, to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring upon implementation of the resolution plan subject to certain conditions.

- *Utilisation of Floating Provisions and Countercyclical Provisioning Buffer*: banks are allowed to utilize 100% of floating provisions/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for NPAs with prior approval of their board of directors. Such utilisation is permitted up to March 31, 2022.

Competitive Strengths

Established brand with over 110 years of operations and legacy

With over 110 years of banking services in India and over seven decades of business globally, the Bank believes that it is one of the most trusted and recognized banking brands in India with a loyal customer base. As on June 30, 2021, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. As of June 30, 2021, the Bank had around 102 million customers, reflecting large customer base. The Bank's operations covered 28 States and 8 Union Territories across India, with 5,084 branches across India, 5,426 ATMs (including 3,081 offsite and 2,345 onsite ATMs). Through its expansive operations across India, including in rural regions, it has over the years provided a banking platform that has supported the growth of financial activity across India, enabling it to strengthen its brand, reputation and goodwill.

In addition, the GoI owns 90.34% of the total issued and paid-up share capital of the Bank. As the Bank's Promoter and majority shareholder, the GoI enhances the Bank's brand value and goodwill.

The Bank has domestic subsidiaries engaged in merchant banking, trustee services, and distribution of mutual fund products. Further, the Bank also engages in insurance business through its Joint Venture Star Union Dai-Chi. Overseas subsidiaries and Joint Venture of the Bank located in Tanzania, Uganda, New Zealand, Indonesia, and Zambia also form part of the Bank's operations.

Strong and diversified deposit base

The Bank has a strong, diversified, and low-cost deposit base. Our Bank's deposits have grown 6.65% from ₹5,208.62 billion in Fiscal 2019 to ₹5,555.05 billion in Fiscal 2020, and grew 12.89% to ₹6,271.14 billion in Fiscal 2021. As of June 30, 2021, the bank has ₹6,233.85 billion in deposits. Steps have been undertaken to optimize this pool of deposits by increasing the ratio of current accounts and savings accounts ("**CASA**", such ratio the "**CASA Ratio**"), which stands at 43.22% as of June 30, 2021. Aside from this our focus on keeping individual deposit accounts low-cost, has helped us reduce the cost of funds and deposits. Our Bank's cost of deposit has increased from 4.50% in Fiscal 2019 to 4.57% in Fiscal 2020, and reduced to 4.10% in Fiscal 2021 and to 3.79% during three months period ended June 30, 2021.

Growing and diversified asset book

The assets of the Bank are diversified across business segments, industries and groups. In terms of sectors, as on June 30, 2021, the Bank's domestic large industry exposures were to infrastructure at ₹588.68 billion; basic metal and metal products at ₹126.64 billion; textiles at ₹77.66 billion; chemicals & chemical products at ₹51.12 billion, and gems and jewellery at ₹40.41 billion, comprising a total of ₹884.51 billion and constituting 24.19% of the Bank's gross domestic advances. The Bank's loan book concentration and depositor concentration are among the lowest in the industry, with its 20 largest borrowers comprising 15.84% of its loan book and its 20 largest domestic depositors comprising 7.05% of its deposits.

The Bank's revenue is diversified across business segments, with the retail banking, wholesale banking (comprising large and non-retail accounts) and treasury operations accounting for 31.59%, 32.49% and 35.90% of the Bank's revenue for the year ended March 31, 2021. While focusing on diversification, the Bank also focuses on growth, with an annualized growth rate of 10% in terms of total assets from Fiscal 2020 through Fiscal 2021.

Our Bank advances have been stable and consistently improving with growing share of government guaranteed advances and RAM. Our Bank's advances increased from ₹3,828.60 billion as of March 31, 2019 to ₹4,104.36 billion as of March 31, 2021. As of June 30, 2021, the Bank has a portfolio of global advances of ₹4,146.97 billion. Since Fiscal 2019, there has been an increase in advances to the retail, agriculture, and MSME ("**RAM**") sector, as well as government-guaranteed advances. As of June 30, 2021, RAM advances and government-guaranteed advances have made up 64.68% of the total advance mix. We believe our strategically diversified asset portfolio across the RAM sectors and government guaranteed advances will lead to better risk diversification, increased revenue, improved margins and better assets quality.

The Bank believes it has consistently maintained strong capital fundamentals over the years and as on June 30, 2021, the Bank has a net advances-to-deposits ratio of 59.45%; of the Bank's total funding, 88.68% is from deposits, and 40.38% of the Bank's total assets are liquid assets such as Government securities and cash and reserve balances, which ensures high liquidity.

Gradually improving asset quality

Our Bank believes that it has effectively managed its risk-bearing asset portfolio and its asset quality has been improving. Our risk management and credit evaluation processes, coupled with our ability to evaluate and appropriately price risk and automated system for NPA calculation, have helped us reduce our exposure to NPAs, restructured standard assets and Special Mention Accounts ("**SMA**"). Our Bank's gross NPAs as a percentage of gross advances were 15.84%, 14.78%, 13.77% as of March 31 2019, 2020 and 2021, respectively. Our Bank's gross NPAs as a percentage of gross advances were 13.51% as of June 30, 2021. Our Bank's net NPAs as a percentage of gross advances were 5.61%, 3.88%, 3.35% as of March 31 2019, 2020 and 2021, respectively. Our Bank's net NPAs as a percentage of gross advances were 3.35% as of June 30, 2021. Our Bank's provision coverage ratio as of March 31, 2019, 2020 and 2021, was 76.95%, 83.74%, and 86.24%, respectively. Our Bank's provision coverage ratio was 86.17% as of June 30, 2021. Our Bank's credit cost was 4.62%, 4.06%, 1.80%, and 0.95% in Fiscal 2019, 2020, 2021, and for the three months ended June 30, 2021, respectively. Our Bank has made adequate provisions for our NCLT account and has provided 91.00% as of June 30, 2021.

Our Bank believes that we have been able to contain NPA levels and maintain relatively healthy asset quality by implementing our independent risk management function, covering enterprise risk management, credit risk, market risk, and operational risks that are updated on a continuous basis towards preserving our asset quality, among other risk objectives. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies.

Fast improving digital presence

The Bank continues to invest in technology as a means of improving its customers' banking experience, offering them a range of products tailored to their financial needs. The Bank believes that these initiatives will make it easier for customers to manage their accounts, while facilitating significant cross selling opportunities for a wider range of products on its digital platform, thereby building on its existing relationship with its customers.

As of June 30, 2021, the Bank has around 7.60 million users of its internet banking services, and 4.70 million using the Bank's mobile app. Its digital and digital-enabled products also include over 42 million debit cards, 10 million users on the Unified Payments Interface ("**UPI**"), and reach through 52,000 point of sale devices. The bank also has "digi branches" geared towards tech-savvy customers. Also recently launched is a cardless cash withdrawal system using the UPI QR code, allowing our customers to withdraw cash readily without the use of cards. In line with the GoI's push for a nation less dependent on cash, the Bank is also working on other payment gateway solutions for government, public service units, and other organisations.

Over the years, the Bank has also established systems for its backend operations such as customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems that are supported by automated technologies. The Bank is continually upgrading its risk management framework and has implemented a number of technology measures to implement the standardised and advanced approaches of credit risk. We believe that the Bank's IT infrastructure and effective use of technology has enabled it to develop an effective risk control framework and improve employee productivity and operating efficiencies.

Large physical footprint across India and significant international presence

As of June 30, 2021, the Bank had 5,084 branches in India and operated (through subsidiaries and joint venture) 45 offices (including 23 branch offices), 20 subsidiary branches, one Joint Venture and one representative office outside India. As of June 30, 2021, the Bank had about 102 million customers, reflecting our large customer base. The Bank's operations covered 28 States and eight Union Territories across India, with 5,426 ATMs across major towns and cities as of June 30, 2021. Our Bank's India branch network allows us to provide banking services to a wide variety of customers, including large and mid-sized companies, institutions, state-owned enterprises, as well as corporate, agricultural, industrial and retail customers. As of March 31, 2021, the Bank's banking outlets were also well distributed across different kinds of cities, with 35.96% in rural areas, 28.58% in semi urban areas, 15.97% in urban areas, and 19.49% in metro cities. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches and representative office.

Extensive portfolio of products and services

We offer a full range of banking products and services including short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, credit cards, life insurance, merchant banking, agricultural and micro-finance banking products and project finance loans. As a result of its extensive network and product offerings, the Bank is able to meet the full range of its customers' banking needs throughout India.

In addition, our comprehensive product and service offerings provide us with numerous opportunities for cross-selling, allowing it to further grow all areas of its business, especially its corporate business. A special team of coaches has devised a large corporate relationship management model involving the provision of niche products to large corporates on competitive pricing terms and is implementing the model with the Bank's corporate customers. These corporates have particular financial needs and usually require a wide range of both standard and structured products in their investment portfolios. We believe that our extensive portfolio of products and services can be leveraged to further develop its relationship management model, enhance its market share in the corporate segment and increase its fee-based income.

Continuously enhanced risk management and internal control functions

The Bank continuously strengthens its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools. The Bank has adopted an independent risk management system, which addresses the risks faced in all of its banking activities. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies. The Bank has maintained adequate capital reserves in accordance with Basel II since March 31, 2008 and has implemented new credit risk assessment models, independent validation of internal ratings and plans for increased use of IT tools to improve the quality of loan data. The Bank's capital adequacy ratio is 15.07% as on June 30, 2021, which is higher than the statutory requirement of 10.88%. The Bank also conducts regular stress tests which are forward looking economic assessments of the Bank's financial health based on a number of economic scenarios and will take remedial measures, if necessary, depending on the outcome of the tests.

Experienced management team

The Bank has an experienced management team staffed with a significant concentration of career banking professionals. We are guided by our Bank's MD and CEO, Atanu Kumar Das, along with our Executive Directors Paripurnam Ramanujam Rajagopal, Monika Kalia, Swarup Das Gupta, M Karthikeyan and A.B. Vijayakumar, who bring with them extensive experience in the banking sector. Our Board is also supported by other Directors such as independent directors and Directors who are representatives of the GoI, RBI, and shareholders with experience in banking, finance, strategic management and economics. The rest of the senior management team have strengths in key areas, including retail, corporate and international banking. The management team's extensive and diverse expertise provides the Bank with a broad perspective from which it can make strategic management and operational decisions. The Bank believes that its management team has created a clear, strategic direction for the Bank which will allow it to expand and maintain its position as a leading bank in India.

Strategies

The overall strategy of the Bank is to retain and strengthen the Bank's universal character by providing superior, proactive banking services to niche markets globally and cost-effective, responsive services to others in its role as a development bank. The Bank aims to become the bank of choice for large to mid-sized corporates, SMEs and high-end retail customers and to provide a cost-effective developmental bank for small businesses, mass markets and rural markets. The Bank aims to achieve these goals by, among other things:

Sustaining targeted growth in business by continuing to focus on RAM and SME lending and a low-cost deposit base

The Bank is committed to sustaining its business growth by targeting key business opportunities. We are currently focusing on increasing our RAM lending profile by leveraging our existing customer base, and are also looking to provide additional specialised credit processing centres for RAM advances. We are also looking to improve our portfolio through increasing government-guaranteed advances. The Bank is also launching GST-based financing to our MSME customers, increasing how we can tap this key business demographic. The Bank is also continuing to focus on growing its loan book to SMEs along with expansion of services provided to SMEs by utilizing its existing relationships with key corporate customers.

The Bank is also looking to reach customers better through "doorstep banking" initiatives through various universal touchpoints, such as our website, mobile app, and call centre.

The Bank also intends to continue growing low-cost deposits such as CASA, which will allow it to contain funding costs. The Bank intends to continue to leverage our branch network to tap additional CASA accounts. We believe that by leveraging our core banking solution platform, internet and mobile banking systems, we will be able to increase our customer base, thereby increasing CASA deposits.

Focus on improving asset quality and maintaining NPA levels

The Bank will continue to work on improving the quality of its assets and limiting levels of non-performing assets. Our Bank's gross NPAs were ₹ 565.35 billion and ₹ 560.42 billion, and net NPAs were ₹122.62 billion and ₹124.24 billion as of March 31, 2021 and June 30, 2021, respectively. The Bank has been making sustained efforts to contain NPAs and written off recovery by adopting Board-approved strategies with activation of asset recovery branches and staff at grass root levels. In order to contain NPAs, our Bank has introduced several settlements scheme for quick resolution of NPAs and formed a "war Room" and "watch room" in each zone for recovery, NPA reduction, and credit monitoring or trigger management. Our Bank has migrated to daily marking of NPAs beginning April 15, 2021 to have more transparency in identification of NPAs and for compliance of regulatory guidelines. We also carry out actions such as holding-on operations in NPA accounts arising out of temporary cash flow mismatch, for up-gradation within short span of time, restructuring in accounts which need long term support, filing application with NCLT, invoke promptly the provisions of SARFAESI Act, conducting mega E-auctions on an India-wide basis to fast forward the process and facilitating online submission of OTS application by NPA borrowers with tracking option.

Digital transformation and focusing on technology

The Bank has been significantly upgrading its technology and plans to continue to do so in order to capture deposits at a lower cost, bring down costs of resources, facilitate cross selling and enhance customer service and operational efficiency, including the use of a document management service to optimize internal processes. As of the date of this Placement Document, the Bank has rolled out its Core Banking Solution in all branches.

We intend to utilize data analytics to improve lead generation and are working to fully digitize our loan processing end to end. The Bank has also partnerships with financial technology companies and is exploring digital lending through our electronic platforms. Using technology, the Bank intends to increase cross-selling opportunities, reduce costs, and enhance our customer experience.

"Anywhere Anytime" banking is now available for all of the Bank's retail and corporate customers and the Bank continues to build out its internet banking and branch networking operations.

A fast and secure internet banking platform is available for customers to, among other things, pay utility bill payments, to purchase air and rail tickets, shop online and make inter- and intra-bank transfers. The Bank has also implemented a two-factor authentication, namely the Star Token, for both retail and corporate internet banking customers, which allows the Bank's customers to make secured banking transactions from their homes and offices.

As of April 30, 2021, the Bank has associated with Hughes Communications India Pvt. Ltd. that provides satellite connectivity to three Regional Rural Banks. The Bank believes in the value of satellite connectivity in delivering services to their customers and ensuring continuous and reliable operations.

Improving our risk management to ensure the long-term sustainability of our business

The Bank is continually seeking means by which it can improve its risk profile to ensure the long-term sustainability of our business. In line with the Bank's renewed tech focus, we are looking at using a tech-driven credit monitoring system that will allow us to better analyse and study credit profiles, and which uses "early warning signals" to flag any potential issues. Another key initiative is the development of our enterprise-wide Fraud Risk Management framework that involves real-time monitoring of fraud. To improve efficiency and responsiveness, dedicated centres are being formed in each Zone for recovery, reduction of non-performing assets, and monitoring and managing credit.

Building on strong brand identity and existing customer trust and relationships

In the retail sector, by upgrading its brand image to attract the young urban affluent class, and by targeting these young customers with education loans and home loans, the Bank has had considerable success in promoting changes in its customer age profile. New products designed to appeal to this target customer segment continued to be developed by the Bank. Moreover, the Bank has set up call center in Mahape to cater to the needs of existing and potential customers for product enquiry, account information and product marketing. As of June 30, 2021, in the corporate sector, the Bank has long-standing and well-nurtured relationships with Indian corporates. The Bank intends to build upon these existing relationships to increase its cross selling efforts and fee income, including the sale of foreign exchange derivatives and structured products.

Retaining and motivating staff and succession planning

The Bank understands that at the core of its ability to deliver quality service is its strong workforce. To improve the quality of our teams, the Bank is focusing on the following key areas: managing employees' job family, using a performance management system, and engaging in programs for talent management and leadership development. Employee feedback is important, and so the Bank has also launched Star Anveshan, a special survey for employee engagement.

A highly motivated and competent workforce is essential for the Bank as a service-oriented organization. The Bank has implemented human resources ("**HR**") development strategies to provide opportunities for employees to enhance their knowledge and skills.

The Bank endeavours to develop and nurture an organizational culture in which employees are motivated to perform to the best of their ability. Competencies of employees are enhanced and they are equipped with the right skills and knowledge for meeting the ever changing business needs of customers. The Bank reviews HR policies from time to time to accommodate the aspirations of in-house employees as well as its corporate goals. The Bank organizes various training programs (including training in specialized areas such as foreign exchange and treasury operations) for in-house employees and at established training colleges as well as certain training centres abroad.

The Bank has taken various steps to motivate its staff and produce a positive working environment. In addition to traditional means of promotion, the Bank's HR policy provides a fast-track route for promotion to employees who possess the requisite qualifications, skills and an outstanding performance track record. An employee's performance is the key factor in awarding promotions, additional training and other incentives. The Bank has introduced a transparent appraisal system in accordance with Government guidelines and an appraisal form which can be accessed online, to cater to the requirements of different business units.

The Bank's succession plan is in place. Due care has been taken to fill the vacancies of the retiring top executives in key positions. The Bank has also implemented personnel retention initiatives such as well-defined career paths with fast promotions, attractive rewards and an excellent work environment. The Bank has restructured its organizational structure and its business is grouped into various units for focused segmental growth. This has helped the Bank to achieve higher business volumes and increased profitability.

Diversifying non-interest income

The Bank has diversified its sources of non-interest income through tie-ups with life insurance companies, other insurance companies and asset management companies dealing in mutual funds. The Bank intends to improve fee income from new services, including credit/debit card operations, depository services, sale of third-party products, government business, and foreign exchange derivatives as well as equity, bond and derivatives trading through its 29.26% interest in the Securities Trading Corporation of India Limited.

The Bank's earnings from its new services, the sale of insurance (life and non-life insurance) and mutual fund products was ₹1.05 billion and ₹1.07 billion for Fiscal 2020 and Fiscal 2021, respectively.

SELECTED FINANCIAL INFORMATION OF OUR BANK

The following selected financial data as of and for the three months ended June 30, 2021 and for the Fiscal Years ended March 31, 2021, March 31, 2020 and March 31, 2019 have been derived from our Financial Statements included in this Placement Document. The financial data set forth below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 107 and "*Financial Statements*" on page 319, including the schedules and notes thereto, included elsewhere in this Placement Document. Our Financial Statements were prepared in accordance with Indian GAAP and provisions of Banking Regulation Act, read with relevant guidelines and directions issued by RBI. The historical results do not necessarily indicate results expected for any future period. Indian GAAP differs in certain material respects from US GAAP and IFRS. Neither the information set forth below nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or other accounting principles.

Consolidated Summary Balance Sheet

(₹ in billion)

Particulars	As on March 31, 2021	As on March 31, 2020	As on March, 2019
CAPITAL & LIABILITIES			
Capital	32.78	32.78	27.60
Reserves and Surplus	437.03	417.95	402.54
Share Application Money pending for allotment	30.00	0.00	46.38
Minority Interest	1.59	1.51	1.62
Deposits	6,290.98	5,573.86	5,225.55
Borrowings	324.64	397.52	442.65
Other Liabilities and Provisions	210.88	206.55	162.50
Total	**7,327.90**	**6,630.19**	**6,308.84**
ASSETS			
Cash and Cash Balances with Reserve Bank of India	609.30	294.47	293.22
Balances with Banks and Money at call and short notice	657.63	571.63	655.38
Investments	1,916.93	1,623.23	1,509.05
Loan and Advances	3,676.67	3,706.44	3,429.66
Fixed Assets	90.01	90.58	89.99
Other Assets	377.35	343.85	331.53
Total	**7,327.90**	**6,630.19**	**6,308.84**

Consolidated Summary Profit and Loss Account

(₹ in billions)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
I. Income			
Interest earned (a+b+c+d)	408.54	425.91	410.05
a) Interest/Discount on advances/bills	275.48	289.77	274.15
b) Income on Investments	116.48	107.57	100.18
c) Interest on balances with RBI and other inter bank funds	11.55	24.44	28.65
d) Others	5.03	4.13	7.07
Other income	74.96	68.09	47.91
Total	483.50	494.00	457.96
II. Expenditure			
Interest expended	264.21	271.91	272.07
Operating Expenses (e+f)	110.06	106.12	103.94
e) Employees cost	65.29	61.97	60.82
f) Other operating expenses	44.77	44.16	43.12
Total (excluding provisions and contingencies)	374.27	378.04	376.01
Provisions and Contingencies	76.45	161.66	168.53
III. Profit/Loss			
Operating profit (profit before provisions and contingencies)	109.23	115.96	81.95
Profit/Loss from ordinary activities before tax	32.78	-45.70	-86.58
Tax Expense	10.79	-16.40	-31.61
Net Profit/Loss from ordinary activities after tax	21.99	-29.29	-54.97
Less: Minority Interest	-0.02	0.00	0.00
Add: Share of earnings in Associates	-1.18	-1.22	0.71
Net Profit/(Loss) for the period	20.83	-30.51	-54.27
Paid-up equity share capital (Face Value ₹10/-)	32.78	32.78	27.60
Reserves excluding Revaluation Reserves	373.98	354.24	339.30
IV. Analytical Ratios			
(i) Percentage of shares held by Government of India	89.10%	89.10%	87.05%
(ii) Capital Adequacy Ratio (Basel III)	15.55%	13.74%	14.86%
a) CET 1 Ratio	12.16%	10.55%	11.71%
b) Additional Tier 1 Ratio	0.44%	0.02%	0.06%
(iii) Earnings per share			
a) Basic EPS before and after Extraordinary items net of tax expenses (₹)	6.36	-9.39	-29.14
b) Diluted EPS before and after Extraordinary items net of tax expenses (₹)	6.35	-9.39	-29.14
NPA Ratios			
(iv) a) Amount of Gross NPAS	565.92	616.25	607.40
b) Amount of net NPAs	122.88	143.47	191.70
c) Percentage of Gross NPAs (%)	13.72	14.73	15.78
d) Percentage of Net NPAs (%)	3.34	3.87	5.59
(v) Return on Assets (%)	0.40	(0.47)	(0.87)

Consolidated Cash Flow Statement:

(₹ in billions)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Net Profit as per Profit and Loss Account	31.62	-46.91	-85.88
Adjustments for:			
Amortization / Depreciation on Investments	11.63	6.40	13.92
Profit on Sale/redemption of investments in Joint Venture	-	-	-
Depreciation on fixed Assets	3.80	3.92	3.73
(Profit)/Loss on sale of Fixed Assets	-0.60	-0.47	-4.30
Provision for NPA	66.48	144.46	158.15
Provision for Standard Assets	-0.71	8.72	1.27
Provisions for other assets	1.99	5.05	-1.55
Interest on IPDI, Subordinated debt, Upper Tier II bonds	6.54	8.46	10.15
Dividend received	-0.22	-0.14	-0.11
Increase/Decrease in Operating Assets			
Increase/(Decrease) in Deposits	717.12	348.31	-4.42
Increase/(Decrease) in Borrowings	-73.40	-21.88	70.67
Increase/(Decrease) in other Liabilities and Provisions	1.93	34.28	48.62
(Increase)/Decrease in Investments	-306.51	-121.80	-119.05
(Increase)/Decrease in Advances	-36.71	-421.24	-154.93
Increase)/Decrease in other assets	-51.83	13.18	5.45
Taxes (paid) / Refund	7.56	-8.63	-33.91
Net cash generated from Operations (A)	378.68	-48.27	-92.18
Cash Flow from investing activities			
Purchase of fixed assets	-3.49	-9.62	-2.98
Sale of fixed assets	0.19	6.05	4.26
Dividend Received	0.22	0.14	0.11
Impact of Consolidation	1.18	1.22	-0.71
Minority Interest	0.08	-0.11	0.03
Net cash generated from Investing Activities (B)	-1.82	-2.32	0.71
Cash Flow from Financing activities			
Equity Share Capital	0.00	5.18	10.16
Share premium	0.00	40.99	97.44
Share Application Money	30.00	-46.38	46.38
IPDI, Subordinated Debt, Upper Tier Bonds (Net)	0.52	-23.25	-64.00
Dividend Paid	-	-	-
Interest paid on IPDI, Subordinated Debt, Upper Tier Bonds (Net)	-6.54	-8.46	-10.15
Net cash generated from financing activities (C)	23.98	-31.92	79.83
Net increase/(Decrease)in cash & cash equivalents (A+B+C)	400.85	-82.51	-11.64

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Cash and Cash Equivalents at the beginning of the year	866.09	948.60	960.24
Cash and Cash Equivalents at the end of the year	1,266.94	866.09	948.60

Notes:

1. *Direct taxes paid (net of refund) are treated as arising from operating activities and are not bifurcated between investing and financing activities.*
2. *All figures in brackets represents "Cash Out Flow"*
3. *Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.*

Standalone Summary Balance Sheet

(₹ in billion)

Particulars	**As on March 31, 2021**	**As on March 31, 2020**	**As on March, 2019**
CAPITAL & LIABILITIES			
Capital	32.78	32.78	27.60
Reserves and Surplus	424.08	405.39	389.21
Share Application Money pending for allotment	30.00	0.00	46.38
Deposits	6,271.14	5,555.05	5,208.62
Borrowings	324.64	397.52	442.41
Other Liabilities and Provisions	175.93	179.22	138.00
Total	7,258.56	6,569.95	6,252.23
ASSETS			
Cash and Cash Balances with Reserve Bank of India	606.98	292.39	292.37
Balances with Banks and Money at call and short notice	658.83	572.17	655.75
Investments	1,872.53	1,585.73	1,476.39
Loan and Advances	3,656.87	3,688.83	3,410.06
Fixed Assets	89.14	89.82	89.20
Other Assets	374.22	341.01	328.46
Total	7,258.56	6,569.95	6,252.23

Standalone Summary Profit and Loss Account

(₹ in billions, except percentages)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
I. Income			
Interest earned (a+b+c+d)	405.99	423.53	407.68
a) Interest/Discount on advances/bills	274.07	288.05	272.50
b) Income on Investments	115.48	107.04	99.73
c) Interest on balances with RBI and other inter bank funds	11.42	24.32	28.38
d) Others	5.03	4.13	7.07
Other income	74.41	67.13	46.59
Total	480.41	490.66	454.27
II. Expenditure			
Interest expended	263.30	270.96	271.10
Operating Expenses (e+f)	108.39	104.51	102.24
e) Employees cost	64.73	61.41	60.21
f) Other operating expenses	43.66	43.10	42.03
Total (excluding provisions and contingencies)	371.69	375.48	373.34
Provisions and Contingencies	76.36	161.21	168.06
III. Profit/Loss			
Operating profit (profit before provisions and contingencies)	108.72	115.19	80.92
Profit/Loss from ordinary activities before tax	32.37	-46.03	-87.13
Tax Expense	10.76	-16.46	-31.67
Net Profit/Loss from ordinary activities after tax	21.60	-29.57	-55.47
Net Profit/(Loss) for the period	21.60	-29.57	-55.47
Paid-up equity share capital (Face Value ₹10/-)	32.78	32.78	27.60
Reserves excluding Revaluation Reserves	361.56	342.16	326.48
IV. Analytical Ratios			
(i) Percentage of shares held by Government of India	89.10%	89.10%	87.05%
(ii) Capital Adequacy Ratio (Basel III)	14.93%	13.10%	14.19%
a) CET 1 Ratio	11.51%	9.88%	11.01%
b) Additional Tier 1 Ratio	0.45%	0.02%	0.06%
(iii) Earnings per share			
a) Basic EPS before and after Extraordinary items net of tax expenses (₹)	6.59	-9.10	-29.79
b) Diluted EPS before and after Extraordinary items net of tax expenses (₹)	6.59	-9.10	-29.79
NPA Ratios			
(iv) a) Amount of Gross NPAS	565.35	615.50	606.61
b) Amount of net NPAs	122.62	143.20	191.19
c) Percentage of Gross NPAs (%)	13.77	14.78	15.84
d) Percentage of Net NPAs (%)	3.35	3.88	5.61
(v) Return on Assets (%)	0.28	(0.43)	(0.84)

Standalone Cash Flow Statement:

(₹ in billion)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit as per Profit and Loss Account	32.37	-46.03	-87.13
Adjustments for:			
Amortization / Depreciation on Investments	11.63	6.40	13.90
Profit on Sale/redemption of investments in Joint Venture	-	-	-
Depreciation on fixed Assets	3.72	3.85	3.67
(Profit)/Loss on sale of Fixed Assets	-0.60	-0.47	-4.30
Provision for NPA	66.13	144.15	157.70
Provision for Standard Assets	-0.41	8.59	1.26
Provisions for other assets	1.95	5.05	-1.55
Interest on IPDI, Subordinated debt, Upper Tier II bonds	6.54	8.46	10.15
Dividend received	-0.25	0.23	-0.18
Increase/Decrease in Operating Assets			
Increase/(Decrease) in Deposits	716.09	346.43	0.08
Increase/(Decrease) in Borrowings	-73.40	-21.64	70.52
Increase/(Decrease) in other Liabilities and Provisions	-6.55	31.16	45.08
(Increase)/Decrease in Investments	-297.95	-115.52	-119.18
(Increase)/Decrease in Advances	-34.16	-422.93	-153.95
Increase)/Decrease in other assets	-51.55	12.92	5.88
Taxes (paid) / Refund	7.09	-8.54	-33.86
Net cash generated from Operations (A)	380.63	-48.34	-91.92
Cash Flow from investing activities			
Purchase of fixed assets	-3.28	-9.56	-2.87
Sale of fixed assets	0.13	6.05	4.20
Sale/Redemption/Additional Investment in Subsidiaries/ Jt. Ventures/ Associates	-0.47	-0.22	0.00
Dividend Received	0.25	0.23	0.18
Net cash generated from Investing Activities (B)	-3.37	-3.50	1.51
Cash Flow from Financing activities			
Equity Share Capital	0.00	5.18	10.16
Share premium	0.00	41.20	97.30
Share Application Money	30.00	-46.38	46.38
IPDI, Subordinated Debt, Upper Tier Bonds (Net)	0.52	-23.25	-64.00
Dividend Paid	-	-	-
Interest paid on IPDI, Subordinated Debt, Upper Tier Bonds (Net)	-6.54	-8.46	-10.15
Net cash generated from financing activities (C)	23.98	-31.71	79.70
Net increase/(Decrease)in cash & cash equivalents (A+B+C)	401.24	-83.55	-10.71
Cash and Cash Equivalents at the beginning of the year	864.56	948.11	958.83
Cash and Cash Equivalents at the end of the year	1,265.81	864.56	948.11

Notes:

1. *Direct taxes paid (net of refund) are treated as arising from operating activities and are not bifurcated between investing and financing activities.*
2. *All figures in bracket represents "Cash Out Flow"*
3. *Effect of exchange fluctuation on translation reserve is included in increase/(decrease) in other liabilities.*

Reviewed financial results for the three months ended June 30, 2021

Standalone Balance Sheet

(₹ in billions)

Particulars	For the three month ended June 30, 2021	For the three month ended June 30, 2020
LIABILITIES		
Capital	36.99	32.78
Share Application Money Pending for Allotment	-	-
Reserves and Surplus	458.45	414.23
Deposits	6,233.85	5,952.35
Borrowings	300.22	257.48
Other Liabilities & Provisions	175.51	156.59
TOTAL	**7,205.02**	**6,813.42**
ASSETS		
Cash & Balances with RBI	447.67	384.20
Balances with Banks and Money at Call and Short Notice	762.88	683.82
Investments	1,872.46	1,624.64
Advances	3,706.07	3,706.15
Fixed Assets	88.97	89.25
Other Assets	326.96	325.36
TOTAL	**7,205.02**	**6,813.42**

Standalone Profit and Loss Account

(₹ in billions, except percentages)

Particulars	For the three month ended June 30, 2021	For the three month ended June 30, 2020
I. INCOME		
Interest earned (a+b+c+d)	93.21	102.34
a) Interest/Discount on advances/bills	60.18	69.92
b) Income on Investments	28.61	28.03
c) Interest on balances with RBI and other inter bank funds	1.55	3.81
d) Others	2.87	0.58
Other income	23.77	17.07
Total	116.98	119.42
II. Expenditure		
Interest expended	61.77	67.53
Operating Expenses (e+f)	27.15	23.44
e) Employees cost	17.09	14.51
f) Other operating expenses	10.06	8.93
Total (excluding provisions and contingencies)	88.92	90.97
Provisions and Contingencies	17.09	15.12
III. Profit/Loss		
Operating profit (profit before provisions and contingencies)	28.06	28.45
Profit/Loss from ordinary activities before tax	10.97	13.32
Tax Expense	3.77	4.89
Net Profit/Loss from ordinary activities after tax	7.20	8.44
Net Profit/(Loss) for the period	7.20	8.44
Paid-up equity share capital (Face Value ₹10/-)	36.99	32.78
Reserves excluding Revaluation Reserves	396.00	351.18
IV. Analytical Ratios		
(i) Percentage of shares held by Government of India	90.34%	89.10%
(ii) Capital Adequacy Ratio (Basel III)	15.07%	12.76%
a) CET 1 Ratio	11.52%	9.46%
b) Additional Tier 1 Ratio	0.45%	0.02%
(iii) Earnings per share		
a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year (₹)	2.14	2.57
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (₹)	2.14	2.57
NPA Ratios		
(iv) a) Amount of Gross NPAS	560.42	577.88
b) Amount of net NPAs	124.24	132.75
c) Percentage of Gross NPAs (%)	13.51%	13.91%
d) Percentage of Net NPAs (%)	3.35%	3.58%
(v) Return on Assets (%)	0.37	0.46

Consolidated Balance Sheet

(₹in billions)

Particulars	For the three month ended June 30, 2021	For the three month ended June 30, 2020
LIABILITIES		
Capital	36.99	32.78
Share Application Money Pending for Allotment	-	-
Reserves and Surplus	471.44	427.58
Minority Interest	1.53	1.67
Deposits	6,253.95	5,971.92
Borrowings	300.34	257.48
Other Liabilities & Provisions	212.63	185.97
TOTAL	**7,276.88**	**6,877.41**
ASSETS		
Cash & Balances with RBI	450.10	386.51
Balances with Banks and Money at Call and Short Notice	760.85	683.08
Investments	1,919.60	1,664.67
Advances	3,726.76	3,725.00
Fixed Assets	89.86	90.20
Other Assets	329.71	327.95
TOTAL	**7,276.88**	**6,877.41**

Consolidated Profit and Loss Account

(₹ in billions, except percentages)

Particulars	For the three month ended June 30, 2021	For the three month ended June 30, 2020
I. INCOME		
Interest earned (a+b+c+d)	93.74	102.87
a) Interest/Discount on advances/bills	60.56	70.25
b) Income on Investments	28.73	28.20
c) Interest on balances with RBI and other inter bank funds	1.57	3.83
d) Others	2.88	0.58
Other income	23.92	17.36
Total	117.66	120.22
II. Expenditure		
Interest expended	61.96	67.73
Operating Expenses (e+f)	27.81	23.92
e) Employees cost	17.23	14.64
f) Other operating expenses	10.58	9.28
Total (excluding provisions and contingencies)	89.77	91.65
Provisions and Contingencies	17.13	15.16
III. Profit/Loss		
Operating profit (profit before provisions and contingencies)	27.89	28.57
Profit/Loss from ordinary activities before tax	10.76	13.41
Tax Expense	3.78	4.90
Net Profit/Loss from ordinary activities after tax	6.98	8.51
Less: Minority Interest	0.002	-0.01
Add: Share of earnings in Associates	0.37	-0.06
Net Profit/(Loss) for the period	7.35	8.46
Paid-up equity share capital (Face Value ₹10/-)	36.99	32.78
Reserves excluding Revaluation Reserves	408.46	363.99
IV. Analytical Ratios		
(i) Percentage of shares held by Government of India	90.34%	89.10%
(ii) Capital Adequacy Ratio (Basel III)	15.71%	13.40%
a) CET 1 Ratio	12.18%	10.14%
b) Additional Tier 1 Ratio	0.45%	0.02%
(iii) Earnings per share		
a) Basic and diluted EPS before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year (₹)	2.18	2.58
b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (₹)	2.18	2.58
NPA Ratios		
(iv) a) Amount of Gross NPAS	561.06	578.60
b) Amount of net NPAs	124.57	133.05
c) Percentage of Gross NPAs (%)	13.46%	13.86%
d) Percentage of Net NPAs (%)	3.34%	3.57%
(v) Return on Assets (%)	0.40	0.50

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. This Placement Document contains certain forward-looking statements that involve risks and uncertainties. The Bank's financial performance may differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. Prospective investors should carefully consider the following risk factors as well as other information included in this Placement Document prior to making any investment decision. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, the Bank's business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment.

The risks and uncertainties described in this section are not the only risks that are relevant to us, the Equity Shares or the industry and segment in which we operate. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In order to obtain a complete understanding of the Bank's business, you should read this section in conjunction with the sections "Industry Overview" on page 171, "Our Business" on page 195, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 107 and "Selected Statistical Information" on page 139, as well as other financial information contained in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section.

The Bank's fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2019, 2020 and 2021 is derived from the Bank's Audited Financial Statements, and the financial information included herein for the three months ended June 30, 2021 (including the comparative financial information with respect to the three months ended June 30, 2020) is based on the Reviewed Financial Results, included in this Placement Document.

Unless otherwise stated, references to "the Bank" or "our Bank" or "Bank", are to the Bank of India on a standalone basis and references to "the Group", "we", "us", "our", are to the Bank of India on a consolidated basis.

Risks Relating to the Bank's Business

1 The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect the Bank's business, the quality of the Bank's portfolio of assets and liabilities and the Bank's financial performance.

In December 2019, a human infection originating in China was traced to a novel strain of coronavirus (also known as COVID-19) and has since spread to over 200 countries and territories. The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Placement Document, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020, for three weeks which was subsequently extended to May 31, 2020. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increase in COVID-19 cases. While India had commenced gradual easing of lockdown measures, the trajectory of the eventual outcome remains uncertain and contingent on the future path of the viral outbreak and the effectiveness of measures to counter it. Border controls, travel restrictions and quarantine measures have been imposed by various countries in an effort to contain the spread of the COVID-19 outbreak, which have resulted in a period of business disruption as well as restrictions on business activity and the movement of people comprising a significant portion of the world's population, and a decrease in economic activity in a number of countries, including India. Moreover, there is no assurance that such measures will be effective in ending or restricting the spread of COVID-19, and many countries have experienced further COVID-19 outbreaks even after such measures had been eased. For example, a second wave of COVID-19 infections in India has resulted in the re-imposition of strict precautionary measures in various cities across India since April 2021. More recently with the decline in COVID-19 reported cases, the government has gradually started to ease some of the strict precautionary measures.

The extent to which the COVID-19 pandemic outbreak impacts the Bank's business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. There is currently substantial medical uncertainty regarding COVID-19 and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe.

The overall impact on India's economy for year ended March 31, 2022, remains uncertain but is likely to be negative. The impact of the pandemic on the Bank's business, operations and future financial performance include, but are not limited to the following:

- delays and defaults associated with repayment of advance from customers, due to economic slowdown caused by the COVID-19 pandemic, which may adversely affect the Bank's cash flows. For instance, defaults occasioned by COVID-19 have been in containment zones where customers have not be able to pay regular instalments or on account of suspension of business activity due to lockdowns, borrowers with vested interests/leveraged customers did not repay and influenced others to refrain from repaying or on account of local political interference and negative media coverage. This may be further aggravated with difficulty in accessing sources of financing because of volatility in domestic and international markets and/or a global recession;
- significant increase in NPA levels due to possible deterioration in the credit quality of customers, who are most impacted due to the economic downturn caused by COVID-19 related measures such as closure of nonessential services. In the event the Bank's borrowers' enterprises have been unable to withstand the economic pressures caused by the COVID-19 pandemic, the Bank may experience higher NPAs than anticipated driven by deterioration in asset quality due to the Bank's borrower's reduced ability to make timely repayments. The Bank's NPA levels may therefore continue to increase even once lockdown and associated restrictions are entirely lifted.

  As a result, the Bank may be required to recognize higher loan loss provisions in future periods, on account of the uncertainty in the external environment due to COVID-19, which may adversely impact the Bank's asset quality and profitability in future periods;
- adverse impacts to interest income, EPS and growth rates – particularly if operating expenses do not decrease at the same pace as revenue declines. Many of the Bank's expenses are less variable in nature and may not correlate to changes in revenues, such as depreciation, employee benefit expenses and other costs associated with operating and maintaining the Bank's branches. As such, the Bank may not be able to decrease them significantly in the short-term, or the Bank may choose not to significantly reduce them to remain focused on long-term growth and investment opportunities;
- borrowers in certain sectors such as travel, airlines, hospitality, real estate, logistics, transportation and entertainment or borrowers that have high fixed costs or high leverage, leading to restructuring of their loans and additional stress;
- large scale furloughs, or terminations of employees or reductions in salaries may lead to defaults by the Bank's retail borrowers;
- restrictions placed by the Government have been changing based on the dynamic situation and it is not clear when a return to office locations with full workforce or travel will be permitted or what restrictions will be in place in those environments. The extent and/or duration of ongoing workforce restrictions and limitations could impact the Bank's ability to successfully introduce and grow the Bank's new products and services, comply with various reporting requirements to the regulators in a timely manner, among others. Further, governmental lockdowns, restrictions or new regulations could significantly impact the ability of the Bank's employees and service providers to work productively. This rapid shift in the working environment creates inherent productivity, connectivity, and oversight challenges;
- the spread of the COVID-19 amongst the Bank's employees, or any quarantine or lockdown measures affecting the Bank's employees or branches, may reduce the Bank employees' ability to carry out their work as usual. In the event a member or members of the Bank's management team contracts COVID-19, it may potentially affect the operations of the Bank;

- the Bank's stress testing, changes in loan disbursement, and other measures to address the effects of the COVID-19 pandemic may fail;
- an overall deterioration in the economy may also lead to a reduction in the value of collateral provided for the Bank's loans, leading to higher than anticipated losses on default. Further, as the Bank's unsecured loan portfolio is not supported by any collateral, in the event of non-payment by borrowers under these loans, the Bank may be unable to collect the unpaid balance;
- the Bank believes that during periods of uncertainty, people generally tend to avoid higher risk assets and shift to safer ones such as bank deposits. This tends to result in a tightening of liquidity in smaller Indian banks during periods of uncertainty. The RBI has undertaken measures to support liquidity (such as the reduction of the repo rate, cash reserve ratio and liquidity ratio). There is no guarantee that the Bank and the Indian banking industry in general, notwithstanding measures taken by the RBI, will be able to maintain enough liquidity given the uncertain scope and duration of the COVID-19 outbreak. The banking system presently has significant excess liquidity which is placed with the RBI through the reverse repo window. Any decision by the RBI to either reduce the reverse repo rates further or curtail reverse repo amounts can cause a loss of return to banks; and
- Reduction in policy rates may be passed on to customers, however, there may not be a corresponding reduction in borrowing costs in-line with the reduction in policy rates.

Operationally, the Bank has developed and put in place a business continuity plan during the time of COVID-19 and has made arrangements for all essential administrative activities to be able to be performed through a secure work from home technology solution and has implemented work from home arrangements. Although the Bank has maintained most of the Bank's branches in operation during the COVID-19 pandemic, including during certain lockdown periods, the services the Bank offered to the Bank's customers at the Bank's branches were limited to essential services such as settlements, cash withdrawals, deposits and remittances only and the Bank implemented safety measures and protocols intended to promote the health and well-being of the Bank's employees and customers. If significant portions of the Bank's workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on the Bank's businesses could be exacerbated. For more information on the measures implemented by the Bank, see "*Our Business – Recent Developments – Impact of COVID-19*" on page 197.

In addition, the RBI has issued guidelines on March 27, 2020, April 17, 2020 and May 23, 2020 to contain the impact of the COVID-19 pandemic on the financial services sector. Under these guidelines, all term loans are eligible for moratoriums on instalments and working capital facilities on interest due during a period of three months, *i.e.*, from March 1, 2020 to May 31, 2020. This was subsequently extended by another period of three months, *i.e.*, until August 31, 2020 by the RBI, contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19. Such moratorium period shall be excluded by the lending institutions (including SFBs) for calculating the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms prescribed by the RBI, in respect of all accounts classified as standard as on February 29, 2020. In respect of the working capital facilities, lending institutions were permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021. Such moratorium period shall be excluded by the lending institutions for calculating the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms prescribed by the RBI, in respect of all accounts classified as standard as on February 29, 2020. The RBI also announced a 115 basis points reduction in the repo rate in two tranches on March 27, 2020 and May 22, 2020. The Reserve Bank of India also announced several measures in an effort to ease the financial system stress, including enhancing system liquidity, allowing moratorium on repayments of loans, extending an asset classification standstill benefit to overdue accounts where moratorium has been granted and relaxing the liquidity coverage ratio requirement, among others.

The Bank, in accordance with the RBI norms, made available a moratorium to its borrowers until August 31, 2020, resulting in a decline in our collections during such period. The outstanding balance (including the interest applied) as of March 31, 2021 under the accounts which availed of such moratorium was ₹118.79 billion. The Government of India has already waived off compound interest charged on loans up to ₹20 million for the six-months moratorium period by way of implementation of "*Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020)*" ("**Scheme**"). In terms of the Scheme, banks could credit the interest amount to the account of the eligible borrower(s) and lodge a claim for reimbursement from the Government of India. An amount of ₹0.74 billion paid to borrowers in the category of less than ₹20 million through the Scheme. A claim for ₹0.74 billion was made by the Bank and settlement of this claim was received from the GoI on April 1, 2021.

The Supreme Court of India, through an interim order dated September 3, 2020 in *Gajendra Sharma vs Union of India*, had directed to banks that accounts that were not declared as NPAs as at August 31, 2020 shall not be declared as NPAs until further orders. Subsequently, as a result of Supreme Court of India's judgment in *Small Scale Industrial Manufactures Association (Regd.) vs Union of India* and others dated March 23, 2021, the interim order granted on September 3, 2020 in *Gajendra Sharma vs Union of India* to not declare the accounts of borrowers as NPAs stands vacated. Moving forward from the date of the judgment on March 23, 2021, our Bank will resume recognising overdue accounts not previously recognised as NPAs, as NPAs. Additionally, in the said judgment, the Supreme Court has directed that there shall be a waiver of interest on interest/compound interest/ penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 for borrowers for lending institutions. In pursuance of the judgment, the Bank is required to refund/ ensure adjustment of the interest on interest charged on borrowers during the moratorium period March 1, 2020 to August 31, 2020.

The RBI guidelines also require us to make provisions of up to 10% on loans that were overdue but standard as of February 29, 2020. In order to address the impact of the COVID-19 pandemic on the Bank's business and in line with the RBI guidelines on COVID-19 regulatory package, the Bank made COVID-19 related provisions amounting to ₹1.54 billion and ₹6.88 billion in Fiscal 2021 and in in the three months ended June 30, 2021, respectively.

Among other changes/impact, this provision impacted the net profit of the Bank, which was ₹21.60 billion in Fiscal 2021, and was ₹7.20 billion in the three months ended June 30, 2021. In view of the evolving COVID-19 situation, any unexpected or onerous requirements or regulations resulting from the pandemic or any changes in laws, or the promulgation of new laws, rules and regulations relating to the Bank's operations as a response to the COVID-19 pandemic may have a material adverse effect on the Bank's business, financial condition and results of operations.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. In addition, the Bank cannot predict the impact that the COVID-19 pandemic will have on the Bank's customers, dealers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by the Bank's management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. Further, the Bank generates most of its revenues in India. As India is an emerging economy with limited medical resources and certain places with dense populations, the effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries.

As of the date of this Placement Document, there is significant uncertainty relating to the severity of long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets and the Indian economy, and the Bank is unable to accurately predict the long-term impact of the COVID-19 pandemic on the Bank's business. To the extent that the COVID-19 pandemic adversely affects the Bank's business and operations, it may also have the effect of heightening many of the other risks described in this section.

2 Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect the Bank's net interest margins, the value of the Bank's fixed income portfolio, income from treasury operations and the Bank's financial condition and results of operations.

We largely depend on the Bank's interest earned as the Bank's primary source of revenue. Our business could be adversely impacted by a rise in generally prevailing interest rates on deposits, especially if the rise was sudden or sharp. Market interest rate changes affect the interest rates the Bank charges on the Bank's interest-earning assets differently from the interest rates the Bank pays on its interest-bearing liabilities and in addition, affect the value of the Bank's investments. If the Bank is unable to increase rates charged on the Bank's loans and advances or if the volume of the Bank's interest-bearing liabilities is larger or growing faster than the volume of the Bank's interest-earning assets, an increase in interest rates could result in an increase in interest expense relative to interest earned. In the event of such increase in interest rates, the Bank's net interest margin could be adversely affected as the interest paid by us on the Bank's deposits could increase at a rate higher than the interest received by us on the Bank's advances and other investments. The requirement that the Bank maintains a portion of the Bank's assets in fixed income government securities could also have a negative impact on the Bank's treasury income since the Bank typically earns interest on this portion of the Bank's assets at rates that are generally less favourable than those received on the Bank's other interest-earning assets. In Fiscal 2019, 2020, 2021, the Bank's net interest margin was

2.56%, 2.93%, and 2.48%, respectively, while net interest income, as a percentage of the Bank's total income, was 30.07%, 31.09%, and 29.70%, respectively, in such periods.

Net interest income constituted 132.45%, 131.25% and 112.06% of the Bank's operating revenue (calculated as interest income minus interest expenses) for Fiscals 2020, 2021 and the three months ended June 30, 2021, respectively. An increase in interest rates applicable to the Bank's liabilities, without a corresponding increase in interest rates applicable to its assets, will result in a decline in net interest income. Furthermore, in the event of rising interest rates, the Bank's borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans with the Bank, particularly if they are able to switch to more competitively priced loans offered by other banks. Any inability of the Bank to retain customers as a result of rising interest rates may adversely impact the Bank's earnings in future periods. Similarly, in the event of falling interest rates, the Bank may face more challenges in retaining its customers if it is unable to offer competitive rates as compared to other banks in the market.

Since the outbreak of the COVID-19 pandemic in January 2020, emerging markets have seen significant capital outflows from both debt and equity markets, including India, which has impacted bond yields. At the same time, the Government of India and the RBI have taken several steps to minimize the economic impact of the COVID-19 pandemic, including cutting statutory interest rates and providing additional liquidity measures which have helped cool down interest rates. Since April 2020, the Bank's asset yields have decreased primarily due to a decline in its one-year MCLR rates from 8.20% on March 31, 2020 to 7.35% as of March 31, 2021. See "*Regulations and Policies - Marginal Cost of Funds based Lending Rate (MCLR)*" on page 255. Any systemic decline in low-cost funding available to banks in the form of current and savings account deposits would adversely impact the Bank's net interest margin. In December 2015, the RBI released guidelines on the computation of lending rates based on the marginal cost of funds methodology, which is applicable on incremental lending from April 1, 2016. Further, on December 5, 2018, the RBI published a press release recommending referencing floating rate advances to certain external benchmarks which came into effect on October 1, 2019. To give effect to the aforesaid, the RBI, by way of its notification dated September 4, 2019, amended the Master Direction on Interest Rate on Advances, dated March 3, 2016, pursuant to which, it linked all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to micro and small enterprises extended by banks with effect from October 1, 2019, to external benchmarks ("**September Circular**"). Further, on February 26, 2020, the RBI stipulated that all new floating rate loans to the medium enterprises extended by banks from April 1, 2020, shall be linked to the external benchmarks as indicated in the September Circular. This change in the methodology for calculating the cost of funds may lead to lower lending rates and more frequent revisions in lending rates due to the prescribed monthly review of cost of funds. This may impact the yield on the Bank's interest-earning assets, the Bank's net interest income and the Bank's net interest margin.

We are also exposed to interest rate risk through the Bank's treasury operations. Our treasury operations contributed to 0.017%, 0.029%, and 0.22% of our total income during Fiscals 2019, 2020 and 2021, respectively. Any rise in interest rates or any greater interest rate volatility could adversely affect the Bank's income from treasury operations or the value of the Bank's fixed income securities trading portfolio. Sudden or sharp and sustained increases in interest rates applicable to floating rate loans, could also result in extension of loan maturities and higher monthly instalments due from borrowers, which could result in higher rates of default in loan portfolio.

If interest rates rise, the valuation of our portfolio may be impaired due to the negative impact on the value of certain investments such as Government securities and corporate bonds. Realised and mark-to-market gains or losses on investments in fixed income securities, including Government of India securities, are an important element of our income and are impacted by movements in market yields. A rise in yields on government securities reduces our income from this activity and the value of our fixed income investments. Any significant or sustained decline in income generated from treasury operations resulting from market volatility may adversely impact our Bank's financial performance and the trading price of the Equity Shares. Though we have operational controls and procedures in place for our treasury operations such as counterparty limits, position limits, stop loss limits and exposure limits that are designed to mitigate the extent of such losses, there can be no assurance that we will not incur losses in the course of our proprietary trading on our fixed income portfolios. Any such losses could adversely affect our business, financial condition and results of operations.

If the yield on the Bank's interest-earning assets does not increase at the same time or to the same extent as the Bank's cost of funds, or if the Bank's cost of funds does not decline at the same time or to the same extent as the decrease in yield on the Bank's interest-earning assets, the Bank's net interest income and net interest margin would be adversely impacted. Any systemic decline in low cost funding available to banks in the form of current and savings account deposits would adversely impact the Bank's net interest margin. A slower growth in low cost deposits compared to total deposits would result in an increase in the cost of funds and could adversely impact the Bank's net interest margin if it is not able to pass on the increase to borrowers. Revisions in deposit interest rates, or introduction of higher interest rates, by banks with whom the Bank competes may also lead to revisions in the Bank's deposit rates to remain competitive and this could adversely impact the Bank's cost of funds.

3 A deterioration in the performance of any of the industry sectors to which the Bank has significant exposure may adversely impact the Bank's business.

As of June 30, 2021, the Bank had credit exposure to various industrial sectors. At that date, the Bank's domestic large industry exposures were to infrastructure at ₹588.68 billion; basic metal and metal products at ₹126.64 billion; textiles at ₹77.66 billion; chemicals and chemical products at ₹51.12 billion, and gems and jewellery at ₹40.41 billion, amounting to a total of ₹884.51 billion and constituting 24.19% of the Bank's gross domestic advances. The global and domestic trends in these industries may have a bearing on the Bank's financial position. Any significant deterioration in the performance of a particular sector, driven by events outside the Bank's control, such as economic conditions or regulatory action or policy announcements by Government or State government authorities, would adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. Although the Bank's portfolio contains loans to a wide variety of businesses, financial difficulties in these industrial sectors could increase the level of non-performing assets ("**NPAs**") and restructured assets, and adversely affect the Bank's business, future financial performance, credit rating and shareholders' funds and the price of the Equity Shares.

4 The Bank has high concentrations of loans to certain customers and if a substantial portion of these loans were to become non-performing, the quality of its loan portfolio could be adversely affected.

As of June 30, 2021, the Bank's total exposure to borrowers (fund-based and non-fund-based exposure) amounted to ₹4,575.15 billion. Fund-based exposure to the ten largest group borrowers amounted to ₹543.21 billion, representing 12.01% of the Bank's total fund-based exposure and 120.17% of the Bank's total capital, which comprises ₹359.17 billion Tier I and ₹92.86 billion Tier II capital. As on June 30, 2021 Bank has exposure in four accounts under RBI List -1 with outstanding of ₹21.32 billion and 10 accounts under RBI List-2 with outstanding of ₹20.97 billion. 100% provision has been done for these 14 accounts. As of June 30, 2021, in terms of fund-based exposure, the Bank had exposure to its largest Group borrower of ₹68.00 billion, representing 1.50% of the Bank's total fund-based exposure and 15.04% of the Bank's total capital. The Bank's loans (fund-based and non-fund-based exposure) to its ten largest individual borrowers as of June 30, 2021 totalled approximately ₹508.48 billion, or approximately 11.24%, of its total exposure and 112.49% of its total capital funds. The credit losses on these large single-borrower and group exposures could adversely affect the Bank's financial performance and credit rating and the trading price of the Equity Shares.

Further, we face restrictions on lending to large borrowers which may have a material adverse effect on our business, financial condition and results of operations. On June 3, 2019, the RBI released the Guidelines on Large Exposure Framework ("LEF") applicable to all scheduled commercial banks (other than regional rural banks) with a view to capture exposures and concentration risks more accurately and to align the previous guidelines and instructions on Large Exposures Framework with international norms, which superseded the previous circulars on large exposure framework. For further information, see "*Regulations and Policies*" on page 243. From April 2019, in accordance with the LEF, our limits for single and group borrowers are 20.00% and 25.00% of our Tier 1 Capital funds. In a notification dated May 23, 2020, the RBI increased the group exposure limit to 30% of the eligible capital base till June 30, 2021.

5 The Bank's loan portfolio contains significant advances to the agricultural sector, which may subject the Bank to higher delinquency rates.

The Bank has made significant advances to and made significant investments related to the agricultural sector. India is still a predominantly agrarian economy, and the agricultural sector enjoys Government policy support. The Bank is required by regulation to extend at least 18% of the Bank's net bank credit (including certain eligible investments) to the agricultural sector. However, agricultural production in India is heavily dependent on weather cycles, and experiences economic growth or contraction, accordingly, creating inherent risks in agricultural lending. As of June 30, 2021, the Bank's advances to agricultural sector amounted to ₹593.01 billion, or 16.00% of net adjusted bank credit.

Deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect the Bank's business and financial condition. In addition, the market may perceive the exposure of banks to the agricultural sector to be of higher risk. This may negatively affect the risk-adjusted returns of state-owned banks and may adversely affect the Bank's business, credit rating, future financial performance and shareholders' funds and the price of the Equity Shares.

The Bank is required by regulation to extend at least 18% of its Adjusted Net Banking Credit, or ANBC, or Credit Equivalent of Off-balance Sheet Exposure, or CEOBE, whichever is higher, of the preceding fiscal year to the agriculture sector or, alternatively, invest an equivalent amount in certain debt securities issued by companies in the agricultural sector such as the Rural Infrastructure Development Fund ("RIDF") or funds with other financial institutions, as specified by the RBI. While the Bank targets new customers in the agricultural sector, it lends less than 18% of its net credit to the agricultural sector. In compliance with relevant regulations, the Bank has deposited an amount equal to the shortfall with Government-sponsored Indian developmental banks such as the National Bank for Agriculture and Rural Development ("NABARD") and the Small Industries Development Bank of India ("SIDBI"). The tenor of deposits with the RIDF and similar funds is mandated by RBI and adjusted from time to time. Presently, such deposits have a maturity of up to seven years and carry interest rates lower than market rates. If the Bank fails to meet priority sector loan targets and is further forced to place funds in long-term, low-interest accounts, it results of operations could be adversely affected.

However, agricultural production in India is heavily dependent on weather cycles, and experiences economic growth or contraction, accordingly, creating inherent risks in agricultural lending. Deterioration in the performance of the agricultural sector may lead to an increase in delinquency and adversely affect the Bank's business and financial condition. In addition, the market may perceive the exposure of banks to the agricultural sector to be of higher risk. This may negatively affect the risk-adjusted returns of state-owned banks and may adversely affect the Bank's business, future financial performance, shareholders' funds and the price of the Equity Shares.

6 The Bank's plan to expand its infrastructure and project finance business could increase the Bank's exposure to completion and other risks associated with infrastructure project finance.

The Bank expects significant future opportunities in infrastructure and project finance in India and therefore plans to expand its presence in this market segment. Infrastructure projects are particularly vulnerable to a variety of risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, termination by the project authority, or protracted arbitration/litigation proceedings, and other such issues, all of which could adversely impact the ability of these projects to generate revenues. In addition, the viability of infrastructure projects depends upon several factors, including market demand, government policies and the overall economic environment in India and the international markets, among other things. There can be no assurance that these infrastructure projects will perform as anticipated, especially if certain global commodity markets experience a downturn or competition increases in India. The current slowdown of the Indian and global economies may exacerbate the risks associated with these projects. Considering the risks that infrastructure projects inherently face, expansion of the Bank's exposure to infrastructure and project finance could materially and adversely affect the Bank's business, credit rating and financial condition and the market price of the Equity Shares.

7 If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations.

As a result of widespread economic challenges faced by the Indian economy in general, and the corporate sector in particular, as well as changes to RBI policies and guidelines related to non-performing and restructured loans and other changes to the law affecting non-performing and restructured loans, the non-performing loans and provisions of a number of Indian banks, increased significantly in Fiscal 2019, Fiscal 2020 and Fiscal 2021. As of March 31, 2019, 2020 and 2021, and as of June 30, 2021 our Bank's gross NPAs were ₹606.61 billion, ₹615.50 billion, ₹565.35 billion, and ₹560.42 billion, respectively, representing 15.84%, 14.78%, 13.77%, and 13.51%, respectively, of our gross advances as of such dates. As of March 31, 2019, 2020, and 2021, and as of June 30, 2021, net NPAs were ₹191.19 billion, ₹143.20 billion, ₹122.62 billion, and ₹124.24 billion, respectively, representing 5.61 %, 3.88 % and 3.35 %, respectively, of our net advances as of such dates. Several factors affect the Bank's ability to control and reduce non-performing and restructured loans. Some factors, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates, are not within the Bank's control. The Bank is increasing its efforts to improve collections and to foreclose on existing non-performing loans. However, there is no assurance that it will be successful in its efforts or that the overall quality of its loan portfolio will not deteriorate in the future. If the Bank is not able to control and reduce its non-performing loans, or if there is a further significant increase in its restructured loans, its business, future financial performance, shareholders' funds and the price of the Equity Shares could be adversely affected.

There is no assurance that there will be no deterioration in provisions for loan losses as a percentage of NPAs or otherwise or that the percentage of NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recovering NPAs. In the event of any deterioration in the Bank's asset portfolio, there could be an adverse impact on its business, future financial performance, shareholders' funds and the price of the Equity Shares.

Furthermore, the recent global economic slowdown and the impact of global and Indian economic conditions on equity and debt markets may also lead to an increase in the level of NPAs in the Bank's corporate loan portfolio. At the same time, Indian banks have been required by RBI policy to maintain the total provisioning coverage ratio, including floating provisions and prudential/technical write-offs, to 70.0%. The combination of the mandated increase in provisioning coverage with any deterioration or increase in the Bank's NPA portfolio would adversely affect the Bank's financial performance and the market price of the Equity Shares. Further, the Bank may witness a significant increase in the Bank's NPA levels due to possible deterioration in the credit quality of the Bank's customers who were impacted due to the economic downturn caused by COVID-19 related measures such as closure of non-essential services. In the event the Bank's borrowers' enterprises are unable to withstand the economic pressures caused by the COVID-19 pandemic, the Bank may experience higher NPAs than anticipated driven by deterioration in asset quality due to the Bank's borrower's reduced ability to make timely repayments. The Bank's NPA levels may therefore continue to increase even once associated restrictions have been lifted.

The Bank's global restructured assets as a proportion of global advances as of June 30, 2021 was 2.95%. The Bank restructures assets based upon a borrowers' potential to restore its financial health. However, certain assets classified as restructured may subsequently be classified as delinquent or non-performing in the event a borrower fails to restore its financial viability and honour its loan servicing commitments to the Bank. There can be no assurance that the debt restructuring criteria approved by the Bank will be adequate or successful and that borrowers will be able to meet their obligations under restructured loans. Any resulting increase in delinquency levels may adversely impact the Bank's financial performance and credit rating and the market price of the Equity Shares.

There can be no assurance that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. Our retail loan portfolio has grown over the years, but there is limited data on historical loss ratios in retail loans, especially in the event of an economic slowdown or adverse macroeconomic factors. Further, global economic slowdown, inconsistent industrial growth and the impact of global and Indian economic conditions on equity and debt markets may also adversely affect our corporate loan portfolio.

A charge to our profit and loss account creates provisions for NPAs and are subject to minimum provision requirements linked to ageing of NPAs. We also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions in addition to the relevant regulatory minimum provision. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

If there is any deterioration in the quality of our security or further ageing of the assets after being classified as NPAs, an increase in provisions will be required. This increase in provisions may adversely impact our financial performance. While we have already made provisions for NPAs, there can be no assurance that the RBI will not further increase provisioning requirements in the future. Additionally, the requirements of provisioning prescribed by the RBI may differ from our internal provisioning requirements and accordingly, we may be compulsorily required to comply with the RBI requirements. Our Bank's provision coverage ratio for Fiscal 2019, Fiscal 2020 and Fiscal 2021 was 76.95%, 83.75%, and 86.24%, respectively. The surplus from provisioning under the provision coverage ratio as against the provisioning required under the prudential provisioning norms is required to be segregated into an account termed counter cyclical provisioning buffer. Any future increases in provisions mandated by the RBI or other regulatory changes could lead to an adverse impact on our business, future financial performance and the trading price of the Equity Shares.

In addition to the debt recovery and security enforcement mechanisms available to lenders under the DRT Act and the SARFAESI Act, the RBI provides for various mechanisms that may be adopted by banks to deal with stressed assets. However, there can be no assurance that these regulatory measures implemented by the GoI and the RBI will have an encouraging impact on our efforts to recover NPAs. Any failure to recover the expected value of collateral would expose us to potential loss. We along with other banks in India are also required to share data with each other on certain categories of special mention accounts and credit information relating to the same, set up joint lenders' forums, monitor the asset quality closely and formulate action plans for resolution of these accounts. Any failure to do so may result in accelerated provisioning for such cases which may result in initiation of supervisory actions by the RBI in the event we do not comply with the corrective action plan decisions. Even if an accelerated provision were made, there is no reassurance that we will be able to recover our NPAs. Accordingly, any significant increase in our NPAs may have a material adverse effect on our business, results of operations and financial condition.

8 The Bank's retail assets portfolio has experienced significant growth in recent years. If the Bank is unable to address credit risk in its retail asset portfolio, then the Bank's financial performance may be adversely affected.

The Bank's domestic retail credit portfolio has grown by 10.57% from ₹616.05 billion as of June 30, 2020 to ₹681.16 billion as of June 30, 2021. As part of the Bank's business and growth strategy, it will continue to focus on further growth in its retail banking business. At present, availability of comprehensive credit history reports for new first-time borrowers is limited in India. As a result, the Bank is exposed to higher credit risk in the retail business compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. This may impact the Bank's future financial performance and credit rating and the market price of the Equity Shares.

Although India has a credit bureau industry and we review credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, our Bank's credit risk exposure is higher compared with banks operating in more developed markets. Additionally, the economy in India is largely cash based, making it difficult for us to monitor the credit of our retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. Further, if the Bank is unable to maintain the quality of our retail loan portfolio as Bank grows its retail business, Bank NPAs may increase, which could materially and adversely affect our business, results of operations and financial condition.

9 The Bank may not be successful in implementing its growth strategies or penetrating new markets.

The Bank selectively expands into new business and financial services product offerings as opportunities arise. This strategy exposes the Bank to a number of risks and challenges, including, the possible failure to identify appropriate opportunities and offer attractive new products, failure to comply with new market and regulatory standards, and the need for hiring and retraining skilled personnel, among others, each of which would have a potential adverse impact on the Bank's profitability. In addition, the Bank may face increased costs in connection with its expansion strategy.

The Bank's growth strategy in the future may also involve strategic acquisitions and restructurings, partnerships, joint ventures and strategic business arrangements with other parties.

These arrangements may not necessarily contribute to business growth and the Bank's profitability or may be unsuccessful. Furthermore, the Bank could experience difficulty in assimilating personnel, integrating operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt the Bank's ongoing business, distract its management and employees and increase its expenses.

10 The Bank may experience delays in enforcing its collateral when borrowers default on their obligations to the Bank, which may result in failure to recover the expected value of collateral security exposing it to a potential loss.

A substantial portion of the Bank's loans to corporate customers are secured by real assets, including property, plant and equipment. The Bank's loans to corporate customers also include working capital credit facilities that are typically secured by a first lien on inventory, receivables and other current assets. In some cases, the Bank may have taken further security of a first or second lien on fixed assets, a pledge of financial assets such as marketable securities, corporate guarantees and personal guarantees. A substantial portion of the Bank's loans to retail customers is also secured by the assets financed, predominantly property and vehicles. Although in general the Bank's loans are over-collateralized, an economic downturn could result in a fall in relevant collateral values for the Bank.

The value of the assets that have been pledged to us as collateral could decline or significantly fluctuate due to factors beyond our control, including deterioration in global and regional economic conditions or of asset values, or as a result of adverse changes in the credit quality of our borrowers and counterparties. As of March 31, 2021, 77.21% of our Bank's advances were secured, as per the RBI guidelines by collateral, including property, real estate assets, plant, equipment, gold ornaments, current assets and pledges or charges on fixed assets, inventory receivables, bank deposits or financial assets such as marketable securities and guarantees provided by our borrowers. In the event of a decline in any of these, some of our loans may exceed the value of their underlying collateral. Changes in asset prices may cause the value of our collateral to decline. While we factor in any reduction in value to an extent, it may not be sufficient if the value of the collateral reduces substantially.

In India, the sale of collateral generally requires a written petition to an Indian court or tribunal. An application, when made, may be subject to delays and administrative requirements that may result, or be accompanied by, a decrease in the value of the collateral. In the event a corporate borrower makes a reference to a specialized quasi-judicial authority called the Board for Industrial and Financial Reconstruction (the "BIFR)", the sale of and enforceability of collateral is stayed. The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended (the "SARFAESI Act"), has strengthened the ability of lenders to resolve NPAs by granting them greater rights as to enforcement of security and recovery of dues from all borrowers, including corporate borrowers. While the Bank believes that the SARFAESI Act has contributed to its enforcement efforts, there can be no assurance that the legislation will continue to have a favourable impact on the Bank's efforts to resolve NPAs. The Bank cannot guarantee that it will be able to realize the full value of the collateral, in the event our borrowers default on the repayment of loans, due to various reasons, including a possible decline in the realizable value of the collateral, defective title or pledge of faulty items as security, prolonged legal proceedings and fraudulent actions by borrowers, defects or deficiencies in the perfection of collateral (including due to the inability to obtain approvals that may be required from third parties), errors in assessing the value of the collateral, an illiquid market for the sale of the collateral, current legislative provisioning coverage or changes thereto, future judicial pronouncements, borrowers and guarantors not being traceable, or we may not be able to foreclose on collateral at all. A failure to recover the expected value of collateral security could expose the Bank to a potential loss. Any unexpected losses could adversely affect the Bank's business, its future financial performance and the price of the Equity Shares.

Pursuant to RBI's Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, we may not be allowed to initiate recovery proceedings against a corporate borrower, where the borrower's aggregate total debt is ₹15,000 million or more and 60.00% of the creditors by number and at least 75.00% of the creditors by value decide to restructure their advances. In such a situation, we are restricted to a restructuring process only as approved by the majority lenders. If we own 20.00% or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt which may not be in our interests. Further, considering the impact of the COVID-19 pandemic and to mitigate the impact on the ultimate borrowers, the RBI through a notification dated August 6, 2020, decided to provide a window under the Revised Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions.

The fluctuations in the prices of gold and real estate may impact our recovery amount during the enforcement of security resulting in write-offs in our loan amount. Any decline in the value of the collateral securing our loans, any inability to obtain additional collateral or our inability to realize the value of collateral may require us to increase our write-offs for credit and other losses. In such a scenario our losses will increase and our net profit will decline. We may be required to increase our provision for loan losses in case of any decline in the value of the security which could impair our ability to realize the secured assets upon any foreclosure. The amounts we receive upon sale of the secured assets, in the event of a default with respect to any of these loans, may be insufficient to recover the outstanding principal and interest on the loan. Our profitability could be adversely affected, 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 and could have a material adverse effect on our business, results of operations and financial condition.

11 The Bank's business and financial performance may be adversely affected by an increase in level of restructured loans in our portfolio and inadequate performance of our restructured loans

Restructured standard loans are a part of our standard assets. As of March 31, 2019, 2020, and 2021, the Bank's gross restructured assets as a proportion of gross advance were 2.13%, 1.63% and 2.71%, respectively. As a result of slowing economic activity and the limited ability of corporations to access capital due to volatility in global markets, there has been an increase in restructured loans in the banking system, including within our loan portfolio.

We restructure assets based on a borrower's potential to restore its financial health. However, in case a borrower fails to restore its financial viability and honour its loan servicing commitments to us, such assets classified as restructured may be classified as delinquent or non-performing. There can be no assurance that the debt restructuring criteria approved by us will be adequate or successful and that borrowers will ultimately be able to meet their obligations under restructured loans.

The RBI has permitted lending institutions including our Bank to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as standard upon implementation of the resolution plan subject to certain conditions. For further details, see "*Regulations and Policies*" on page 243. Our profitability is also adversely affected, as a result of such provisioning requirements under the applicable RBI guidelines and provisioning pertaining to restructuring of loans on account of COVID-19 pandemic. The combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could materially adversely affect our business, future financial performance, and the trading price of the Equity Shares. As of March 31, 2021, the Bank had outstanding standard restructured accounts of ₹111.20 billion with provision on these accounts of ₹4.43 billion. Our profitability also has been adversely affected, as a result of such provisioning requirements under the applicable RBI guidelines.

The RBI is active in its identification, classification, and recovery of NPAs. The GoI has also enacted the Insolvency and Bankruptcy Code, 2016 ("**IBC**") to address the concerns of lenders and which provides corporate debtors with an exit mechanism. In addition, the Banking Regulation (Amendment) Act, 2017, provides that the central government may by order authorize the RBI to issue directions to banking companies to initiate insolvency proceedings under the IBC. The RBI also issued a revised framework for resolution of stressed assets through a circular dated June 07, 2019 ("**Revised Framework**"), to harmonise and simplify the framework for resolution of stressed assets under which the RBI has put in place a strict timeline over which a resolution plan must be implemented, failing which stressed accounts must be referred to the IBC. See, "*Regulations and Policies*" on page 243. The RBI clarified in its statement dated March 27, 2020 on the COVID-19 regulatory package that the three month moratorium on payments of loans in instalments falling due between March 1, 2020 and May 31, 2020 (extended to August 31, 2020 under the RBI's notification dated May 23, 2020) would not result in an asset classification downgrade or affect the credit history of the borrower.

Further, considering the impact of the COVID-19 pandemic and to mitigate the impact on the ultimate borrowers, the RBI vide a notification dated August 6, 2020 ("**Resolution Framework - 1.0**"), has decided to provide a window under the Revised Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard, subject to specified conditions.

Due to the resurgence of COVID-19 pandemic in India in the recent weeks, the RBI has further announced set of measures vide a notification dated May 5, 2021 a "Resolution Framework- 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses", that are broadly in line with the contours of the Resolution Framework - 1.0, for restructuring of loans without a downgrade in the asset classification. Given the differential impact of the pandemic has on various sectors/ entities, the lending institutions may, at their discretion, adopt a graded approach depending on the severity of the impact on the borrowers, while preparing or implementing the resolution plan. Pursuant to which, our Bank is required to frame policies pertaining to implementation of viable resolution plans for eligible borrowers under the framework, ensuring that the resolution under this facility is provided only to the borrowers having stress on account of COVID-19. The Board approved policy shall, *inter alia*, detail the eligibility of borrowers in respect of whom our Bank shall be willing to consider the resolution, and shall lay down the due diligence considerations to be followed by our Bank to establish the necessity of implementing a resolution plan in respect of the concerned borrower as well as the system for redressing the grievance of borrowers who request for resolution under the window and / or are undergoing resolution under the Resolution Framework issued by the RBI.

In its interim order dated September 3, 2020 in the public interest litigation case of *Gajendra Sharma v. Union of India*, the Supreme Court of India had directed banks that the accounts which were not classified as NPAs until August 31, 2020 should not be so classified until further orders of the Supreme Court. Pursuant to this order, which was vacated on March 23, 2021 vide order passed in *Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others*, the Bank did not classify any domestic borrower account which had not been classified as NPA as at August 31, 2020 as per RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and other related matters, as NPA after August 31, 2020 up to March 23, 2021. However, as a matter of prudence, the Bank made an additional provision of ₹8.50 billion up to December 31, 2020. In light of this, and pursuant to the Supreme Court's judgment on March 23, 2021 in *Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others* and in accordance with the instructions of RBI circular dated April 7, 2021 issued in this connection, the Bank has classified these borrower accounts as per extant IRAC norms with effect from September 1, 2020 and utilized its provisions towards provisioning for these accounts to the extent required by IRAC norms. Our profitability also has been adversely affected as a result of such provisioning requirements under the applicable IRAC norms of RBI.

The combination of changes in regulations regarding restructured loans, provisioning, and any substantial increase in the level of restructured assets and the failure of these restructured loans to perform as expected could materially adversely affect our business, results of operations and financial condition and the trading price of the Equity Shares.

12 There are limitations in the scope of the procedures adopted by our statutory auditors in the audit of our financial statements.

We are a commercial bank with a network of 5,084 branches in India as of June 30, 2021. As noted in the audit reports for the financial statements for Fiscals 2019, 2020 and 2021, there are certain limitations in the scope of the audit of such financial statements. For example, with regard to the audited consolidated financial statements of our Bank for Fiscal 2021 our central statutory auditors did not audit the financial statements / financial information of 3,160 branches and processing centres (including 23 foreign branches) included in the Standalone Financial Statements of the Bank whose financial statements/financial information reflects total assets of ₹3,414.94 billion at March 31, 2021 and total revenue of ₹169.45 billion for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements/ financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to our central statutory auditors, and their opinion, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows for the financial year ended March 31, 2021, are the returns from 2,126 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches account for 5.46% of advances, 16.73% of deposits, 4.37% of interest income and 16.60% of interest expenses.

For further details, see "*Financial Statements*" on page 319. An inability to maintain an effective internal audit system or adequate procedures by our officials in the audit of our financial statements may affect the reliability of our financial statements.

13 As on the date of this Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019.

As on the date of this Placement Document, the Board does not have the full strength as prescribed in the Banking Companies Act, as directorship under sections 9(3)(e) of the Banking Companies Act to be nominated by the Central Government, directorship each under sections 9(3)(f) and 9(3)(g) the Banking Companies Act, to be nominated by the Central Government in consultation with RBI; and directorship under section 9(3)(h) the Banking Companies Act, to be nominated by the Central Government are vacant;

Given that our Bank is a public sector undertaking, matters pertaining to, among others, appointment of our Directors are determined by the Government of India, Ministry of Finance or RBI except appointment of Shareholders' Directors under section 9(3)(i) of the Banking Companies Act. In particular, the RBI has issued a circular dated April 26, 2021 which prescribes certain basic requirements with regard to the chairman and meetings of boards of directors, composition of certain committees of boards of directors, age, tenure and remuneration of directors, and appointment of the whole-time directors. Our Bank is yet to comply with the instructions as mentioned in the RBI's circular dated April 26, 2021.

Further, the SEBI Listing Regulations require two/third of the Audit Committee to comprise independent directors. As on the date of this Placement Document, the Audit Committee does not include any independent director. Post of the non-executive chartered accountant director (to be appointed in terms of Section 9(3)(g) of the Banking Companies Act) in the Audit Committee is vacant as on the date of this Placement Document as such director has not been nominated to our Board by GoI.

Due to the vacancy in the Board, two directors have been appointed on Nomination and Remuneration committee as per applicable guidelines and the committee is non-functional. Accordingly, the quorum requirement for this committee is not being met presently. Further, pursuant to gazette notification CG-DL-E-27012021-224708 dated January 25, 2021, the Board of the Bank is authorised do any act or thing and in order to do so the recommendations or determination of, or resolution of grievances of security holders by, or in respect of any appointment, approval or review by any committee of the Board of the bank is required, if the Board is satisfied that quorum for meeting of such committee cannot be met on account of either existence of any vacancy in such Committee or recusal by member thereof.

The composition of our Board and the committees thereof are communicated to the GoI from time to time in accordance with the terms of the applicable regulations in a timely manner. Delays or failure on the part of our Bank to comply could result in statutory or regulatory authorities taking action against us including imposing penalty on our Bank, any of which could adversely affect the Bank's business, reputation and results of operations.

14 The Bank may not be able to meet the minimum public shareholding within the prescribed timelines, which could expose the Bank to penalties and other regulatory enforcement actions.

Pursuant to Section 19A of the Securities Contract (Regulations) Rules, 1957, as amended ("SCRR"), all listed companies are required to maintain a minimum public shareholding of at least 25%. Every listed public sector company whose public shareholding was below 25% at any time after the commencement of the Securities Contract (Regulations) (Second Amendment) Rules, 2018 is required to increase its public shareholding to at least 25% within a period of three years from the date of commencement of the amendment i.e., August 3, 2018. The SCRR also provides that if the public shareholding in a listed public sector company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of two years from the date of such fall in the manner prescribed by the SEBI. Failing to achieve/ maintain a minimum public shareholding would subject such company to penalties and other regulatory enforcement actions.

As of June 30, 2021, the Bank's public shareholding constituted only 9.66% of its total outstanding Equity Shares. Our Bank was required to comply with minimal public shareholding norms by August 2, 2021 as per the GoI notification. However, pursuant to Securities Contracts (Regulation) (Second Amendment) Rules, 2021 and in exercise of powers granted under sub-regulation (6) of Rule 19A of SCRR, the Central Government on August 4, 2021 decided, in the public interest, that every listed public sector company, as defined in the SCRR, which has public shareholding below 25% and which could not increase its public shareholding to at least 25% withing the timelines stipulated in Rule 19A of SCRR has been granted exemption up to August 1, 2022 to increase its public shareholding to at least 25%. Accordingly, our Bank being a public sector company has time until August 1, 2022, to comply with the requirements of minimum public shareholding of at least 25%. However, there is no assurance that our Bank will be able to comply with the requirement of minimum public shareholding of at least 25% in a timely manner or at all. In the event we fail to meet the minimum public shareholding within the prescribed timelines, our Bank will seek an extension of time in order to comply with the GoI's requirements, else our Bank may be subject to penalties and face regulatory actions, including delisting from the stock exchanges.

15 We had been under the RBI framework relating to prompt corrective action ("PCA") in the past. If we become subject to the PCA framework again, then our business, future financial performance and results of operations could be materially and adversely affected.

On April 13, 2017, RBI revised the PCA framework for banks. The new PCA framework stipulates thresholds for capital ratios, non-performing assets, profitability and leverage for banks. When the PCA framework is triggered, RBI would have a range of discretionary actions it can take in addition to the corrective actions mentioned in the PCA. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, removing of managerial persons and superseding the Board, as per the classification of different risk threshold.

The RBI as noted in its letter dated December 19, 2017, had put our Bank under PCA framework in view of our then high Net NPAs. Thereafter, in terms of RBI Press release no.2018-2019/1807 dated January 31, 2019, our Bank was taken out of PCA framework (subject to certain conditions and continuous monitoring) upon our Bank meeting the regulatory norms including Capital Conservation Buffer (CCB) and having net NPAs of less than 6%.

The RBI monitors the performance and assets of all banks in India on a continuous basis. If we trigger any risk threshold under the PCA framework or fail to comply / adhere to the conditions / directions prescribed by RBI in this regard, we may again be put under the PCA framework by RBI which could materially and adversely affect our business, results of operations and financial condition.

16 We are subject to inspections by various regulatory authorities, including the RBI. Non-compliance with the observations of such regulators and disclosure thereof as stipulated by SEBI could adversely affect our business, financial condition, results of operations and cash flows. Further, our overseas branches, Subsidiaries and Associates are also subject to inspections from regulators in their respective

jurisdictions. Any adverse observations from such regulators could have a material, adverse effect on our business, financial condition or results of operations.

Inspection by the RBI is a regular exercise and is carried out periodically by the RBI under the Banking Regulation Act for all banks and financial institutions based on which the RBI may point out deficiencies in our operations and regulatory compliances and take necessary action, including levying penalties. During such inspections in the past, the RBI has, among other things, identified deficiencies in our Bank's fraud detection and reporting, strengthening of the control functions, collateral management systems, credit monitoring arrangements, effective monitoring of loan portfolio and classification of loans, timely review of ratings, timely creation of charge, periodic valuation of securities, KYC documents etc. Further, the RBI has observed that certain compliance requirements were not being met by our Bank, including in relation to strengthening the fraud risk management and uploading KYC documents and requires that we take actions to its satisfaction based on the RBI's norms. The following table sets forth an indicative list of penalties imposed by RBI on our Bank since April 1, 2019 until the date of this Placement Document:

Fiscal	Penalty amount (₹ in million)	Reason for penalty
2018-19	10.00	Contravention of the instructions contained in master circular on Fraud – Classification and Reporting issued by RBI.
	10.00	Non-compliance with various directions issued by RBI on monitoring of end use of funds, exchange of information with other banks, classification and reporting of frauds, and on restructuring of accounts.
	3.65	Contravention of RBI Guidelines/instructions regarding currency chest operations.
2019-20	15.00	Non-compliance with certain provisions of directions issued by RBI on "Code of Conduct for Opening and Operating Current Accounts", "Opening of Current Accounts by Banks - Need for Discipline", "Discounting/ Rediscounting of Bills by Banks", "Reserve Bank of India (Fraud's classification and reporting by commercial banks and select FIs) directions 2016", "End Use of Funds – Monitoring" and "Deposits on Balance Sheet Date"
	50.00	Violation of RBI directions with respect to financial position as on March 31, 2017 and March 31, 2018.
	4.80	Contravention of RBI Guidelines/instructions regarding currency chest operations.
2020-21	50.00	Non-compliance with certain provisions of the directions issued by RBI on "Income Recognition, Asset Classification and Provisioning pertaining to Advances - Divergence in NPA accounts", "Opening of current accounts by banks – Need for discipline", and "Classification and reporting of frauds.
	1.30	Contravention of RBI Guidelines/instructions regarding currency chest operations.
2021-22	40.00	Non-compliance with certain provisions of directions issued by RBI contained in the "Master Circular on KYC norms/AML standards/ CFT / Obligation of banks under PMLA, 2002" dated July 1, 2014, circular on "The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949 - Operational Guidelines" dated May 27, 2014, "Master Circular on Frauds – Classification and Reporting" dated July 02, 2012 and circular on "Sale of Financial Assets of Doubtful Standard / Fraudulent Origin to Securitization Company (SC) / Reconstruction Company (RC) - Reporting Requirements" dated April 5, 2011'

The RBI's interpretation and application of such norms and any new norms may be different from that of us. While we channel additional resources to liaise with the RBI on an ongoing basis and also make efforts to comply with the observations made by RBI pursuant to such inspections, there can be no assurance that RBI will consider such steps to be adequate and treat the observations as being duly complied with. In the event we are not able to comply with the observations made by the RBI, we could be subject to supervisory actions. We cannot predict the initiation or outcome of any further investigations by other authorities or different investigations by the RBI. The penalties imposed by such regulators, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, reputational loss, significant time and attention from our management, costs for investigations and remediation of affected customers, may materially and adversely affect our business, results of operations and financial condition.

We are also required to disclose any divergence in asset classification and provisioning under the circulars issued by SEBI which requires us to disclose any divergences and provisioning beyond specified thresholds, not later than 24 hours upon receipt of the Reserve Bank's Final Risk Assessment Report. Any failure to meet regulatory requirements and/or disclosure thereof as stipulated by SEBI could materially and adversely affect our reputation, results of operations and financial condition.

The international branches, Subsidiaries and Associates of our Bank are required to ensure compliance with applicable regulatory requirements and standards applicable to such operations in the relevant jurisdiction and are also subject to inspections/ observations from regulators in such jurisdictions. These requirements include monitoring systems and controls, risk management infrastructure and processes and other related regulatory requirements. The failure to introduce any such measures, infrastructure or processes in a timely manner may lead to regulatory action including potential penalties and other punitive measures which may have an adverse effect on our business and financial conditions.

17 The Bank or its 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 or restricts U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of sanctions (such as Cuba, North Korea, Ukraine, Russia, Iran, Sudan and Syria, among others) and with certain persons or businesses that have been specially designated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") or other U.S. government agencies. Other countries, governments and international or regional organizations also administer similar economic sanctions. The Bank provides transfer, settlement and other services to customers doing business with, or located in, countries to which certain OFAC-administered and other sanctions continue to apply, or were applicable in the past. Although the Bank believes it has compliance systems in place that are sufficient to block prohibited transactions, and the Bank has not been notified that any penalties or other measures will be imposed on it or its subsidiary or associate, there can be no assurance that the Bank will be able to fully monitor all of its transactions for any such potential violation.

18 We distribute third-party investment products, such as mutual funds, brokerage and insurance products. Our inability to effectively manage any of these businesses may adversely affect our business, results of operations and financial condition.

We have increased our focus on fee and commission-based income over a period of years. In order to grow our noninterest income, we distribute third-party investment products, brokerage and insurance products and provide portfolio management services. We have engaged with various third parties to distribute such products. However, we have no control over the actions of such third parties and their products. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation. Further, in case customers to whom such products are sold, experience deficiency of service or are otherwise aggrieved, we may be subject to litigation or claims for damages by such aggrieved customers, which could adversely affect our business, financial position and results of operations.

19 Our ability to pay dividends in the future will depend upon our earnings, financial condition and capital requirements and directions. Any inability to declare and/ or pay dividend may adversely affect the trading price of our Equity Shares.

While we have a formal board approved dividend policy to govern our dividend pay-out, our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including our future earnings, financial condition, capital requirements, our compliance with regulatory requirements such as ability to make adequate provisions for losses and writing-off capitalized expenses, meeting the RBI mandated CRAR and net NPA parameters and our results of operations and financial condition and other factors considered relevant by our Board and our shareholders. We have not paid dividends since Fiscal 2016 to improve CRAR and may not be able to pay dividends in the future. The RBI through its letter dated December 19, 2017 had put our

Bank under prompt corrective action wherein certain restrictions were imposed on us including restriction on distribution of dividend. The RBI vide its press release no. 2018-2019/ 1807 dated January 31, 2019, took our Bank, out of the prompt corrective action framework.

Pursuant to a notification dated April 17, 2020, read with notification dated December 4, 2020, the RBI has restricted banks from making any further dividend pay outs from the profits pertaining to Fiscal 2020, in order to enable banks to conserve capital to retain capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by COVID-19. Further, through a circular dated April 22, 2021, RBI partially modified of the instructions contained in circular dated May 4, 2005, allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in the circular.

Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our future dividend policy will depend on our revenues, profits, cash flow, financial condition, capital requirements and other factors. For further details please see "*Dividend Policy*" on page 106. However, there can be no assurance that we will always generate enough income to cover our operating expenses and be able to pay dividends.

20 The Bank faces greater credit risks than banks in more developed countries.

The Bank's principal business is providing financing to its clients, most of whom are based in India. The Bank's advances to small to medium sized enterprises and retail customers can be expected to be more severely affected by adverse developments in the Indian economy than loans to large corporations. The Bank is subject to the credit risk of its borrowers, who may not pay in a timely fashion or may not pay at all. The credit risk of its borrowers is generally higher than in more developed countries due to the higher uncertainty in the Indian regulatory, political, economic and industrial environment and difficulties that many of the Bank's borrowers face in adapting to instability in world markets and technological advances taking place across the world. Unlike several developed countries, India does not have a fully operational nationwide credit information bureau, which may affect the quality of information available to the Bank about the credit history of its borrowers, especially individuals and small businesses. Increased competition arising from economic liberalization in India, variable industrial growth, the high level of debt in the financing of projects and capital structures of companies in India and the high interest rates in the Indian economy during the period in which a sizeable proportion of project financings were undertaken may have reduced the profitability of certain of the Bank's borrowers.

21 Banking is a heavily regulated industry and material changes in the regulations which govern the Bank could cause its business to suffer and the price of the Equity Shares to decline.

Banks in India are subject to detailed supervision and regulation by the RBI and operate within a framework that provides guidelines on the cash reserve ratio ("CRR"), the statutory liquidity ratio ("SLR"), priority sector lending, export credit, agricultural loans, loans to sectors deemed to be weak by the RBI, market risk, capital adequacy ratio and branch licensing, among others. The RBI can alter any of these and can introduce new regulations to control any particular line of business. There can be no assurance that the guidelines issued by the RBI or any other regulatory authorities will not adversely impact the Bank's business, its future financial performance and the market price of the Equity Shares.

In addition, banks are subject generally to changes in Indian law, as well as to changes in regulation and government policies and accounting principles. We operate in a highly regulated environment in which the RBI, SEBI and other domestic and international regulators regulate our operations. As we operate under licenses or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any noncompliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators. Our business could be affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. For example, the RBI could change its methods of enforcing directed lending standards to require more lending to certain sectors, which could require us to change certain aspects of our business. In addition, we may be subject to other changes in laws and regulations, such as those affecting the extent to which we can engage in specific businesses or those that reduce our profits through a limit on either fees or interest rates that we may charge our customers or those affecting foreign investment in the banking industry, as well as changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles. The laws and regulations governing the banking sector, including those governing the products and services that we provide or propose to provide, could change in the future. The laws and regulations governing the banking sector could change in the future and any such changes may adversely affect the Bank's business, future financial performance and the price of the Equity Shares, by requiring a restructuring of its activities, increasing costs or otherwise. For more information relating to reforms in the Indian banking sector, see "*—Developments and Reforms in the Banking Sector*" on page 185.

The directed lending norms of the RBI require that every bank should extend 40.0% of its net credit to certain eligible sectors, such as agriculture, micro and small enterprises, education and housing up to certain limits, which are categorized as "priority sectors." Economic difficulties are likely to affect those borrowers significantly. For example, pursuant to RBI regulations, as of June 30, 2021 credit extended by the Bank to priority sectors was 39.65% of net adjusted bank credit. The share of agricultural credit to net adjusted bank credit was 16.91% and the Bank intends to increase this percentage to 18% to comply with RBI regulations.

There are a number of restrictions under the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act") and the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, as amended from time to time (the "Banking Companies Act)", which impede the Bank's operating flexibility and affect/restrict investors' rights. These include the following:

- 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, organization 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." Further, pursuant to the guidelines on the declaration of dividends by banks dated May 4, 2005 issued by the RBI, only those banks which comply with the requirements stated in the guidelines are eligible to declare dividends. The guidelines, along with other regulations, require banks to maintain a minimum capital to risk assets ratio of 9.0% for the two completed years preceding the accounting year for which a dividend declaration is proposed and to have net NPAs of less than 7.0%.

- Section 6 of the Banking Regulation Act regulates some forms of business in which a banking company can engage. Unlike a company incorporated under the Companies Act, 1956 (the "Companies Act") which may amend the objects clause of its Memorandum of Association to commence a new business activity, banking companies may only carry on business activities permitted by section 6 of the Banking Regulation Act or specifically permitted by the RBI. This may restrict the Bank's ability to pursue profitable business opportunities as they arise.

- Section 17(1) of the Banking Regulation Act requires every banking company to create a reserve fund and out of the balance of the profit of each year as disclosed in the profit and loss account transfer a sum equivalent to not less than 20.0% of such profit to the reserve fund before paying any dividend.

- Section 19 of the Banking Regulation Act regulates and restricts the opening of subsidiaries by banks, which may prevent the Bank from exploiting emerging business opportunities in areas other than banking. Similarly, section 23 of the Banking Regulation Act contains certain restrictions on banking companies regarding the opening of new places of business and transfers of existing places of business, which may hamper the Bank's operational flexibility.

- Section 25 of the Banking Regulation Act requires each banking company to maintain assets in India equivalent to not less than 75.0% of its demand and time liabilities in India, which in turn may restrict the Bank from building overseas asset portfolios and exploiting overseas business opportunities.

- Section 14A of the Banking Regulation Act requires that a banking company obtain RBI approval for the creation of floating charges on its assets.

- Under sections 35A and 36 of the Banking Regulation Act, the RBI is empowered to issue such directions to banks as it may deem fit and to prohibit banks from entering into any transactions, respectively. Consequently, the performance of obligations by the Bank under the Subscription Agreement, the Agency Agreement, the Trust Deed and the Equity Shares, may be restricted by the directions or advice given by the RBI under the aforesaid provision.

- ·As per section 50 of the Banking Regulation Act (which also applies to the Bank), no person shall have a right, whether in contract or otherwise, to any compensation for any loss incurred by reason of operation of certain provisions of the Act, including sections 35A and 36. Therefore, holders of the Equity Shares may not be able to claim any compensation for a failure by the Bank to perform its obligations under the Subscription Agreement, the Agency Agreement, the Trust Deed and the Equity Shares, consequent to the operation of the aforesaid provisions.

- Under section 3(2-B) of the Bank Nationalization Act, the paid-up capital of the Bank may be increased after consultation with the RBI and with the prior sanction of the Government, including by transferring funds from the reserve fund, contribution by the Government or by issue of shares, provided however the holding of the Government shall at all times not be less than 51% of the paid-up capital of the Bank.

- Under section 3(2-BB) of the Banking Companies Act, the paid-up capital of the Bank may be reduced before any paid up capital is raised by public issue or by rights issue or by issue of bonus shares or preferential allotment or private placement, (i) by the Government after consultation with the RBI, by cancelling any paid-up capital which is lost, or is unrepresented by available assets, or (ii) by the board of directors, after consultation, with the RBI, by paying off any paid-up capital which is in excess of the wants of the Bank. However, the paid-up capital cannot be reduced to render it below 25% of the paid-up capital as of the date of commencement of the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Act, 1995.

- Under section 3(2BBA) of the Banking Companies Act, the Bank may, from time to time and after any paid up capital has been raised by public issue or by rights issue or by issue of bonus shares or preferential allotment or private placement, by a resolution passed at an annual general meeting of the shareholders and if the votes cast in favour of the resolution are not less than three times the number of votes cast against the resolution, reduce its paid up capital by (i) extinguishing or reducing the liability on any of its shares in respect to the share capital not paid up; (ii) either with or without reducing extinguishing or reducing liability on any of its paid up shares, cancelling any paid up capital which is lost or is unrepresented by the available assets; or (iii) either with or without reducing extinguishing or reducing liability on any of its paid up shares, paying off any paid up capital which is in excess of the wants of the Bank. However, the paid-up capital of the Bank cannot be reduced so as to render it below 25.0% of the paid-up capital as of the date of commencement of the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Act, 1995.

- Section 3(2-D) of the Banking Companies Act provides that a non-resident entity or individual shall not hold or acquire more than 20% of the paid-up capital of the Bank.

- Under section 3(2-E) of the Banking Companies Act, no shareholder, other than the Government, shall be entitled to exercise voting rights in respect of any shares held by such shareholder in excess of 10.0% of the total voting rights of all the shareholders of the Bank. A shareholder holding any preference share capital in the Bank shall be entitled to exercise voting rights in respect of preference shares held by him such that the voting rights so exercised, except in case of the Government do not exceed 10.0% of the total voting rights of all shareholders holding preference share capital. A holder of preference share capital shall be able to exercise such voting rights only on resolutions which directly affect the rights attached to his preference shares.

- Section 9(3) of the Banking Companies Act provides that every board of directors shall include not more than four whole-time directors appointed by the Government, one director who is an official of the Government, a director appointed by the Government who is a nominee of the RBI, a director from employees being workmen, a director from employees not being workmen, a director who has been a chartered accountant for not less than 15 years, nominated by the Government and depending on percentage of paid-up capital being held by shareholders other than the Government, between two to six directors from amongst the shareholders.

For more information relating to the Bank's regulatory restrictions, see "*Regulations and Policies*" on page 243.

22 Any increase in provisioning norms and delays in resolution of stressed assets could adversely affect our business, results of operations and financial condition.

The RBI has through 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. Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹50 million. All 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. In addition, all banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities 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.

All banks are required to put in place Board approved policies for resolution of stressed assets, including the timelines for resolution. As soon as there is a default in the borrower entity's account with any lender, all lenders singly or jointly shall initiate steps to cure the default. The resolution plan may involve any actions / plans / reorganization including, but not limited to, regularization of the account by payment of all over dues by the borrower entity, sale of the exposures to other entities / investors, change in ownership, or restructuring. A resolution plan shall only be implemented if the borrower is no longer in default with any of the lenders. Further, where resolution plans involve structure / change in ownership of accounts where aggregate exposure of lenders is in excess of ₹1 billion and above will require independent credit evaluation of the residual debt from one or more credit rating agencies (depending on the value of the exposure).

If a resolution plan for large accounts (₹20 billion and above) is not implemented within the time period prescribed in the circular, the lenders can file an insolvency application, singly or jointly under the Insolvency and Bankruptcy Code, 2016. The failure of these borrowers to perform as expected or a significant increase in the level of restructured loans in our portfolio could materially and adversely affect our business, results of operations and financial condition. In addition to the debt recovery and security enforcement mechanisms available to lenders under the Recovery of Debts Due to Banks and Financial Institutions Act 1993, and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002, the RBI has, vide its Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, provided mechanisms that may be adopted by banks to deal with stressed assets.

23 The Bank has a large portfolio of Government of India securities and its business is particularly vulnerable to volatility in interest rates caused by deregulation of the financial sector in India.

As a result of Indian reserve requirements, the Bank is more structurally exposed to interest rate risk than banks in many other countries. Under RBI regulations, the Bank's liabilities are subject to the SLR requirement that a minimum specified percentage, currently 18%, of a bank's net demand and time liabilities ("NDTL"), be invested in Government securities and other approved securities. The volatility in interest rates is reflected in the movement of the annual yield on the ten-year Government bond, which was 7.35% as of March 31, 2019, 6.14 % as of March 31, 2020, 6.18 % as of March 31, 2021 and 6.05 % as of June 30, 2021 and moved within a range of 6.13% to 6.05% during the three months ended June 30, 2021. As of June 30, 2021, such Government and other approved securities represented 78.51% of the Bank's net domestic investment portfolio. These securities may yield rates that are less favourable than those which the Bank typically receives in respect of its retail and corporate loan portfolio. In a rising interest rate environment, the Bank could be materially adversely affected by the decline in market value of this securities portfolio and other fixed income securities. However, in a declining interest rate environment the statutory liquidity ratio generally has a negative impact on net interest income and net interest margin since it requires the Bank to invest in lower interest-earning securities. To reduce the risk of interest rate fluctuations, the Bank has classified a large majority of its Government securities as "held to maturity." However, the concentration of securities in such classification can limit gains in the Bank's treasury operations and interest amortization expenses.

The Bank's income from treasury operations is particularly vulnerable to interest rate volatility and an increasing interest rate environment is likely to adversely affect the income from its treasury operations. Declines in the value of the Bank's trading portfolio in such an environment will adversely affect its income.

24 The Bank's primary source of funding is in the form of deposits, and we may not be able to secure long-term funding for our operations when we need it or at a cost that is favourable or at a competitive cost

We meet most of our funding requirements through short-term and medium-term funding sources, primarily in the form of customer deposits. Failure to obtain our primary sources of funding or replacing them with fresh borrowings or deposits may materially and adversely affect business, results of operations and financial condition.

A substantial portion of our customer term deposits has been a stable source of funding. Many factors affect the growth of deposits, some of which are beyond our control, such as economic and political conditions, competition, availability of better investment alternatives and changing perceptions of retail customers toward savings. For example, retail customers may reduce their deposits and increase their investment in securities for a higher return, while SMEs and mid corporate customers may reduce their deposits in order to fund projects in a favourable economic environment.

We have traditionally maintained high CASA deposits due to our large retail customer base spread across India. As of June 30, 2021, the share of CASA deposit was 43.22% of the Bank's total deposits. Any decline in CASA share on total deposit could adversely impact profitability of the Bank. However, our liquidity position will also be adversely affected if a substantial number of our depositors do not roll over term deposits upon maturity. Though retail deposits constitute a significant portion of our deposit base, we also accept high value deposits depending on the funding requirements. Accordingly, we may be required to seek more expensive sources of funding to finance our operations, which would result in a decline in our profits and have a material adverse effect on our business, results of operations and financial condition.

Our other sources of funding are primarily market borrowings such as certificates of deposit, interbank term deposits, repos, collateralized borrowing and lending obligation borrowings and refinances. Any failure to obtain these sources of funding or replace them with other deposits or borrowings at competitive rates may materially and adversely affect our business, results of operations and financial condition. Interest rate fluctuations affect our cost of funds, and as a result, we are exposed to the risk of reduction in spreads, which is the difference between the returns that we earn on our advances and investments and the amounts that we must pay to fund them, on account of changing interest rates. In addition, if we are unable to re-invest the proceeds at similar interest rates, we will also face pre-payment risk on our loans, which may result in losing future interest and reduced cash flow. We may not be able to collect prepayment charges for certain products. We are also not permitted by the extant regulatory guidelines to charge foreclosure charges or prepayment penalties on all floating-rate housing loans to individual borrowers. Further, any downgrade or potential downgrade in our credit rating would also negatively impact the pricing on our issuances of debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital and funding on a competitive basis.

We must find ways to lend surplus funds to existing or new borrowers in order to earn interest income and protect our net interest margin. If we cannot secure enough loan volumes or earn sufficient interest through our lending activity, our ability to maintain and increase our net interest margin may be adversely affected along with our business, results of operations and financial condition.

25 The Indian banking industry is very competitive and the Bank's growth strategy depends on its ability to compete effectively.

The Bank faces competition from Indian and foreign commercial banks in all its products and services. The Bank also faces competition from Indian and foreign commercial banks and non-banking financial companies in its retail products and services. In addition, since the Bank raises funds from market sources and individual depositors, it will face increasing competition for such funds. Additionally, the Indian financial sector may experience further consolidation, resulting in fewer banks and financial institutions. The Government permits foreign banks to establish wholly-owned subsidiaries in India and invest up to 74.0% in Indian private sector banks. In January 2011, the RBI published a discussion paper regarding foreign banks in India containing proposals that would further increase the competition for the Bank in relation to its products and services and sources of funds. For instance, it has been proposed that the wholly owned subsidiaries ("WOSs") of foreign banks may be allowed to raise Rupee resources through issue of non-equity capital instruments in the form of innovative perpetual debt instruments, Tier I and Tier II preference shares and subordinated debt as currently allowed to domestic private sector banks. Further, with a view to incentivize setting up of WOSs and conversion of foreign branches into WOSs, WOSs of foreign banks may be allowed to open branches in Tier 3 to Tier 6 centres, which are essentially smaller cities and towns in India, except at a few locations which are considered to be sensitive as a result of security considerations.

In addition, private sector financial services companies, non-banking financial companies and their affiliates may be entitled to commence banking operations which may further increase competition. In this context, draft guidelines on the licensing of new banks in the private sector were issued by the RBI in August 2011. The Government is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. Due to competitive pressures, the Bank may be unable to successfully execute its growth strategy and offer products and services at reasonable returns and this may adversely impact its business, future financial performance and the trading price of the Equity Shares. See "*Business — Competition*" on page 223.

26 A substantial portion of the Bank's loans have a tenor exceeding one year or are unsecured, exposing the Bank to risks associated with economic cycles. If the Bank fails to attract deposits, the Bank could face asset-liability maturity mismatches and in turn, its business may be adversely affected.

As of June 30, 2021, loans with a tenor exceeding one year constituted 44% of the Bank's total loans. The long tenor of these loans may expose the Bank to risks arising out of economic cycles. Further, the Bank's unsecured advances as of June 30, 2021 constitute 20.73% of its total net advances. Non-payment of unsecured loans might affect the income and financial condition of the Bank. In addition, some of these loans are project finance loans. There can be no assurance that these projects will perform as anticipated or that such projects will be able to generate cash flows to service commitments under the loans. The Bank is also exposed to infrastructure projects which are still under development and are open to risks arising out of delay in execution, failure of borrowers to execute projects on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact the projected cash flows. There can be no assurance that these projects will perform as anticipated. Risks arising out of a recession in the economy, a delay in project implementation or commissioning could lead to rise in delinquency rates and in turn, adversely impact the Bank's future financial performance and the market price of the Equity Shares.

Liquidity risk is the risk that our Bank either does not have available enough financial resources to meet its obligations as they fall due or can secure them only at excessive cost. For example, a major liquidity risk in our Bank would be on account of unanticipated withdrawals of deposits, nonrenewal of deposits and delay in anticipated repayment of advances. This risk is inherent in any retail and commercial banking business and can be heightened by several enterprise-specific factors, including overreliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While our Bank implements liquidity management processes to seek to mitigate and control this risk, unforeseen systemic market factors make it difficult to completely eliminate it. We may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to an asset liability mismatch for certain periods. Mismatches between our assets and liabilities are compounded in case of pre-payments of the advances we grant to our customers. Further, asset liability mismatches create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect our Net Interest Income.

27 The Bank depends on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer

Our principal activity is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of our borrowers 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 advancements. 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 is not as comprehensive as those of countries with established market economies. Although India has credit information companies, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. In the event that the reports of such credit information companies are not up to date, we may not be able to accurately assess the credit-worthiness of our borrower which may increase our risk of exposure to default by borrower. As our lending operations are primarily limited to India, we may be exposed to a greater potential for loss compared to banks with lending operations in more developed countries. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition.

We rely on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. We typically rely on financial statements, other financial information and certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors provided. For example, 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 the customer. Our business, results of operations and financial condition could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or with other information that is materially misleading. We also rely on credit ratings and bureau scores assigned to our customers. Our business, results of operations and financial condition could be negatively impacted by such reliance on information that is inaccurate or materially misleading. This may affect the quality of information available to us about the credit history of our borrowers, especially individuals and small businesses. Consequently, our ability to effectively manage our credit risk may be adversely affected.

The TransUnion CIBIL Limited ("**CIBIL**") does not presently report information from retailers, utility companies and trade creditors, and no other nationwide bureau of this nature presently exists. 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 assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. The absence of reliable information, including audited financial statements, recognized debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses. The availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our nonperforming and restructured assets. We may also experience an increase in impaired advances and may be required to increase our provision for defaulted advances. As a result, higher credit risk may expose us to greater potential losses, which could materially and adversely affect our business, results of operations and financial condition.

28 Any downgrade of our debt ratings could adversely affect our business.

As of the date of this Placement Document, we have received the following credit ratings on our debt.

Rating Agencies	Rating	Rated Amount in billions
Domestic Long-Term Rating	Tier-II Bonds	
CRISIL Ltd	AA+ (Stable)	60.00
India Rating	AA (Stable)	10.00
Brickwork Rating	AA (Stable)	55.00
AT-1 Instrument Rating		
Acuite Rating & Research	AA (Stable)	15.00
CRISIL Ltd	AA- (Stable)	15.00
Domestic Short-Term Rating- Certificate of Deposits (Short Term)		
CRISIL Ltd	A1+	300.00
Overseas Long-Term Rating- Global Corporate Rating (Long / Short)		
Fitch Rating	BBB- / F3 (Negative)	—
Standard & Poor (S&P)	BB+ / B (Stable)	—

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. There can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors, including on account of the COVID-19 pandemic. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our business, results of operations and financial condition.

29 We are subject to capital adequacy norms and are required to maintain a CRAR at the minimum level required by RBI for domestic banks. Any inability to maintain adequate capital due to change in regulations or lack of access to capital or otherwise could materially and adversely affect our business, 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 capital-to-risk asset ratio ("**CRAR**"). The RBI requires banks in India to maintain a minimum CRAR of 10.875% (including capital conservation buffer) as on date, which will increase to 11.50% of RWAs from October 1, 2021. In addition, RBI issued the RBI Basel III Capital Regulations on May 2, 2012 applicable to our Bank for International Settlement's Basel III international regulatory framework and was implemented on April 1, 2013. The RBI Basel III Capital Regulations 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 and changes in the structure of non-equity instruments eligible for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The transitional arrangements for the implementation of Basel III capital regulations in India began on April 1, 2013. The RBI Basel III Capital Regulations were expected to be fully implemented by March 31, 2019. However, the RBI had deferred the implementation of the last tranche of 0.625% of capital conservation buffer from April 1, 2021 to October 1, 2021. We are required by the RBI to maintain a minimum capital adequacy ratio of 10.87% (including capital conservation buffer of 1.875%) in relation to our total risk weighted assets as of March 31, 2021. Due to increase of size of assets and accordingly the risk weighted assets, there may be an impact on the CRAR under the Basel III standards. We have been maintaining a CRAR under the Basel III standards, which was 15.07% as of June 30, 2021 as compared to the regulatory minimum requirement of 10.875%. The minimum CRAR required by regulations will increase to 11.50% of RWAs from October 1, 2021. There can be no assurance that we will be able to maintain our CRAR within regulatory requirements. 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 investment or applicable risk weight for different asset classes. In case the CRAR falls below the regulatory minimum requirement we may be constrained in further expanding our business. In June 28, 2019, as a part of the leverage ratio framework, the RBI announced that the minimum leverage ratio would be 4% for domestic systemically important banks and 3.5% for other banks. As of June 30, 2021, the Bank is maintaining the leverage ratio at 4.74%. The Bank's ability to grow its business and execute its strategy is dependent on its level of capitalization. Any decrease in the Bank's regulatory capital ratios, increase in RBI-mandated reserve requirements or capital requirements applicable to the Bank on account of regulatory changes or otherwise, or inability to access capital markets may compel the Bank to commit its existing capital away from profitable business opportunities, or to raise additional capital, in order to meet these new capital adequacy requirements. For example, the requirement that the Bank maintain a portion of its assets in fixed income government securities could have a negative impact on its treasury income as the Bank typically earns interest on this portion of its assets at rates that are generally less favourable than those typically received on its other interest-earning assets. The Bank may also be compelled to dispose of certain of its assets and/or take other measures in order to obtain the necessary capital to meet more stringent capital requirements. This would limit the Bank's ability to grow its business or adversely impact its profitability and its future performance and strategy.

In addition, if the Bank is unable to meet the RBI's capital reserves requirements or regulatory capital ratios in the future, the RBI may impose additional penalties or prohibit fresh deposits, which may materially and adversely affect the Bank's business, results of operations and financial condition. If the Bank is unable to meet the RBI's capital reserves requirements or regulatory capital ratios in the future, the RBI may impose additional penalties or prohibit fresh deposits, which may materially and adversely affect the Bank's business, results of operations and financial condition.

The liquidity coverage ratios prescribed by the RBI Basel III Capital Regulations may result in Indian banks, including the Bank, holding higher amounts of liquidity, thereby impacting their profitability. In addition, any sudden increase in the demand for liquidity by banks to meet these regulatory liquidity requirements could have an adverse impact on the financial markets, and result in a sharp increase in short-term borrowing costs and a sudden increase in the cost of funding for banks, including the Bank.

In the past, the Bank has raised resources from the capital markets in order to meet its capital requirements. However, there can be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. Moreover, if the Basel Committee releases additional or more stringent guidance on capital adequacy norms which are given the effect of law in India in the future, the Bank may be forced to raise or maintain additional capital in a manner which could materially adversely affect our business, results of operations and financial condition.

30 We face restrictions in opening new branches in Tier I centres. In case we are unable to expand our branches in Tier-I centres, it may impact growth of our deposit base which may in turn adversely affect our business prospects.

The RBI has granted general permission to public sector banks to open branches in India, subject to at least 25% of the total number of branches opened during a financial year are in unbanked rural (Tier V and Tier VI) centres.

We have 991 branches in metro centres and 4,093 branches in urban, semi-urban, and rural centres, as of June 30, 2021. Our ability to set up branches in Tier I centres to grow our deposit base depends in part on our ability to comply with conditions prescribed by RBI for expanding our network of branches in Tier I cities. Any inability to grow our deposit base may adversely impact our business prospects.

31 Majority of our branches and ATMs are located on premises that have been taken on lease. The termination of any of these leases or non – renewal or premature termination of the existing lease agreements may cause disruption in our operations.

While our Head Office is owned by us, majority of our branches and ATMs are located on premises taken by us on lease or leave and license basis from third parties. As of June 30, 2021, out of our 5,084 total branches, 4,890 are located at premises taken on a lease or leave and license basis. Further, majority of our ATMs are also located on premises taken on lease or leave and license basis. Such lease agreements are generally for a fixed tenure and we endeavour to renew the leases post their expiry located at premises taken on a lease basis. Our business, financial condition, and operating results could be adversely affected if we are unable to negotiate favourable lease and renewal terms for our existing branches. In case of non-renewal of leases for our existing branches, we will be forced to procure alternative space for our existing branches. Although we procure space that satisfies the safety, operational and financial criteria for our branches, we cannot assure you that we will be able to identify such space at commercially reasonable terms or at all. Failure to identify such space can adversely affect our business, results of operations and financial condition.

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 which could result in the termination of the lease agreements and force us to establish operations at another location, which may disrupt our operations temporarily.

32 If the Bank does not effectively manage its foreign operations, these operations may incur losses or otherwise adversely affect the Bank's business and results of operations.

Currently, the Bank has a network of 45 overseas offices, including one representative office, in 19 countries and plans to expand to additional locations abroad. The laws and regulations governing the banking and financial services industry in the jurisdictions we operate, have become increasingly complex, governing a wide variety of issues, including interest rates, liquidity, capital adequacy, securitisation, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices, with sometimes overlapping jurisdictional or enforcement authorities. Any failure to comply with applicable regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and future inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. In addition, the Bank may face competition in other countries from banks that may have more experience with operations in such countries or with international operations generally. The Bank may also face difficulties integrating new facilities in different countries into its existing operations, as well as integrating employees that the Bank hires in different countries into its existing corporate culture. If the Bank does not effectively manage its foreign operations, it may lose money in these countries which could adversely affect the Bank's business and results of operations.

33 The Bank is exposed to fluctuation in foreign exchange rates.

As a financial organization with operations in various countries, the Bank is exposed to exchange rate risk. The Bank complies with regulatory limits upon its unhedged foreign currency exposure by making foreign currency loans on terms that are generally similar to its foreign currency borrowings and thereby transferring the foreign exchange risk to the borrower or through active use of cross-currency swaps and forwards to generally match the currencies of its assets and liabilities. However, the Bank is exposed to fluctuations in foreign currency rates for its unhedged exposure. Adverse movements in foreign exchange rates may also impact the Bank's borrowers adversely which may in turn impact the quality of its exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's business, future financial performance and the price of the Equity Shares.

34 Our business operations are heavily reliant on our information technology systems. Any failure or disruptions in our systems could have an adverse impact on our business, results of operations, and condition.

Our business is largely dependent on our information technology systems. We service our customers, undertake risk management functions, deposit services, loan origination functions, as well as our increasing portfolio of products and services through our information technology systems. We also rely on our technology platform to undertake financial control and for transaction processing. In addition, our systems connect our ATMs, branches, internet banking, mobile banking and call centres and other delivery channels.

Our hardware and software systems are also subject to damage or defaults by human error, natural disasters, power loss, sabotage, cyber-attacks, computer viruses and similar events or the loss of support services from third parties such as internet service providers. Our information technology systems may be subject to interruptions, temporary disruptions, and may always not meet our requirements or be suitable for use . While we believe we have developed systems and controls in accordance with our business continuity policy including a geographically remote disaster recovery site at Bangalore to support critical applications, there can be no assurance that such disaster recovery sites will operate as intended or in a timely manner.

The Bank maintains a disaster recovery centre at Bangalore in the event that the Bank's main computer centre at Mumbai shuts down for any reason. The system in Bangalore is configured to come into operation if the Mumbai system is no longer operational. However, if for any reason the switch over to the backup system does not take place or if a calamity occurs in both Mumbai and Bangalore such that the Bank's business is compromised in both centres, the Bank's operations would be adversely affected. In the past, we have faced instances of business disruption due to technological failure as well as due to non-technological failure which impacted the customer services segments during such period of disruptions. There can be no assurance that we will not encounter such disruptions in the future due to substantially increased number of customers and transactions, or other reasons. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime, and are unable to develop the required technology or in the event we experience any other lapses in our systems, our business, results of operations and financial condition may be materially and adversely affected.

35 The increasing adoption of digital technologies, as well as legal or regulatory changes may affect the Bank's retail banking strategies and may adversely impact the competitive advantages the Bank derives from the Bank's physical branch network.

The Bank has expended significant efforts in establishing a physical branch network and other retail distribution assets. Advances in technology such as digital and mobile banking, self-service technologies, proximity or remote payment technologies, as well as changing consumer preferences for these other methods of delivering banking services, could decrease the value of the Bank's physical branch network and the competitive advantage that the Bank derives from such assets. The recent COVID-19 pandemic and the resulting lockdowns and social distancing measures could increase emphasis on such digital banking technologies and further decrease the value of, or the competitive advantage that the Bank derives from the Bank's physical branch network assets. As a result, the Bank may need to re-evaluate the Bank's retail banking strategy and potentially restructure the Bank's physical branch network in the future. This may also require us to invest significantly in building new technology platforms or other alternative strategies in order to continue competing effectively. These actions may lead to losses on these assets or may adversely impact the carrying value of such assets or increase the Bank's expenditures.

Any technological advancement in the way customers prefer to execute their banking services may change the way banking has been perceived and carried out. Technological innovation such as mobile wallets, mobile operator banking, payment banks, internet banking through smart phones, etc. could disrupt the banking industry as a whole. There can be no assurance that we will be able to adapt our systems quickly and efficiently to such changing environment. Even if we can maintain, upgrade or replace our existing systems or innovate or customise and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. Our failure to adapt to such technological advancements quickly and effectively could affect the performance and features of our products and services and could reduce our attractiveness to existing and potential customers.

36 The Bank's risk management policies and procedures may leave the Bank exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risks, including fraud, and legal risks. The effectiveness of its risk management is limited by the quality and timeliness of available data and other factors outside of its control. While we have a well-defined risk management governance framework that comprises of a Risk Management Committee and sub committees for management of credit, market, liquidity and operational risk, to the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures, in particular to market environments or against particular types of risk.

We have devoted significant resources to develop our risk management policies and procedures and aim to continue to do so in the future. See *"Our Business – Risk Management"* on page 220. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. Management of operations, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. In the past, there has been an instance where senior officials of our Bank were arrested by CBI in connection with investigation of certain of the loans provided by our Bank. As we seek to expand the scope of our operations, we also face the risk that we will be unable to develop risk management policies and procedures that are properly designed for new business areas or to manage the risks associated with the growth of our existing businesses effectively. Implementation and monitoring may prove particularly challenging with respect to businesses that we plan on developing. An inability to develop and implement effective risk management policies may materially and adversely affect our business, results of operations and financial condition.

37 The failure of the Bank's systems or of a third-party contractor to perform its obligations to deliver systems creation, management and support could materially and adversely affect the Bank's business, results of operations and financial condition.

The Bank's businesses are heavily dependent on the ability to timely and accurately collect and process a large amount of financial and other information across numerous and diverse markets and products at the Banks ' various branches, at a time when transaction processes have become increasingly complex with increasing volume. The proper functioning of the Bank's financial control, risk management, accounting or other data collection and processing systems, together with the communication networks connecting the Bank's various branches and offices is critical to the Bank's businesses and the Bank's ability to compete effectively. The Bank has centralized the database in respect of its domestic business through the adoption of a "Core Banking Solution" ("CBS") that provides the capability of online real-time transaction processing (see "*Business — Branch Banking — Distribution Network — Technology*" on page 219). The Bank has migrated all its branches to the CBS platform and all new branches incorporate the CBS platform. The Bank has outsourced implementation, supply, management and training in relation to its CBS to a third-party service provider. It has also outsourced the management of its data centre to the third-party service provider, for holding the information accumulated by the CBS. Although the Bank has backup data that could be used in the event of a catastrophe involving or failure of the primary systems and has a well-documented business continuity and disaster recovery management policy that is constantly tested and reviewed, a partial or complete failure of any of these primary systems or communication networks could materially and adversely affect the Bank's decision-making process, risk management or internal controls as well as the Bank's timely response to market conditions. If the Bank cannot maintain an effective data collection and management system or the strategy of outsourcing IT and systems management proves unsuccessful or unreliable, the Bank's business, financial condition and results of operations could be materially and adversely affected.

38 The Bank may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.

The Bank is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India and in other jurisdictions where it has operations. These laws and regulations require the Bank, among other things, to adopt and enforce "know-your-customer" policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. While the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking networks for money-laundering activities and by terrorists and terrorist-related organizations and individuals generally, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money-laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures. To the extent the Bank fails to fully comply with applicable laws and regulations, the relevant government agencies to whom the Bank reports have the power and authority to impose fines and other penalties. In addition, the Bank's business and reputation could suffer if customers use the Bank for money-laundering or illegal or improper purposes. Although the Bank does not believe that it is in violation of any applicable sanctions, there can be no assurance that the Bank will be able to fully monitor all its transactions for any potential violation.

39 Our success depends largely on our management team and skilled personnel. Any inability to attract and retain talented professionals may negatively affect us.

Our business is growing more complex as we expand our operations and our product lines. We have built a team of professionals with relevant experience, including credit evaluation, risk management, treasury and marketing. Our growth and continued success depend in part on the continued service of key members of our management team and our ability to continue to attract, train, motivate and retain highly qualified professionals.

We believe our employees are a significant source of our competitive advantage and are thus a key element of our growth strategy. As on June 30, 2021, we had 50,612 employees. With the increase in competition for qualified personnel, we continue to face challenge to recruit a sufficient number of suitably skilled personnel, particularly as we continue to grow. In the event we are not able to attract talented employees or are unable to motivate and retain our existing employees, the future of our business and operations may be affected.

The successful implementation of our strategy depends on the availability of skilled management, both at our head office and at each of our business units and on our ability to attract and train technologically sound, young professionals. As we generally pay wages that are lower than those paid by private sector banks, it could adversely affect our ability to hire qualified employees. If we or one of our business units or other functions fail to staff their operations appropriately, or lose one or more of our key senior executives or qualified young professionals and fail to replace them in a satisfactory and timely manner, our business, and operations, including our control and operational risks, may be adversely affected.

40 The Bank's employees are highly unionized, and any union action may adversely affect the Bank's business.

As of the date of this Placement Document, a significant portion of the Bank's clerical and non-officer employees belong to one of the unions of the Federation of Bank of India Staff Unions. A significant number of the Bank's officers belong to a separate union, the All India State Bank Officers' Federation. On February 20 to February 21, 2013, employees of public sector undertaking ("PSU") banks went on strike, pursuant to the call of 11 unions to protest the Government's planned pro-market reforms as they are likely to cost jobs and raise prices, resulting in a shut-down of India's PSU banks. While the Bank was able to resume operations on February 22, 2013, it is possible that future calls for work stoppage or other similar actions could force the Bank to suspend all or part of its operations until the dispute is resolved. If such a work stoppage was to occur, the Bank's business could be adversely affected. While we believe that we have a strong working relationship with the unions / associations, there can be no assurance that our Bank will continue to have such a relationship in the future. If the employees' union calls for a work stoppage or other similar action, we may be forced to suspend all or part of our operations until the dispute is resolved. If any such work stoppage or disruption was to occur, possibly for a significant period, our business, results of operations and financial condition would be adversely affected. There is also likelihood for employee misconduct which could involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. 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.

41 The Bank is involved in various litigation matters. Any final judgment awarding material damages against the Bank could have a material adverse impact on its future financial performance, stockholders' equity and the price of the Equity Shares.

We are involved in various legal proceedings in the ordinary course of our business. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities. These matters generally arise because we seek to recover dues from borrowers, further we have filed complaints before relevant authorities against certain of our borrowers on account of fraud and/or under the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued by such borrowers. Although it is our policy to make provisions for probable loss, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is insignificant. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and expend substantial management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If there are any rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, results of operations and financial condition, which could adversely affect the trading price of our Equity Shares. As on June 30, 2021, the Bank has made 4 material complaints on account of fraud wherein the amount involved is approximately ₹90.17 billion. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on our business, results of operations and financial condition. For further information on litigations, see "*Legal Proceedings*" on page 312.

42 The Bank has contingent liabilities.

As of June 30, 2021, the Bank had contingent liabilities of approximately ₹4,393.62 billion, as set forth below:

Particulars	**As of June 30, 2021** (₹ in billions)
Claims against the Bank not acknowledged as debts including disputed tax liability	26.20
Liability for partly paid investments	0.94
Liability on account of outstanding foreign exchange contracts	3,905.79
Guarantees given on behalf of constituents	
In India	212.33
Outside India	34.96
Acceptances, endorsements and other obligations including Letter of Comfort	180.89
Interest rate swaps	16.12
Other items for which Bank is contingently liable	16.38
Total	**4,393.62**

If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, results of operations and financial condition may be materially and adversely impacted.

43 As the GoI controls a majority of the Bank's issued share capital, and may take actions which are not necessarily in the interests of the Bank or of the other holders of the Equity Shares, its public policy decisions may impact the Bank's strategy and operations.

The GoI controls a majority of our Bank's issued share capital. As of June 30, 2021, the GoI directly held 90.34% of our Bank's issued and paid up share capital. Although historically we have enjoyed certain autonomy from the GoI in the management of our affairs and strategic direction, as its controlling shareholder, the GoI is able to exercise effective control over our Bank. For more information on the Bank's shareholding structure, see "*Principal Shareholders and Other Information*" on page 239. In accordance with the Banking Regulation Act, the Government, in consultation with the RBI, has the power to appoint, re-appoint and/or terminate the appointment of the managing director or whole-time director, manager or chief executive officer. The Government may also, in consultation with the RBI, issue directives on matters of policy involving the public interest that may affect the conduct of the business affairs of the Bank in a manner which may be adverse to the other shareholders.

The Government will continue to have the power to directly or indirectly control the outcome of matters submitted to the Bank's board of directors or shareholders for approval and influence the policies of the Bank. For example, the Government could, by exercising its powers of control, delay or defer or initiate a change of control in the Bank or a change in the Bank's capital structure, delay or defer an amalgamation, consolidation, or discourage an amalgamation with another company or otherwise direct the Bank's affairs in a manner that could directly or indirectly favour the interests of the Government and could result in the Bank foregoing business opportunities.

The interests of the Bank's direct and indirect controlling shareholders may be different from, and conflict with, the Bank's interests or the interests of the Bank's other shareholders, and the Bank cannot assure you that the Government will not in the future exercise control over the Bank's business and major policy decisions. The Bank's direct and indirect controlling shareholders may also enable a competitor to take advantage of a corporate opportunity at the Bank's expense. Accordingly, there can be no assurance that the Government will not take actions or implement policies that are adverse to investors in the Equity Shares.

The Banking Regulation Act mandates that the GoI's shareholding in our Bank does not fall below 51.00%. This requirement could result in restrictions on the Bank's equity capital raising efforts, as the GoI may not be able to fund any further investments that would allow it simultaneously maintain its stake at a minimum of 51% and seek funding from the capital markets. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, the Bank will need to grow its capital base, whether through organic growth or through capital market financing schemes. If the Bank is unable to grow its capital base in step with demand, its business, results of operations, and financial condition may be materially and adversely affected.

44 The Bank proposes to utilize the net proceeds of the Issue to augment its capital adequacy and to maintain sufficient liquidity for meeting funding requirements of its business activities and not for any specified projects.

The Bank proposes to utilize the Net Proceeds of the Issue to augmenting our Bank's Tier I Capital to support anticipated growth in Risk Weighted Assets and other plans and strategies our Bank and not for any specified projects. As permissible under applicable laws, the Bank will have the flexibility in deploying the Net Proceeds in the best interest of the Bank. None of our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue. Since the Net Proceeds are proposed to be utilized towards the purposes set forth above, and not being used towards implementation of any project, no disclosure regarding the (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, has been made in this Placement Document.

45 Depreciation in the value of the Indian Rupee may have a material adverse effect on the Bank's business, financial condition and its ability to make payments under the Equity Shares.

The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. In particular, the Indian Rupee depreciated significantly in fiscal year 2021 versus key foreign currencies such as the U.S. Dollar. Substantially all of the Bank's income is in Indian Rupees. As a result, if the value of the Indian Rupee weakens against other foreign currencies, it could increase the Bank's financial burden. The weakening of the Indian Rupee could also increase the costs in servicing the Bank's debt denominated in foreign currencies and in particular, the Bank's debt denominated in U.S. Dollars.

In addition, the Bank's market valuation could be seriously harmed by the devaluation of the Indian Rupee, if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of its financial condition and results of operations.

46 Any deficiencies, inaccuracies or misspecification in the models and data relied by the Bank for its risk analysis could impact our decision-making and operations

As part of our ordinary decision-making process, we rely on various models for risk and data analysis. These models are based on historical data and supplemented with managerial input and comments. These models and the data they analyse may not always be accurate or adequate to guide our strategic and operational decisions and protect us from risks. Any misspecification, deficiencies or inaccuracies in the models or the data might have a material adverse effect on our business, results of operations and financial condition. As we seek to expand the scope of our operations in newer geographies or new product areas, we also face the risk that we will be unable to develop risk management policies and procedures, that are properly designed for those new geographies or areas or products or to manage the risks associated with the growth of our existing businesses. Implementation and monitoring may prove particularly challenging with respect to our expansion and the products that we plan on developing.

47 The Bank may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our business, results of operations and financial condition

We offer online banking services to our customers. Our online banking channel includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting cheque books. We are 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; and (ii) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and (iii) data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our 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. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

As technology is currently in a phase of rapid evolution and the methods used for cyber-attacks are changing frequently or, in some cases, are not recognized until an actual attack, we may not be able to anticipate or to implement effective preventive measures against all such security breaches. Further, circumstances such as the COVID-19 pandemic requiring a large number of our employees to work from home may increase our vulnerability to cyber-attacks. Cybersecurity risks for banking organizations have significantly increased in recent years in part because of the proliferation of new technologies, and the use of the internet and telecommunications technologies to conduct financial transactions. For example, cybersecurity risks may increase in the future as we continue to increase our mobile-payment and other internet-based product offerings and expand our internal usage of web-based products and applications. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise.

48 Uncertainty about the future of LIBOR may adversely affect the Bank's business

A portion of our total debt/borrowings was linked to the London Interbank Offered Rate ("LIBOR"). On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The Financial Conduct Authority (FCA), UK, in a press statement dated March 5, 2021 announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of all Pound sterling, Euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining US dollar settings.

Further, on July 8, 2021, RBI considering that the transition away from LIBOR and the adoption of alternative reference rate ("ARR"), developed in various jurisdictions is a significant event which needs to be carefully prepared for in order to manage potential customer protection, reputational and litigation risks as well as avoid disruptions to the safety and resilience of financial institutions and overall financial stability of the economy issued an advisory to the banks and financial institutions, emphasizing the need for preparedness for the transition away from LIBOR. With the objective of orderly, safe and sound LIBOR transition, RBI has, inter alia, encouraged / advised the banks and financial institutions to (i) cease, entering into new financial contracts that reference LIBOR as a benchmark and instead use any widely accepted ARR as soon as practicable and in any case by December 31, 2021; (ii) incorporate robust fallback clauses, in all financial contracts that reference LIBOR and the maturity of which is after the announced cessation date of the respective LIBOR settings; (iii) ensure that new contracts entered into before December 31, 2021, that reference LIBOR and maturity of which is after the date on which LIBOR ceases or become non-representative, include fallback clauses; (iv) cease using the LIBOR / Mumbai Interbank Forward Outright Rate (MIFOR), a benchmark which references the LIBOR, as soon as practicable and in any event by December 31, 2021; (v) ensure that contracts referencing LIBOR / MIFOR may generally be undertaken after December 31, 2021 only for the purpose of managing risks arising out of LIBOR / MIFOR referenced contracts undertaken on or before December 31, 2021.

Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely affect LIBOR rates and other interest rates. In the event that a published LIBOR rate is unavailable after 2021, the value of such securities, loans or other financial arrangements may be adversely affected, and, to the extent that the Bank is the issuer of or obligor under any such instruments or arrangements, the Bank's cost thereunder may increase. Currently, the manner and impact of this transition and related developments, as well as the effect of these developments on the Bank's funding costs, investment and trading securities portfolios and business, is uncertain.

49 Negative publicity of the Bank could damage our reputation and adversely impact our business and financial results

We believe our name commands strong brand recognition due to its long and successful presence in the markets in which we operate and therefore maintaining and enhancing the brand is important for retaining our competitive advantage. Reputational risk, or the risk to our business from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Any negative public opinion about the industry in which we operate could adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action.

Further, creating and maintaining public awareness of our name is crucial to our business and we accordingly invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or our customers lose confidence in us for any reason, it could harm our ability to attract and retain customers. There can be no assurances that we will be able to sustain effective marketing, advertising, and branding initiatives in the future. Maintaining and enhancing our name may require us to make substantial investments in financial services industry which may not be successful.

Negative publicity can result from our actual or alleged conduct in a number of activities, including lending practices, foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. We distribute several third-party products, including life insurance, health insurance, general insurance and mortgages. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation.

50 Statistical and industry data in this Placement Document may be incomplete or unreliable

Statistical and industry data used throughout this Placement Document has been obtained from various government and industry publications. While we believe that the information contained has been obtained from sources that are reliable, but neither we nor the Book Running Lead Managers have independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Placement Document is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

51 Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, results of operations and financial condition.

We do not carry insurance to cover all the risks associated with our business, either because insurance coverage is not available or prohibitively expensive. We have taken out insurance within a range of coverage consistent with industry practice in India to cover certain 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 a 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 exceed the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

52 Our intellectual property rights may be subject to infringement, or we may breach third party intellectual property rights

Our trade name "Bank of India" and Logo " " is registered with the Trademarks Registry, Mumbai and the registrations are valid till September 19, 2028 and June 04, 2022, respectively. However, we do not own other taglines that we use for our services and have not made an application to the Trademarks Registry for registration of the same. We do not therefore enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register trademarks and logos or that third parties will not infringe on our intellectual property, causing damage to our business prospects, reputation, and goodwill. We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software, or other such subjects, which are of a similar nature to the intellectual property these third parties may have registered.

We may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly, and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our brand, business, results of operations and financial condition.

We may also be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software, or other such subjects, which are of a similar nature to the intellectual property these third parties may have registered. Any legal proceedings that result in a finding that we have breached third parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or make changes to our marketing strategies or to the brand names of our products, which may have a materially adverse effect on our brand, business, results of operations and financial condition.

53 We have experienced negative cash flows from operating activities and investing activities in certain recent fiscal periods.

We have experienced negative cash flows from operating activities and investing activities in recent fiscal years. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate its business and implement growth plans.

54 Our statutory auditors have highlighted a matter of emphasis in relation to our historical audited financial statements for Fiscal 2019, 2020 and 2021.

Our statutory auditors have highlighted certain matters of emphasis in relation to our historical Audited Financial Statements. For further details, see "*Management's Discussion on Financial Condition and Results of Operations – Auditor Observations and Matters of Emphasis*" on page 135. There can be no assurance that our statutory auditors will not include such matters of emphasis in relation to our audited financial statements in the future, or that such matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider these remarks in evaluating our financial condition, results of operations and cash flows. Any such matters of emphasis on our audited financial statements in the future may also adversely affect the trading price of the Equity Shares.

55 We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further details, see "*Financial Statements*" on page 319. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may have with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to the Bank. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business and financial results, including because of potential conflicts of interest or otherwise.

56 Our Bank is subject to extensive compliance requirements of the SEBI Listing Regulations and other requirements prescribed by SEBI and Stock Exchanges. Any failure to comply with such requirement may result in SEBI or Stock Exchanges issuing penalties, warning and show cause notices against us, which may materially affect our business, results of operations and our financial conditions.

Being a listed company, our Bank is also required to comply with the requirements of the SEBI Listing Regulations and other requirements prescribed by SEBI and the Stock Exchanges from time to time. In the past there may have been a violation of the SEBI Listing Regulations in relation to providing intimations to Stock Exchanges in the form required by the Stock Exchanges; and as such, can attract penalties, warning or show cause notices or any other penal action from the Stock Exchanges, SEBI and/or any other regulatory authority or court under the SEBI Act and/or any other applicable securities laws, which may materially affect our business, results of operations and our financial conditions.

Risks Relating to India

57 A slowdown in economic growth in India could cause the Bank's business to suffer.

As a bank with the vast majority of its operations in India, the Group's financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. There is no guarantee the Indian economy can rebound and sustain its recent levels of economic growth. Any slowdown in the Indian economy or future volatility of global commodity prices, in particular oil and metal prices, could adversely affect the Bank's borrowers and contractual counterparties. With the importance of retail loans to the Bank's business, any slowdown in the growth or negative growth of sectors like housing and automobiles could adversely impact the Bank's performance, including its ability to grow, the quality of its assets, its financial performance and the trading price of the Equity Shares.

58 Financial difficulty and other problems in certain financial institutions in India could materially 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 because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk", may materially adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact daily. 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 adversely affect our business, results of operations and financial condition. 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.

59 Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects

Our business depends substantially on global economic conditions. The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. 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, results of operations and financial condition and the trading price of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business, results of operations and financial condition and prospects.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. If the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition and the trading price of the Equity Shares.

Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 and 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

If we are unable to successfully anticipate and respond to changing economic and credit market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

60 Any significant increase in the prices of crude oil could adversely affect the Indian economy, which could adversely affect the Bank's business.

India imports a substantial portion of its crude oil requirement. Crude oil prices are volatile and are subject to several factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. India imports a significant portion of its requirements of crude oil, making up a significant portion of total imports in fiscal year 2021, according to the RBI Handbook. Accordingly, a significant increase from current levels in the price of crude oil could adversely affect the Indian economy. In Fiscal 2020 and Fiscal 2021, crude oil prices fluctuated significantly in large part due to the COVID-19 pandemic, global economic slowdown and partial recovery. Recently, the Government has announced a series of increases in fuel prices, including a complete deregulation of petrol prices, which have led to an increase in inflationary pressures. Any sharp increases or volatility in oil prices and the pass-through of such increases to Indian consumers could have a material negative impact on the Indian economy and the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and a higher trade deficit. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the Indian economy in general and consequently an adverse effect on could affect the Indian economy and the Indian banking and financial system. This could adversely affect the Bank's business including its liquidity, the quality of its assets, its financial performance, its stockholders' equity, its ability to implement its strategy and the price of the Equity Shares.

61 A significant change in the Governments' economic liberalization and deregulation policies could disrupt the Bank's business.

The Bank's assets and customers are predominantly located in India. The Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. The Government's economic policies have had and could continue to have a significant effect on public sector entities, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank. See "*Regulations and Policies*" on page 243.

The current macro-economic situation and global conditions might lead to certain policy and administrative steps which could result in a wider fiscal deficit and, consequently, a downgrade in sovereign ratings, which would affect exchange rates and interest rates. See "— *A downgrade in ratings of India, the Indian banking sector or of the Issuer may affect the price of the Equity Shares*" on page 85. Any significant change in the Government's economic liberalization and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect the Bank's business.

62 A downgrade in ratings of India, the Indian banking sector or of the Issuer may affect the price of the Equity Shares.

As of the date of this Placement Document, India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). On June 1, 2020, Moody's had downgraded India's foreign currency and local currency long term issuer ratings to Baa3 from Baa2 while maintaining the negative outlook given relatively weak implementation of reforms since 2017, sustained period of relatively low growth, significant deterioration in the fiscal position of the Government and the rising stress in the financial sector. During fiscal 2020, Fitch have changed the outlook from "stable" to "negative". Going forward, the sovereign ratings outlook will remain dependent on whether the Indian Government is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. As our foreign currency ratings are influenced by India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on our ratings. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect our business, results of operations and financial condition.

63 Financial instability in other countries, particularly emerging market countries, could disrupt the Bank's business and cause the trading price of the Equity Shares to decrease.

The Indian market is influenced by economic and market conditions in other countries, particularly conditions in emerging market countries and, recently, those in the U.S. and the European Union. The Bank has established operations in several countries, including the United States, certain European countries, and certain emerging market countries. 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 and countries where the Bank has established operations, or any worldwide financial instability, may cause increased volatility in Indian financial markets and directly or indirectly, adversely affect the Indian economy.

The global credit and equity markets have in recent years experienced substantial dislocations, liquidity disruptions and market corrections. Such conditions have worsened due to the ongoing crisis in the U.S. and the Eurozone. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a general lack of transparency in the global credit and financial markets. In response to such developments, legislators and financial regulators in various countries, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business, results of operations and financial condition and prospects.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. If the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition and the trading price of the Equity Shares.

The conditions in the global economy remain uncertain and recovery is likely to be slow, as predicted by the International Monetary Fund, World Bank and other organizations. A high level of debt of advanced economies is a key risk to economic recovery. Indian markets have also been affected by the increased risk aversion to American and European debt. A worsening debt situation in the United States or Europe or any other country may adversely impact the Indian economy.

In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on the Bank's cost of funds, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

Since December 2019, the ongoing outbreak of COVID-19 has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with the resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets has resulted in a global slowdown and crisis. In particular, the COVID-19 outbreak has caused stock markets worldwide to fluctuate significantly in value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 and 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

If we are unable to successfully anticipate and respond to changing economic and credit market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

64 If regional hostilities, terrorist attacks or social unrest in India increases, the Bank's business could be adversely affected and the trading price of the Equity Shares could decrease.

India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India had also experienced terrorist attacks in some parts of the country. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Bank's business, its future financial performance and the trading price of the Equity Shares. Further, India has also experienced social unrest in some parts of the country. If such tensions spread and lead to overall political and economic instability in India, it may adversely affect the Bank's business, future financial performance and the trading price of the Equity Shares.

65 Trade deficits could have a negative effect on the Bank's business and the trading price of the Equity Shares.

India's trade relationships with other countries can influence Indian economic conditions. India's merchandise trade deficit has increased in recent years. India's large merchandise trade deficit neutralizes the surpluses from India's services sector in its current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Bank's business, future financial performance and the trading price of the Equity Shares could be adversely affected.

66 Natural calamities could have a negative impact on the Indian economy and could cause the Bank's business to suffer and the trading price of the Equity Shares to decrease.

India has experienced natural calamities such as earthquakes, floods and drought in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy.

Several countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business,

Our operations, including our branch network, may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods.

They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. We may also be liable to our customers for disruption in services resulting from such damage or destruction. Any of the above factors may adversely affect our business and financial results, the quality of our customer service and the price of our Equity Shares. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

67 Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against the Bank.

The Bank was constituted under the Banking Companies Act and the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970. Substantially all of the Bank's directors and executive officers and some of the experts named herein are residents of India and a substantial portion of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Bank or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under section 13 of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of section 44A but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution whereas, a judgment of a superior court in the United Kingdom may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy, it is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

68 There may be less company information available in the Indian securities markets than securities markets in developed countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other developed countries. The Securities and Exchange Board of India ("SEBI") is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries. Further, the Bank is currently not subject to disclosures on ESG risks as per SEBI guidelines. As a result, investors may have access to less information about the business, results of operations, cash flows and financial conditions, information on business responsibility and sustainability reporting and those of the competitors that are listed on BSE and NSE and other stock exchanges in India on an on-going basis than may be found in the case of companies subject to reporting requirements of other more developed countries.

69 Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on the Bank's business and the trading price of the Equity Shares could decrease.

The Bank is exposed to the risks of the Indian financial system which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. As an emerging market economy, the Indian financial system faces risks of a nature and to an extent not typically faced in developing countries, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Bank's business, future financial performance and the price of the Equity Shares.

70 A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on the Bank. A rapid decrease in reserves may also create a risk of higher interest rates and a consequent slowdown in growth.

India's trade relationships with other countries and its trade deficit, may adversely affect Indian economic conditions and the exchange rate for the rupee. India's current account balance recorded a deficit of US$ 1.7 billion (0.2 per cent of GDP) in the third quarter of Fiscal 2021 after a surplus of US$ 15.1 billion (2.4 per cent of GDP) in the second quarter of Fiscal 2021 and a surplus of US$ 19.0 billion (3.7 per cent of GDP) in the first quarter of Fiscal 2021. (*Source: RBI- Developments in India's Balance of Payments during the Third Quarter (October-December) of 2020-21 dated March 31, 2021*). Exchange rates are impacted by several factors including volatility of international capital markets, interest rates and monetary policy stance in developed economies like the United

States, level of inflation and interest rates in India, the balance of payment position and trends in economic activity. Rising volatility in capital flows due to changes in monetary policy in the United States or other economies or a reduction in risk appetite or increase in risk aversion among global investors and consequent reduction in global liquidity may impact the Indian economy and financial markets.

However, a decline in India's foreign exchange reserves could result in reduced liquidity and higher interest rates in the Indian economy. There can be no assurance that India's foreign exchange reserves will not decrease in the future. An increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect the Bank's business, its future financial performance and the trading price of the Equity Shares.

If current account and trade deficits increase or are no longer manageable because of factors impacting the trade deficit like a significant rise in global crude oil prices or otherwise, the Indian economy, and therefore our business, results of operations and financial condition and the prices of our equity shares could be adversely affected. Any reduction of or increase in the volatility of capital flows may impact the Indian economy and financial markets and increase the complexity and uncertainty in monetary policy decisions in India, leading to volatility in inflation and interest rates in India, which could also adversely impact our business, results of operations and financial condition, our stockholders' equity, and the prices of our equity shares.

Further, any increased intervention in the foreign exchange market or other measures by the RBI to control the volatility of the exchange rate, may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy. For instance, following the depreciation of the rupee between August 2018 and October 2018, the RBI implemented several measures including, intervention in the foreign exchange market, which resulted in a temporary decline in foreign exchange reserves. Prolonged periods of volatility in exchange rates, reduced liquidity and high interest rates could adversely affect our business, results of operations and financial condition and the prices of our equity shares.

71 Any volatility in the exchange rate and increased intervention by the Reserve Bank of India in the foreign exchange market may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact the Bank.

The direct adverse impact of the global financial crisis on India was felt in the form of reversal of capital inflows and decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee compared to the U.S. dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect the Bank's business, its future financial performance and the price of the Equity Shares. Further, increased volatility in capital flows may also complicate monetary policy, leading to volatility in inflation and interest rates in India, which could adversely impact the Bank's business.

72 Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain.

Our standalone and consolidated financial statements as of, and for the years ended, March 31, 2019, 2020 and 2021, have been prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or IFRS, on the financial data included in this Placement Document, nor have we provided a reconciliation of our financial statements to those prepared pursuant to U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in several respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Placement Document.

In addition, there may be less publicly available information about Indian body corporates, such as the Bank, than is regularly made available by body corporates/ public companies in such other countries. Body corporates in India, including the Bank, have been required to prepare financial statements under Ind AS according to the implementation roadmap drawn up by the Indian Ministry of Corporate Affairs. The Bank may be adversely affected by this transition.

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies.

This roadmap requires all financial institutions (including the Bank) 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 and thereafter. However, the RBI through a circular dated March 22, 2019 has deferred the implementation of Ind AS for scheduled commercial banks, insurers, insurance companies and non-banking financial companies until further notice. The RBI through a circular dated February 11, 2016 required banks to submit proforma Ind AS financial statements to the RBI from the half-year ended September 30, 2016. In addition, banks are required to disclose in the annual report, the strategy for Ind AS implementation, including the progress made in this regard. 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 are adequately knowledgeable with 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 adversely affect business, results of operations and financial condition.

73 The Indian tax regime is currently undergoing substantial changes which could adversely affect the Bank's business and the trading price of the Equity Shares.

The goods and service tax ("GST") that was implemented with effect from July 1, 2017 seeks to combine taxes and levies by the GoI and state governments into a unified rate structure, and replace indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that are currently being collected by the GoI and state governments. GST is expected to increase tax incidence and administrative compliance for banks. Due to the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Further, the tax rate for goods and service tax under the GST regime is higher than the service tax rate previously applicable, affecting our profitability to some extent. Additionally, since the GST is a newly implemented legislation, it is subject to various challenges, which may require issue of clarifications from time to time by the relevant authorities. We cannot assure you that pending receipt of such clarification, our business, financial condition and results of operation may not be adversely affected.

The goods and service tax ("GST") that was implemented with effect from July 1, 2017 seeks to combine taxes and levies by the GoI and state governments into a unified rate structure, and replace indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that are currently being collected by the GoI and state governments. GST is expected to increase tax incidence and administrative compliance for banks. Due to the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Further, the tax rate for goods and service tax under the GST regime is higher than the service tax rate previously applicable, affecting our profitability to some extent. Additionally, since the GST is a newly implemented legislation, it is subject to various challenges, which may require issue of clarifications from time to time by the relevant authorities. We cannot assure you that pending receipt of such clarification, our business, financial condition and results of operation may not be adversely affected.

As regards to the General Anti Avoidance Rules ("GAAR"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (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, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on the banking system cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

74 Our business is substantially affected by prevailing economic, political and others prevailing conditions in India

Substantially all our business, assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy include:

- global slowdown of the financial market and economies contributing to weakness in the Indian financial and economic environment;
- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- regulatory changes in the banking sector in India;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India 's various neighbouring countries;
- occurrence of natural or man-made disasters;
- global health crises and pandemics like the Covid-19 pandemic;
- prevailing regional or global economic conditions;
- delinquent loans and low credit growth, deterioration in asset quality resulting in an adverse effect on the Indian economy;
- increased volatility of commodity prices;
- financial difficulties faced by certain financial institutions / intermediaries such as clearing agencies, banks, securities firms and exchanges;
- increase in India's trade deficit;
- downgrading of rating of India, the Indian banking sector rating agencies; and
- other significant regulatory or economic developments in or affecting India or its banking sector.

An adverse impact on the Indian economy due to any of the above-mentioned factors, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

Risks Relating to the Issue and the Equity Shares

75 After this Issue, the price of the Equity Shares may be volatile

The Issue Price will be determined by our Bank in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

The Issue Price will be determined by our Bank in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;

- our Bank's profitability and performance;
- perceptions about our Bank's future performance or the performance of Indian banks in general;
- the performance of our Bank's competitors and the perception in the market about investments in the banking sector;
- adverse media reports about our Bank or the Indian banking sector;
- a comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Bank's performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- regulatory changes in the Indian banking sector;
- inclusion or exclusion of our Bank in indices;
- significant developments in India's fiscal and environmental regulations;
- any other political or economic factors;
- performance of the Subsidiaries; and
- COVID–19 related measures undertaken by the Government of India.

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

76 The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by the Bank in accordance with applicable prevailing regulations. This price will be determined based on applicable law and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

77 The trading price of the Bank's Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The trading price of the Bank's Equity Shares may fluctuate after the Issue due to a variety of factors, including the Bank's results of operations and the performance of the Bank's business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, economic liberalisation, deregulation policies and procedures or programs applicable to the Bank's business, adverse media reports on the Bank, volatility in the Indian and global securities market, performance of the Bank's competitors, the Indian real estate industry and the perception in the market about investments in the real estate industry, changes in the estimates of the Bank's performance or recommendations by financial analysts and announcements by us or others regarding new projects, strategic partnerships, joint ventures, or capital commitments adverse media reports about us or the Indian financial sector or significant developments in India's fiscal and environmental regulations. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Bank's Equity Shares could decline for reasons unrelated to the Bank's business, financial condition or operating results. The trading price of the Bank's Equity Shares might also decline in reaction to events that affect other companies in the Bank's industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of the Bank's Equity Shares.

78 Currency exchange rate fluctuations may affect the value of the Equity Shares.

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Bank's Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Bank's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Bank's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Bank's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Bank's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Bank's financial condition and results of operations.

79 Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 275. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "*Transfer Restrictions*" on page 284. You are required to inform yourself about and observe these restrictions. Our representatives, the Bank's agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemptions. 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 an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of the Bank's 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 will be exempt from taxation in India in cases where the exemption from taxation in India 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 a gain upon the sale of Equity Shares.

81 Foreign investors are subject to certain restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and is subject to either the security having been sold in compliance with the pricing guidelines or the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

Our Bank cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in, or is a citizen of, a country which shares one or more land border(s) with India, can only be made through the Government approval route, as prescribed in the Foreign Direct Investment ("FDI") policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot guarantee that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, if at all. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and prospects.

82 Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller and may be more volatile than securities markets in more developed economies. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the U.S. and Europe. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities.

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. Following the outbreak of Covid-19 pandemic in early 2020, the benchmark S&P BSE Sensex declined sharply during the three months ended March 31, 2020 by 28.6%, from 41,254 level at December 31, 2019 to 29,468 at March 31, 2020. During this period, several listed securities were impacted, including us. The index has subsequently recovered. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. A closure of, or trading stoppage on, either the BSE or the NSE could adversely affect the trading price of the Equity Shares.

83 Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investor's demat account with the depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Bank, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. The Bank may complete the Allotment of the Equity Shares even if such events may limit the investors' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

84 A third party could be prevented from acquiring control over us because of the anti-takeover provisions under Indian law and the provisions of the Banking Companies Act

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Bank even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over an entity, whether individually or acting in concert with others. Further, under the Banking Companies Act and the Banking Regulations Act, any investment in a nationalized bank exceeding the prescribed limits is subject to regulatory approval. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Bank. Consequently, even if a potential takeover of our Bank would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the laws / guidelines applicable to the Bank.

85 An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. The Bank cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of QIBs such as VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

86 There may not be an active or liquid market for the Bank's Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including, the Bank's financial results and the financial results of the companies in the businesses the Bank operates in; the history of, and the prospects for, the Bank's business and the sectors in which the Bank competes; the valuation of publicly traded companies that are engaged in business activities similar to us; and significant developments in India's economic liberalization and deregulation policies.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. The Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of the Bank's Equity Shares might also decline in reaction to events that affect other companies in the Bank's industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of the Bank's Equity Shares. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of the Bank's operating performance or prospects and may limit your ability to sell the Equity Shares.

87 There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Bank's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Bank's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

88 Any future issuance of Equity Shares could dilute the holdings of investors and could adversely affect the market price of the Equity Shares

Our Bank may be required to finance our future growth through additional equity offerings. Any future issuance of Equity Shares by our Bank could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Bank's ability to raise additional capital through the sale of our Bank's equity securities in the future. Our Bank cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares.

89 Investors will be subject to market risks until the Equity Shares credited to the investors' demat account are listed and permitted to trade.

Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investors' demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when Equity Shares Allotted are listed and permitted to trade. Further, there can be no assurance that the Equity Shares Allotted to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

90 The individual investment limit and aggregate foreign investment limit for registered FPIs in our Bank is currently 10.00% and 20.00%, respectively, of the total paid-up equity share capital of our Bank

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by the RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, from time to time. Under the current FDI Policy (effective October 15, 2020), investment in public sector banks up to 20.00% is permitted under the government approval route. In terms of the SEBI (Foreign Portfolio Investors) Regulations, 2019, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities registered as foreign portfolio investors having common ownership directly or indirectly of more than 50.00% or common control) must be below 10.00% of our Bank's post-Issue paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA Rules, the total holding by each FPI, or an investor group, shall be below 10.00% of the total paid-up equity share capital, on a fully diluted basis, of our Bank, and the total holdings of all FPIs put together can be up to 20.00% of the paid-up equity share capital of our Bank, which is the sectoral cap applicable to our Bank.

As per the SEBI (Foreign Portfolio Investors) Regulations, 2019 and the relevant circulars issued thereunder, the above investment restrictions shall also apply to subscribers of P-Equity Shares. Two or more subscribers of P-Equity Shares having a common beneficial owner shall be considered together as a single subscriber of the P-Equity Shares. In the event an investor has investments as an FPI and as a subscriber of P-Equity Shares, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments in our Bank

91 Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a bank in another jurisdiction. Shareholders' rights including in relation to class actions, 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 shareholder in an Indian bank than as shareholder of a corporation in another jurisdiction.

92 Any trading closures at BSE and NSE may adversely affect the trading price of our Bank's Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

93 If we are a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. Investors.

A foreign corporation will be a "passive foreign investment company" ("**PFIC**") for U.S. federal income tax purposes in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends and gains from non-dealer securities and transactions. However, under certain proposed U.S. Treasury regulations, gross income derived from the active conduct of certain banking activities is treated as non-passive income. In determining the value and composition of the Bank's assets, cash is generally considered to be held for the production of passive income and thus is considered a passive asset. There is a significant risk that the Bank was a PFIC in its most recent taxable year even under the proposed U.S. Treasury regulations described above, and based on estimates of the Bank's income and assets and expectations of active banking activity, there is a significant risk that the Bank may be a PFIC for the current taxable year. Because the Bank's possible status as a PFIC must be determined annually and, as the composition of the Bank's income and assets will vary over time, there can be no assurance that the Bank will not be a PFIC for any year in which a U.S. Holder holds Equity Shares. If the Bank was a PFIC for any taxable year during which a U.S. Holder (as defined in "*United States Federal Income Tax Considerations*" on page 308) holds Equity Shares, the U.S. Holder may be subject to adverse tax consequences regardless of whether the Bank continues to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements. For further discussion of the PFIC rules and the adverse U.S. income tax consequences in the event the Bank is classified as a PFIC, see the section "*United States Federal Income Tax Considerations*" on page 308. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on BSE and NSE. As of the date of the Preliminary Placement Document 3,69,80,94,204 Equity Shares of our Bank are issued, subscribed and fully paid up.

On August 24, 2021, the closing price of Equity Shares on BSE and NSE was ₹ 63.60 and ₹ 63.50 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019:

BSE

Financial Year ended March 31,	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ million)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ million)	Average price for the year (₹)[(2)]
2019	115.80	April 09, 2018	1,140,115	130.90	74.55	October 26, 2018	711,961	53.35	92.81
2020	105.55	April 02, 2019	1,032,707	109.41	31.80	March 24, 2020	186,520	5.96	71.97
2021	93.10	February 18, 2021	4,026,492	371.22	31.35	May 19, 2020	1,326,972	41.99	48.62

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) Average price for the year represents the average of daily closing prices on each day of each year

NSE

Financial Year ended March 31,	High (₹)	Date of high[(1)]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ millions)	Low (₹)	Date of low[(1)]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ millions)	Average price for the year (₹)[(2)]
2019	116.05	April 09, 2018	15,258,877	1,751.496	74.55	October 26, 2018	5,300,359	396.97	92.83
2020	105.60	April 02, 2019	11,545,420	1,223.608	31.75	March 24, 2020	1,182,402	37.73	71.99
2021	93.15	February 18, 2021	45,153,208	4,163.082	31.35	May 19, 2020	2,671,342	84.66	48.63

(Source: www.nseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2) Average price for the year represents the average of daily closing prices on each day of each month.

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on BSE and NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ million)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ million)	Average price for the month (₹)[1]
February 2021	93.10	February 18, 2021	4,026,492	371.22	53.40	February 01, 2021	1,655,032	85.98	69.65
March 2021	81.60	March 08, 2021	2,161,929	179.26	65.25	March 18, 2021	816,421	54.73	73.79
April 2021	74.45	April 09, 2021	1,800,910	131.84	61.70	April 20, 2021	760,548	49.00	67.42
May 2021	78.90	May 24, 2021	563,516	44.59	65.55	May 03, 2021	349,337	22.84	73.57
June 2021	84.65	June 07, 2021	1,220,094	101.95	75.25	June 18, 2021	1,106,834	83.38	79.20
July 2021	77.65	July 01, 2021	213,004	16.65	69.90	July 28, 2021	184,433	12.94	74.40

(Source: www.bseindia.com)

Notes:
(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2) Average price for the month represents the average of daily closing prices on each day of each month.

NSE

Month ended	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity shares traded on the date of high (₹ million)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity shares traded on the date of low (₹ million)	Average price for the month (₹)[1]
February 2021	93.15	February 18, 2021	45,153,208	4,163.08	53.40	February 02, 2021	11,979,786	639.26	69.70

March 2021	81.55	March 08, 2021	14,980,157	1,241.62	65.30	March 18, 2021	5,656,035	380.30	73.77
April 2021	74.50	April 09, 2021	26,856,958	1,968.09	64.15	April 22, 2021	4,740,342	303.98	67.57
May 2021	78.85	May 24, 2021	8,330,642	659.14	65.55	May 03, 2021	3,219,945	210.78	73.58
June 2021	84.60	June 07, 2021	19,082,021	1,596.50	75.25	June 18, 2021	4,973,255	375.42	79.21
July 2021	77.65	July 01, 2021	2,461,643	192.29	69.90	July 28, 2021	1,878,525	131.72	74.40

(Source: www.nseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2) Average price for the month represents the average of daily closing prices on each day of each month.

(i) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 on the Stock Exchanges:

Financial Year ended	**Number of Equity Shares Traded**		**Turnover (In ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
March 31, 2019	225,205,069	2,340,377,615	20,918.55	219,315.48
March 31, 2020	178,669,986	1,655,802,345	13,283.38	126,775.31
March 31, 2021	222,982,888	1,530,065,258	11,509.07	90,126.74

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

(ii) The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months:

Period	**Number of Equity Shares Traded**		**Turnover (In ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
February 2021	41,632,014	492,340,917	3,177.25	37,620.39
March 2021	14,393,100	135,167,259	1,091.89	10,177.24
April 2021	13,988,562	146,804,751	955.95	10,120.15
May 2021	17,729,900	211,722,864	1,333.29	15,872.82
June 2021	19,136,287	192,499,149	1,540.08	15,540.60
July 2021	4,729,896	45,810,676	354.84	3,418.24

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

(iii) The following table sets forth the market price on BSE and NSE on May 3, 2021, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	**Open (₹)**	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹ million)**

BSE	66.35	66.35	65.00	65.55	349,337	22.84
NSE	65.00	66.35	64.60	65.55	3,219,945	210.78

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

USE OF PROCEEDS

The gross proceeds from the Issue are aggregating to approximately ₹25,500.13 million. Subject to compliance with applicable laws and regulations, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue from the aggregate proceeds of the Issue, are approximately ₹25,302.70 million ("**Net Proceeds**").

Subject to compliance with applicable laws and regulations, our Bank intends to utilize the Net Proceeds to enhance its capital adequacy, in accordance with regulatory requirements and towards augmenting our Bank's Tier I Capital to support anticipated growth in Risk Weighted Assets and other plans and strategies approved by our Board or its duly constituted committee.

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

None of our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization (on a consolidated basis) on an actual basis as at June 30, 2021, which has been extracted from our Reviewed Financial Statements, and as adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 107 and 319, respectively.

(In ₹ billions)

Particulars	Pre-Issue (as at June 30, 2021	Post-Issue as adjusted
Current borrowing:		
Secured	-	-
Unsecured	-	-
Non-current borrowing (including current maturities of long-term debt):		
Secured	-	-
Unsecured	300.34	300.34
Total borrowing (a)	**300.34**	**300.34**
Shareholders' funds:		
Share capital	36.99	41.04
Securities premium	146.99	168.44
Reserves and surplus (excluding securities premium)	324.45	324.45
Non-controlling Interest	1.53	1.53
Shareholders funds (excluding borrowings) (b)	**509.96**	**535.46**
Total capitalization (a + b)	**810.30**	**835.80**
Current Borrowing / Shareholders Funds	-	-
Total Borrowing / Shareholders Funds	0.59	0.56

Note:

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

(2) All Bank borrowings have been classified under Non-Current Borrowings

DIVIDEND POLICY

The RBI has laid down certain guidelines on the declaration of dividends by banks pursuant to RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 on declaration of dividends by banks ("**RBI Dividend Circular**"). Our Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard.

For eligibility criteria for declaration of dividend in terms of the RBI Dividend Circular, see "*Regulations and Policies*" and "*Description of the Equity Shares - Declaration of Dividend*" on pages 243 and 294, respectively. For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Taxation*" on page 295.

Further, 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, Section 17(1) of the Banking Regulation Act requires every banking company to create a reserve fund and, transfer out of the balance of profit of each year as disclosed in the profit and loss account, a sum equivalent to not less than 20% of such profit to the reserve fund before declaring any dividend.

Our Bank has not declared any dividends on Equity Shares for Fiscal 2019 and Fiscal 2020. Vide a circular DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 read with circular DOR.BP.BC.No.29/21.02.067/2020-21 dated December 4, 2020, the Reserve Bank of India has directed that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020 in order to conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by COVID-19. Accordingly, our Bank has not declared any dividend for Fiscal 2020. Further, vide a circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, RBI partially modified the instructions contained in RBI Dividend Circular, allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in the RBI Dividend Circular. Our Bank has not declared any dividends on Equity Shares during the Fiscal 2021. Further, our Bank has not declared any interim dividend from April 1, 2021 till the date of this Placement Document.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of the Bank and the Group is based on or derived from the Audited Financial Statements and accompanying notes as of and for the years ending March 31, 2019, 2020 and 2021 and the Bank's Reviewed Financial Results as of and for the three months ended June 30, 2021 (including the comparative financial information with respect to the three months ended June 30, 2020). This discussion should be read together with the sections "Selected Financial Information", "Selected Statistical Information" and "Financial Statements".

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12-month period ended on March 31 of that year. Further, all information regarding cost, yield and average balances are based on daily average of balances outstanding during the relevant period

We prepare our financial statementsin accordance with the requirements prescribed under the Third Schedule of the Banking Regulation Act, in accordance with prevailing practices within the banking industry in India and Indian GAAP, which differs in some respects from IFRS. Our Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time. In accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis, and financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual results to differ materially from those anticipated in these forward-looking statements, including those set forth under the section titled "Forward-Looking Statements". Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under "Risk Factors" and elsewhere in this Placement Document.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes statistics derived from various government publications and industry sources.

Unless otherwise stated, references to "the Bank" or "our Bank", are to Bank of India on a standalone basis and references to "we", "us", "our", "Group" are to Bank of India on a consolidated basis

Overview

We were incorporated in 1906 and operated as a private bank until nationalization in 1969. As on June 30, 2021, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. We cater to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to our banking operations, we provide other financial services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of the date of this Placement Document, the Government of India ("**GoI**") owned 90.34% of the Bank and exercises control over the Bank's management and operations.

As of June 30, 2021, the Bank had around 102 million customers, reflecting our large customer base. The Bank's operations covered 28 States and eight Union Territories across India, with 5,084 branches across India, 5,426 ATMs (including 3,081 offsite and 2,345 onsite ATMs). The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. Our Bank also has internet, mobile banking and doorstep banking solutions. As of June 30, 2021, our Bank had approximately 7.60 million internet banking users and 4.70 million mobile banking users.

We have over the past century expanded our presence in India and globally. We commenced international operations, through our branch in London in 1946 and our branch in Paris in 1974 and have since developed our international presence significantly. As of June 30, 2021, the Bank operated in 19 countries, through 23 branches and one representative office, including branches in Dubai, Hong Kong, London, New York, Singapore, and

Tokyo. We have also set-up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of June 30, 2021. Operating profits of foreign branches accounted for 6.00% of the Bank's global operating profits in the three months ended June 30, 2021. The Bank's foreign business makes up 24.80% of the Bank's global net profits.

The Bank leverages technology to identify opportunities and deliver products and services. For instance, the Bank has recently launched 'BOI Seva', a virtual digital assistant for better customer service and has launched the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has migrated all its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. The Bank launched its mobile banking application in August 2018, and revamped its website that was launched in December 2018 with device agnostic features for easy access on multiple devices. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also GoI supported UPI / BHIM, Bharat QR and Aadhaar Pay facilities.

The Bank intends to undertake further initiatives to facilitate digital and alternate delivery channels. For further information, see "—*Technology*" on page 219. The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

Our principal banking operational units include:

- ***Corporate Banking***. Our corporate banking operations include fund based and non-fund-based products, of which the fund-based products consist of term loans, and non-fund-based includes export finance, bullion banking, drawee bill financing, and extending foreign currency swing limits. We also offer trade loans, bridge financing and project finance and syndication services. Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of our Bank's total advances, our Bank's advances in the corporate banking segment accounted for 41.72%, 45.09%, 41.88% and 42.14% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***Retail Banking***. Our retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Our retail banking also includes retail hubs / business centres, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. As a percentage of our Bank's total advances, our Bank's advances in the retail banking segment accounted for 14.76 %, 14.61%, 16.58% and 16.43% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***MSME Banking***. Our MSME banking operations include loans to enterprises engaged in manufacturing and service activities in the form of investment as well as working capital. We also consider other criteria including cost of project/ relevant sector, while allocating the account under large, mid or SME verticals. As a percentage of our Bank's total advances, our Bank's advances in the MSME banking segment accounted for 14.26 %, 13.47%, 15.45% and 15.30% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***Agricultural Banking***. Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. The Bank has also set-up dedicated 84 Star Krishi Vikas Kendra ("**SKVKs**") specialized to build its agricultural banking portfolio especially in investment credit. These branches are specialized in technology linked agriculture projects and large volume agriculture businesses. As a percentage of our Bank's total advances, our Bank's advances in the agricultural banking segment accounted for 14.97 %, 12.70%, 14.38% and 14.30% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***International Banking.*** Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches, Joint Venture and representative office. As a percentage of our Bank's total advances, our Bank's advances in the international banking segment accounted for 14.29%, 14.13%, 11.71% and 11.83% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***Other Services.*** In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments such as collection of taxes, stamp duty collection, and pension disbursements. We also provide certain non-banking services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

The Bank is the largest constituent part of the Group by total assets and net profit, representing 99.05% of the consolidated Group's total assets as of March 31, 2021 and 104% of consolidated net profit for fiscal year 2021. The Group includes the Bank, its life insurance Joint Venture, four banking subsidiaries operating outside of India, and six associates. The Bank also conducts operations internationally, both through branches supervised by its International Banking Group and through its Subsidiaries and Joint Venture outside India.

As of March 31, 2021, the Group's consolidated deposits, advances and total assets were ₹6,290.98 billion, ₹3,676.67 billion and ₹7,327.90 billion, respectively. For fiscal year 2021, the Group's consolidated net profit amounted to ₹20.83 billion, an increase of ₹51.34 billion, or 168%, from fiscal year 2020.

As of March 31, 2021, the Bank's standalone deposits, advances and total assets were ₹6,271.14 billion, ₹3,656.87 billion and ₹7,258.56 billion, respectively. For fiscal year 2021, the Bank's standalone net profit amounted to ₹21.60 billion, an increase of ₹51.17 billion, or 173%, from fiscal year 2020.

As of June 30, 2021, the Bank's standalone deposits, advances and total assets were ₹6,233.86 billion, ₹3,706.07 billion and ₹7,205.12 billion, respectively. For the three months ended June 30, 2021, the Bank's standalone net profit amounted to ₹7.20 billion, a decrease of ₹1.24 billion, or 14.65%, from the three months ended June 30, 2020.

Factors Affecting Results of Operations and Financial Condition

The Group'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 the Group, including its ability to expand its deposit base, the quality of its assets, the level of credit disbursed by the Group, the value of its asset portfolio and its ability to implement its strategy.

The impact of the COVID-19 pandemic

The outbreak of COVID-19 (or any other severe communicable disease) has the potential to materially and adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. COVID-19 was recognized as a pandemic by the World Health Organization on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on domestic and international travel and business operations and advising or requiring individuals to limit their time outside of their homes.

In India, the Government initiated a nation-wide lockdown from March 24, 2020 for three weeks, which was extended to May 31, 2020 in three phases. Further, a second wave of COVID-19 infections in India has resulted in the re-imposition of strict precautionary measures in various cities across India since April 2021. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effectiveness of the countermeasures, the timing of how long the COVID-19 pandemic will last in general and the post-pandemic path to economic recovery are still uncertain. Accordingly, the full impact from the severe disruptions caused by the effective shutdown of large segments of the Indian and global economies remain unknown and no prediction can be made of when any of the restrictions still in place will be relaxed or expire, or whether or if further restrictions will be announced.

The COVID-19 pandemic has fundamentally altered the setting and conduct of monetary policy across the world. The International Monetary Fund projects global public debt in 2020 at over 100% of gross domestic product.

(*Source: Reserve Bank of India, Monetary Policy Report October 2020*) Global growth is projected at 5.5% in 2021, and at 4.2% in 2022. The global growth contraction for 2020 is estimated at -3.5%, 0.9% point higher than projected in the previous forecast (reflecting stronger than expected momentum). The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis. (*Source: International Monetary Fund, World Economic Outlook, January 2021*)

India's inflation dynamics were favourable over the last three years. The consumer price index ("CPI") inflation increased from 3.4% in Fiscal 2019 to 4.8% in Fiscal 2020 and further increased to 6.2% in Fiscal 2021. (*Source: RBI Annual Report 2020-21*) The CPI (general) (combined) for the month of April 2021 was 4.29% according to the Ministry of Statistics and Programme Implementation (*Source: Press Release on Consumer Price Index Numbers on Base 2012=100 for Rural, Urban crud Combined for the month of April 2021, National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India dated May 12, 2021*). The RBI in its Survey of Professional Forecasters has assigned the highest probability to real GDP growth lying between 9.5-9.9% in 2021-22 followed by the range 10.0-10.4%. For 2022-23, highest probability has been assigned to the range 6.0- 6.4%. Inflation projection is placed at 5.1%. (*Source: RBI Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 70th Round, June 4, 2021*)

In India, real GDP contracted by 8.0% in 2020-21, according to the National Statistical Office's ("NSO") second advance estimates ("SAE"), although some slack can be attributed to on-budgeting of past subsidy payments in the fourth quarter of Fiscal 2021 (January-March 2021). The recovery in the second half of 2020-21 was on the back of a revival in government expenditure and fixed investment and easing of the contraction in private consumption. Quarter-on-quarter seasonally adjusted annualised ("qoq-SAAR") growth rates, however, moderated in the third and fourth quarters suggesting some flattening of momentum. GDP at constant (2011-12) prices in Fiscal 2021 is now estimated to attain a level of ₹13,513,000 billion, as against the First Revised Estimate of GDP for Fiscal 2020 of ₹14,569,000 billion, released on January 29, 2021. The growth in GDP during Fiscal 2021 is estimated at negative 7.3% as compared to 4.0% in Fiscal 2020. GDP at Current Prices in Fiscal 2021 is estimated to attain a level of ₹19,746,000 billion, as against the First Revised Estimates of ₹ 20,351,000 billion in Fiscal 2020, showing a change of negative 3.0% as compared to 7.8% in Fiscal 2020. GDP at constant (2011-12) prices in the fourth quarter of Fiscal 2021 is estimated at ₹ 3,896,000 billion, as against ₹ 3,833,000 billion in the fourth quarter of 2019-20, showing a growth of 1.6%. (*Source: Press Note on Provisional Estimates of Annual National Income 2020-21 and Quarterly Estimates of Gross Domestic Product for the Fourth Quarter (Q4) of 2020-21, National Statistical Office, Ministry of Statistics & Programme Implementation, Government of India dated May 31, 2021*). The outlook on growth has improved significantly, with positive growth impulses becoming more broad-based, and the rollout of the vaccination programme in the country auguring well for the end of the pandemic. The Union Budget 2021-22 has provided a strong impetus for revival of sectors such as health and well-being, infrastructure, innovation and research, among others. The projected increase in capital expenditure augurs well for capacity creation and crowding in private investment, thereby improving the prospects for growth and building credibility around the quality of expenditure. (*Source: RBI Monetary Policy Statement, February 05, 2021*). Based on budget estimates, the fiscal deficit is expected to be ₹ 15,068.12 billion in Fiscal 2022. Disinvestment receipts amounted to ₹ 503.04 million (actuals) in Fiscal 2020 and are expected to amount to ₹ 320.00 million, based on revised estimates, in Fiscal 2021. Based on budget estimates, disinvestment receipts are expected to be ₹ 1,750 billion in Fiscal 2022. (*Source: Union Budget 2021-22, Budget at a Glance*)

The scope and nature of impacts from COVID-19, most of which are beyond our control, continue to evolve, and the outcome is uncertain. The extent to which the COVID-19 pandemic impacts our business, cash flows, results of operations and financial condition will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact, whether government-mandated or voluntarily implemented by our bank. There is currently substantial medical uncertainty regarding the COVID-19 pandemic. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely may cause unprecedented economic disruption in India and the rest of the world.

See, "*Our Business – Recent developments - Impact of COVID-19*" on page 197 for a discussion of the significant areas where we have seen an impact of the COVID-19 pandemic on our business and our approach on these areas going forward and "*Risk Factors – The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect the Bank's business, the quality of the Bank's portfolio of assets and liabilities and the Bank's financial performance*" on page 52 for risks of the COVID-19 pandemic on our operations and financial condition. To the extent the COVID-19 pandemic does adversely affect our business, financial condition or results of operations, it may also have the effect of heightening many of the factors listed in the section "*Risk Factors*".

Economic conditions

Global environment

Macroeconomic policy stability, gross domestic product ("GDP") growth, inflation and interest rates are macroeconomic variables that most directly affect our performance. The rate of growth of activity in the Indian economy, reflected in the measure of GDP growth, is a fundamental driver of our banking business. India's GDP grew by 6.5% in Fiscal 2019, 4.0% in Fiscal 2020, and expected to contract by 8.0% in Fiscal 2021 (*Source: Reserve Bank of India - Annual Report (rbi.org.in)*). In light of the increasing linkage of the Indian economy to other global economies, the Indian economy will be increasingly influenced by economic and market conditions in other countries. As a result, a recession in the United States and other countries in the developed world and a slowdown in economic growth in major emerging markets like China could have an adverse impact on economic growth in India. A slowdown in the pace of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults among corporate, retail and rural borrowers, which could adversely impact our business.

Growth environment

As a bank with significant operations in India, our financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. As per the provisional estimates of annual national income, the real growth of the economy was -8.0% in Fiscal 2021, as compared to 4.0% in Fiscal 2020. The Indian economy has grown somewhat in Fiscal 2022, and real GDP growth for Fiscal 2022 has been revised to 9.5% in the first bi-monthly monetary policy statement of the RBI to an estimate of 7.9% in the second quarter of Fiscal 2022 and an estimate of 7.2% for the first half of Fiscal 2022 with risks evenly balanced. GDP growth for the first quarter of Fiscal 2022 has also been revised to 18.5%. These estimates are mainly attributed to a cautionary view of economic growth due to the continuation of the COVID-19 pandemic and existing downside risks, notwithstanding efforts at vaccination and strong rural demand.

The current economic environment appears stable but without any immediate signs of the economy achieving better than modest growth. Standard and Poor's, Moody's Investors Services Limited ("Moody's") and Fitch Ratings, Inc. may lower their sovereign ratings for India or the outlook on such ratings, which would also impact our own ratings.

Strong economic growth tends to positively impact the Bank's results of operations, since it can cause businesses to plan and invest more confidently, in turn driving stronger demand for bank credit as well as other banking products and services that the Bank offers. Stronger economic growth also generally increases the interest income that the Bank is able to generate from the loans it offers and tends to improve the overall creditworthiness of the Bank's customers.

Inflation

Economic growth in India is also influenced by inflation. The level of inflation may limit monetary easing or cause monetary tightening by the RBI. In periods of high rates of inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our results of operations. Inflation may also have a bearing on the overall interest rates which may adversely affect our net interest income. For further information, see "*Risk Factors – Risks Relating to India – Our business is substantially affected by prevailing economic, political and other prevailing conditions in India*" on page 92.

Fiscal policy

The fiscal deficit for Fiscal 2021 was budgeted at 9.5% of GDP. Fiscal deficit and revenue deficit were budgeted at 3.5% and 2.7% of GDP, respectively in Fiscal 2021.

Government policies and regulations

The Indian banking industry is regulated by the RBI and operates within a framework that provides guidelines on capital adequacy, corporate governance, management, anti-money laundering and provisioning for NPAs. In addition, RBI's framework stipulates required levels of lending to "priority sectors," such as agriculture, which exposes the Bank to higher levels of risk than it otherwise might face. The RBI can alter any of these policies at any time and can introduce new regulations to control any particular line of business. See "*Regulations and Policies — The RBI and its Regulations*" on page 243.

Key recent regulatory developments that may affect our results of operations include:

- The RBI's circular dated March 22, 2019 deferring the implementation of Indian Accounting Standards ("Ind AS"), which largely conforms the Indian accounting standards to International Financial Reporting Standards, for banks, previously proposed to be effective from April 1, 2019, until further notice. See "*Risk Factors – Indian accounting principles differ from those which prospective investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 90.

- On August 30, 2019, the GoI announced the merger of six public sector banks with four better performing public sector banks in order to streamline their operation and size. Two banks were amalgamated to strengthen national presence while four were amalgamated to strengthen regional focuses.

- The statutory liquidity ratio was reduced by 100 basis points from 19.25% of net demand and time liabilities for the fortnight of January 5, 2019 to 18.25% for the fortnight of January 4, 2020. RBI further reduced the SLR by 25 basis points to 18.00% effective from fortnight April 4, 2020. However, Bank's SLR holding under held-to-maturity category as of June 30, 2021 was 22.98% of net demand and time liabilities.

- With the aim of building adequate reserves to protect against sudden increase in yields, the RBI advised banks to create an Investment Fluctuation Reserve from Fiscal 2019. A minimum amount equal to either the net profit on sale of investments during the year or net profit for the year excluding mandatory appropriations, whichever is lower, would have to be transferred to the Investment Fluctuation Reserve. The amount in the Investment Fluctuation Reserve should cover at least 2.0% of the held-for-trading and available-for-sale portfolio, on a continuing basis. The Investment Fluctuation Reserve would be eligible for inclusion in tier 2 capital. In case the balance in the Investment Fluctuation Reserve is in excess of the minimum requirement of 2.0% of the held-for-trading and available-for-sale portfolio, banks can drawdown the excess amount at the end of the accounting year.

- The Insolvency and Bankruptcy (Amendment) Act, 2019 has provided a mechanism to creditors wherein it has been stipulated that the corporate insolvency resolution process has to be mandatorily completed within 330 days from the insolvency commencement date, including the time taken in legal proceedings in relation to such resolution process. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by NCLT; (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited. The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then sanctioned by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor.

Asset Quality

The quality of our portfolio of loan assets, in other words, the likelihood that our loans will be repaid in full and on time, is a fundamental driver of our financial performance. We use a range of tools to monitor and account for the effect of loans that may not be repaid. In accordance with RBI guidelines, loans are classified as either performing or non-performing, and become NPAs where:

- In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;

- In respect of overdraft or cash credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period;

- In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;

- In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

Under the RBI guidelines, NPAs are further classified into “Sub-Standard”, “Doubtful” and “Loss” assets based on the age of arrears and whether actual loss has been identified.

Our primary measure of asset quality is our NPA ratio, which is the value of NPAs as a percentage of our total loans. We measure the NPA ratio on a gross basis and on a net basis as a percentage of total loans. As of March 31, 2019, 2020, and 2021, and June 30, 2021, our Bank’s gross NPA ratio was 15.84%, 14.78%, 13.77% and 13.51%, respectively, and our Bank’s net NPA ratio was 5.61%, 3.88%, 3.35% and 3.35%, respectively.

Our NPA levels have been high in recent years due to a range of factors, including stress in a number of highly leveraged sectors of the Indian economy, including non-banking financial services, roads and power sectors. In addition, in recent years, RBI guidance has imposed greater focus and stricter standards on identifying and disclosing NPAs. Our NPA levels directly affect our profitability, primarily through the provisions that we are required to recognize to account for the estimated losses we expect to incur on those loan assets. These provisions are recorded on our profit and loss account for the period in which they are incurred, reducing our profit. The RBI requires banks to apply minimum provisioning requirements across their portfolio of NPAs, which consider the classification of the NPA and whether it is secured. We comply with these guidelines, as well as any stricter requirements in the foreign jurisdictions in which we operate. In addition, we may make additional specific provisions where we believe they are required to reflect anticipated losses.

The overall level of provisioning for NPAs is reflected in our “provisioning coverage ratio”, which is the value of the provisions we carry as a percentage of the total NPAs. The RBI guidelines require banks to disclose the provisioning coverage ratio in the notes to their financial statements. Our Bank’s net provisioning coverage ratio as of March 31, 2019, 2020, and 2021, and June 30, 2021, computed as per RBI guidelines, was 76.95%, 83.74%, 86.24% and 86.17%, respectively. See “*Risk Factors — Risks Relating to the Bank’s Business — If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations*” on page 58.

The RBI has substantially expanded its guidance relating to the identification and classification of NPAs over the last couple of years, which has resulted in an increase in the loans classified as non-performing and an increase in provisions. Nevertheless, these provisions may not be adequate to cover further increases in the amount of non-performing loans or further deterioration in our non-performing loan portfolio. In addition, the RBI’s annual supervisory process may assess higher provisions than we have made.

In addition to provisions for non-performing loans, we may also incur losses as a result of investments we make. In recent periods, increases in yields on global and domestic bonds have resulted in significant mark-to-market losses on the carrying value such assets, increasing our provisions for depreciation on investment assets.

Interest rates and allocation of funds

Interest income has historically been the most significant component of our revenue. For the three months ended June 30, 2020 and 2021, interest income was ₹102.34 billion and ₹93.21 billion, respectively, representing 85.69% and 79.68%, respectively, of our Bank’s total income. For Fiscal 2019, 2020, and 2021, interest income was ₹407.68 billion, ₹423.54 billion, and ₹405.99 billion, respectively, representing 89.74%, 86.32%, and 84.51%, respectively, of our Bank’s total income.

For the three months ended June 30, 2020 and 2021, net interest income was ₹34.81 billion and ₹31.44 billion, respectively, representing 29.15% and 26.88%, respectively, of our Bank’s total income. For Fiscal 2019, 2020, and 2021, net interest income was ₹136.58 billion, ₹152.57 billion, and ₹142.69 billion, respectively, representing 30.07%, 31.09%, and 29.70%, respectively, of our Bank’s total income. Net interest income is the difference between the total interest earned on interest-earning assets and the total interest paid on interest-bearing liabilities. Our net interest income is dependent on a number of factors including the general prevailing level of interest rates, its ability to allocate its funds to assets that provide high interest rates and its cost of funding.

Interest rates

Official interest rates as set by the RBI have a significant direct effect on our banking business because they affect our cost of funding. They also have an indirect effect as official rates flow through to the interest rates charged by commercial lenders, which can affect the profitability and financial health of existing businesses as well as levels of investment and overall economic activity. Official interest rates in India are set by the Monetary Policy Committee ("MPC") of the RBI, which has a mandate from the Government to target an inflation rate of 4.0%, with a tolerance of 2.0% higher or lower, while keeping in mind the objective of growth. The MPC generally meets bi-monthly.

Between January 2014, when the policy repo rate reached 8.00% and August 2017, when the policy repo rate was set at 6.00%, official interest rates were generally on an easing trajectory. In response to emerging inflationary pressures, the MPC raised the repo rate to 6.25% in June 2018 and raised it again in August 2018 to 6.50%. In February 2019, the MPC reduced the repo rate by 0.25% to 6.25%, in April 2019, reduced the repo rate further by 0.25% to 6.00%, and in June 2019 by 0.25% to 5.75%. The MPC further reduced the repo rate by 0.35% to 5.40% in August 2019 and by 0.25% to 5.15% in October 2019. The current stance of the MPC with respect to its future actions is neutral, with a focus on managing inflation at close to the mandated target of 4.0%, while supporting growth.

The majority of our corporate and commercial loans are priced at a floating rate based on the RBI lending rates, subject to a published minimum base rate. Indian banks generally follow the direction of interest rates set by the RBI and adjust both their deposit rates and lending rates upwards or downwards accordingly, subject to a published minimum base rate. Decreases in the RBI policy rates would signal Indian banks to re-examine their base rate and lending rates and could affect net interest income despite supporting loan growth and NPA reduction. Conversely, increases in the RBI policy rates could affect the ability of potential borrowers to take out loans despite partly mitigating higher deposit costs. See "*Risk Factors — Risks Relating to the Bank's Business — Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect the Bank's net interest margins, the value of the Bank's fixed income portfolio, income from treasury operations and the Bank's financial condition and results of operations*" on page 55.

Cost of funding

Our broad reach across India and strong brand and reputation, coupled with India's rising household incomes, enables us to rely on deposits as a primary means of accessing low cost funding for our lending activities. Our Bank held total domestic deposits of ₹5,523.03 billion with an average cost of 3.79% per annum for the three months ended June 30, 2021. The market to attract deposits is competitive, and we must compete with private banks, small finance banks, payment banks, and other public sector banks on factors such as interest rates offered and customer service in order to attract and retain deposits.

Deposits in current and savings accounts (known as "CASA deposits") attract lower rates of interest and are therefore a particularly low-cost form of funding. We monitor a measure known as "CASA ratio", which is the ratio of CASA deposits to all domestic deposits (including interbank). A higher CASA ratio generally indicates a lower average cost of deposits.

In addition to deposits, we raise funds through the issuance and sale of debt and equity securities in domestic and international capital markets. The availability and cost of capital markets funding fluctuates according to perceptions of our future performance and creditworthiness as well as factors over which we have no control, such as the amount of liquidity available in domestic and global capital markets and macro-economic factors. In order to meet the levels of capital required by regulations, including the Basel III requirements, from time to time, we issue regulatory capital instruments such as Additional Tier 1 and Tier 2 instruments. As these instruments are subordinate to senior debt and may have other features that result in them absorbing losses ahead of other creditors in a stress situation, the cost of such funding may be more expensive than other types of capital markets instruments.

Allocation of funds

Our ability to take advantage of increases in the RBI lending rates depends largely on our loan volume. Growth in the Indian economy has led to increased demand for funding across many sectors of the economy. This growth has contributed to our ability to reallocate funds from Government securities to loans, which offer us higher returns. However, asset mix also has an effect on profitability as our loans bear different interest rates reflecting different credit ratings and product profiles. If the volume of our loans decreases due to a general slowdown in the economy, increased competition or other factors, our net interest income will decrease as well. In addition, we seek to allocate funds in the optimum manner at any point of time depending on our liquidity and the prevailing interest rates.

Capital adequacy and liquidity requirements

The RBI has issued guidelines for implementation of Basel III from April 1, 2013 in a phased manner wherein Indian banks are required to improve the quality and consistency of their capital base, enhance risk coverage and supplement the risk - based capital requirement with a leverage ratio. The RBI may change the applicable risk weightage for different classes of asset from time to time. Any incremental capital adequacy requirement may impact our ability to grow our business. Implementation of Basel III in a phased manner or other capital adequacy requirements imposed by RBI may result in incurrence of substantial compliance and monitoring costs by our Bank. The capital adequacy requirements prescribed by Basel III guidelines are more stringent than the requirements prescribed by the earlier guidelines and compliance with such requirements will have an impact on our financial results, including certain key indicators of financial performance, such as the return on equity, gross profit etc. RBI, as part of Basel III Liquidity framework, has issued and will continue to issue guidelines on liquidity management applicable to banks. Additionally, there are specific guidelines on liquidity, ALM and interest rate sensitivity issued by the RBI from time to time which we are required to comply with. The various liquidity requirements deal with Liquidity Coverage Ratio ("LCR"), Liquidity Monitoring tools, Stress Testing, and other Liquidity Ratios. LCR became effective on September 30, 2014, and Intra Day Liquidity Monitoring became effective from January 1, 2015, whereas the Net Stability Funding Ratio, with respect to which draft guidelines have been issued by the RBI, became applicable from January 1, 2018.

As of June 30, 2021, our Bank's capital adequacy ratio was 15.07% as per Basel III comprising Tier I capital of ₹359.17 billion and Tier II capital of ₹92.86 billion. As of March 31, 2021, our Bank's capital adequacy ratio was 14.93% as per Basel III comprising Tier I capital of ₹360.42 billion and Tier II capital of ₹89.49 billion. Although we currently exceed the applicable capital adequacy requirements, certain adverse developments could affect our ability to satisfy these requirements in the future, including deterioration in our asset quality, decline in the value of our investments and our inability to meet any regulatory requirements or changes. The regulatory minimum CET1, including capital conservation buffer, is 8% with effect from March 31, 2020.

Competition

We face competition in all our principal areas of business. Other public sector banks, private sector banks and foreign banks are our main competitors, followed closely by finance companies, insurance companies, asset and wealth management companies, development financial institutions, mutual funds and investment banks. We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced. Additionally, foreign banks may operate in India by establishing wholly-owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments.

In addition, the New Bank Licensing Guidelines were issued by the RBI in February 2013 specifying that selected entities or groups in the private sector, entities in the public sector and non-banking financial companies of past record of sound credentials and integrity, be financially sound with a successful track record of at least 10 years would be eligible to provide banking services. 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 proposed entities.

RBI granted in-principle approvals to applicants to set up payment banks, pursuant to which several such payment banks have commenced operations. In addition, there are a number of small finance banks that have been now been operating over the past few years targeting similar customers as the Bank.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. These competitive pressures affect the Indian and international banking industry as a whole, including us, and our future success will depend largely on our ability to respond in an effective and timely manner to these competitive pressures.

Provisioning policies

The Bank's profit is affected by the amount of its provisions against loans. For fiscal year 2021, total provisions against NPAs decreased due to a decrease in gross NPAs as well as the implementation of more conservative RBI guidelines on provisioning for aging standstill substandard and doubtful NPAs.

Banks are required to disclose the provisioning coverage ratio in the notes to accounts to their balance sheet. See "*Risk Factors — If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations*" on page 58.

Operating expenses

The level of the Bank's operating expenses impacts its profitability. Staff costs comprise a significant proportion of the Bank's administrative costs. In Fiscal 2021, the Bank's operating expenses increased on account of higher employee costs, owing to the implementation of the 11th Bipartite Settlement.

Corporate tax rates

Corporate tax rates applicable to the Bank impact the Bank's profitability. The corporate tax rate applicable to the Bank was 34.94% for the three months ended June 30, 2021 and fiscal years 2021 and 2020. Any increase in tax rates could have a material adverse effect on the Bank's financial results.

Critical Accounting Policies

The Financial Statements are prepared in accordance with Indian GAAP as applicable to banks. The preparation of the Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent liabilities. The notes to our Financial Statements contain a summary of its significant accounting policies. Certain of these policies are critical to the portrayal of the Group's financial condition, since they require management to make subjective judgments, some of which may relate to matters that are inherently uncertain. Below is a discussion of these critical accounting policies. We base our estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. As a result of changes in applicable statutory requirements and accounting practices in India, the accounting policies of the Group have undergone changes during the periods covered by this discussion. Accordingly, this discussion should be read in conjunction with the Financial Statements and notes as applicable during the respective fiscal year.

Accounting for Investments

Generally, "Investments in India" are divided into six categories: (i)Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Subsidiaries and Joint Venture, and (vi) Others. On the other hand, "Investments outside India" are divided into three categories: (i) Government Securities, (ii) Subsidiaries and Joint Venture abroad, and (iii) Other Investments.

The Group accounts for investments in accordance with the guidelines on investment classification and valuation issued by the RBI. It classifies all investments into categories of investments: (a) held to maturity, (b) available for sale and (c) held for trading.

Held to maturity

Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity. Such amortisation of premium is adjusted against income under the head "interest on investments".

Investments in subsidiaries, joint venture and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

Held for Trading / Available for Sale

Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for trading" and "Available for Sale" categories, the market rates or quotes on the relevant stock exchanges, the rates declared by Primary Dealers Association of India ("PDAI") and/or the Fixed Income Money Market and Derivatives Association ("FIMMDA") are used. Investments for which such rates or quotes are not available are valued as per norms laid down by the RBI which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months, then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

Others

The Bank presently deals in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee interest rate swaps, foreign currency interest rate swaps, forward rate agreements and interest rate futures. Currency derivatives dealt with by the Bank are options, currency swaps and currency futures. The derivatives are valued under RBI guidelines. Hedge and non-hedge (market making) transactions are recorded separately. Hedging derivatives are accounted on an accrual basis. Trading derivative positions are marked to market and the resulting losses, if any, are recognized in the profit and loss account. Profit, if any, is ignored. Income and expenditure relating to interest rate swaps are recognized on the settlement date. Gains or losses on termination of the trading swaps are recorded on the termination date as income or expenditure. Any gain or loss on termination of swap is deferred and recognized over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets or liabilities.

Provisions/Writes-offs on Loans and Other Credit Facilities

As per RBI Guidelines, the Group classifies advances to borrowers as "performing" or "non-performing" assets based on recovery of principal or interest. NPAs are further classified as sub-standard, doubtful and loss assets. Provisions for NPAs are made as follows:

Category	Provision made
Sub-standard assets	
Exposures which are unsecured *ab initio*	25%

Unsecured exposure including unsecured exposure in respect of infrastructure loan where certain safeguards such as escrow accounts are available	20%
Others	25%
Doubtful	
Secured Portion	
Up to one year	25%
One year to three years	40%
More than three years	100%
Unsecured portion	100%
Loss assets	100%

In respect of advances at foreign offices or branches, provision is made as per the statutory requirements prevailing at the respective foreign countries, or as per RBI guidelines, whichever is higher. Provisions in respect of NPAs, unrealized interest and Export Credit Guarantee Corporation ("ECGC") claims settled are deducted from total advances to arrive at net advances as per RBI norms. In respect of rescheduled or restructured accounts, provision is made for the sacrifice of interest or diminution in the 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 financial assets sold to an asset reconstruction company or a securitization company, if the sale is at a price below the net book value, the shortfall is debited to the profit and loss account. If the sale value is higher than the net book value, the surplus provision is not reversed but will be retained to meet the shortfall or loss on account of sale of other financial assets to an asset reconstruction company or a securitization company.

Recent Accounting Pronouncements

There were no significant changes in the accounting policies during the three months ended June 30, 2021 as well as Fiscals 2021, 2020 and 2019.

In Fiscal 2019, our Bank changed the method of appropriation of recovery in NPA accounts. Recoveries are now being adjusted against charges, Unrealized Interest ("**URI**"), Uncharged Interest ("**UCI**"), and against principal, compared to the earlier method of adjusting recoveries against charges, URI, principal, and UCI. This resulted in an increase of interest income by ₹5.99 billion, and Profit before tax by ₹1.65 billion. The change in accounting policy is not system driven in case of packing credit, bills, and frozen accounts. The management is in the process of strengthening the system in order to make the process system driven. The management is of the opinion, that the impact, if any, of the same may not be material.

Adoption of Ind AS

The Audited Financial Statements and other financial information included or incorporated by reference in this Placement Document are based on the Bank's audited financial statements prepared in accordance with Indian GAAP. The Institute of Chartered Accountants of India has issued Ind AS, a revised set of accounting standards, which largely converges the Indian accounting standards with International Financial Reporting Standards. The Ministry of Corporate Affairs, which is the law-making authority for adoption of accounting standards in India, has notified these Ind AS for adoption. Further, the ministry has also issued a roadmap for transition to Ind AS by Indian companies in a phased manner starting from April 1, 2016. For banking companies, the implementation of Ind AS, which was earlier to begin from April 1, 2018, has been deferred until further notice as recommended legislative amendments were still under consideration by the Government. The RBI does not permit banks to adopt Ind AS earlier than the official implementation timelines. Ind AS 109 – Financial Instruments (Standard equivalent to International Financial Reporting Standard 9) would have a significant impact on the way financial assets and liabilities are classified and measured, resulting in volatility in profit or loss and equity. Ind AS will change, among other things, the Bank's methodology for estimating allowances for probable loan losses and for classifying and valuing its investment portfolio and its revenue recognition policy. For more information, see "*Risk Factors — Risks relating to the Bank – Indian accounting principles differ from those which prospective* *investors may be familiar with in other countries. In addition, the effects of the planned convergence with, and adoption of, IFRS are uncertain*" on page 90.

Discussion of Financial Statements

The discussion set out below is based on our Audited Financial statements as of and for the years ended March 31, 2019, 2020 and 2021 and our Reviewed Financial Result as of and for the three months ended June 30, 2021. The consolidated financial statements for fiscal year 2021 contain eight Subsidiaries, one Joint Venture and six associates (including RRBs); the consolidated financial statements for fiscal year 2020 contain eight Subsidiaries, one Joint Venture and six associates (including RRBs); and the consolidated financial statements for fiscal year 2019 contain nine subsidiaries, one joint venture and seven associates (including RRBs). Because the entities consolidated in the financial statements are not uniform over these three periods, the figures appearing against various items for these years or periods are not strictly comparable. The Bank represented 99.05% of the Group's total assets as of March 31, 2021 and 104% of consolidated net profit for fiscal year 2021.

Results of the Bank for the Three Months Ended June 30, 2021 Compared to the Three Months Ended June 30, 2020

Summary of Performance

	Three months ended June 30,		
	2020	**2021**	**% change**
	(₹ in billions, except percentages)		
Net Interest Income[(1)]	34.81	31.45	(9.67)
Other Income	17.07	23.77	39.22
Operating expenses	23.44	27.15	15.84
Provisions and Contingencies	20.01	20.86	4.26
Net Profit	8.44	7.20	(14.65)

Note:

(1) Net interest income is the difference between interest income and interest expended as set forth in the section below titled "*Net Interest Income*".

Net interest income decreased by 9.67% from ₹34.81 billion in the three months ended June 30, 2020 to ₹31.44 billion in the three months ended June 30, 2021. The decrease was primarily due to decrease in interest income by 8.92% in the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, driven primarily by decrease in interest earning assets, as well as other interest income.

Other income increased by 39.22% from ₹17.07 billion in the three months ended June 30, 2020 to ₹23.77 billion in the three months ended June 30, 2021. The increase was primarily due to increase in Other Income of Treasury.

Operating expenses increased by 15.84% from ₹23.44 billion in the three months ended June 30, 2020 to ₹27.15 billion in the three months ended June 30, 2021, primarily due to increase in employee benefits.

Provisions and contingencies increased by 4.26% from ₹20.01 billion in the three months ended June 30, 2020 to ₹20.86 billion in the three months ended June 30, 2021 primarily due to an increase in provision for loan losses.

As a result of the above, net profit decreased by 14.65% from ₹8.44 billion in the three months ended June 30, 2020 to ₹7.20 billion in the three months ended June 30, 2021.

Net Interest Income

Net interest income decreased by 9.67% from ₹34.81 billion in the three months ended June 30, 2020 to ₹31.45 billion in the three months ended June 30, 2021. The following table sets forth the components of net interest income.

	Three months ended June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Interest/discount on advances/bills	69.92	60.18	(13.94)
Income on investments	28.03	28.61	2.05
Other interest income	4.39	4.43	0.91
Interest Income	**102.34**	**93.21**	**(8.92)**
Interest on deposits	61.94	58.70	(5.22)
Other interest expense	5.60	3.07	(45.19)
Interest Expense	**67.53**	**61.77**	**(8.54)**
Net Interest Income[(1)]	**34.81**	**31.45**	**(9.67)**

Note:

(1) Net interest income is the difference between interest income and interest expended as set forth in the section below titled "*Net Interest Income*".

Interest Income

Interest income decreased by 8.92% from ₹102.34 billion in the three months ended June 30, 2020 to ₹93.21 billion in the three months ended June 30, 2021. This decrease was primarily due to a decrease in interest earned on advances/bills of 13.94% from ₹69.92 billion in the three months ended June 30, 2020 to ₹60.18 billion in the three months ended June 30, 2021.

Other interest income increased by 0.91% from ₹4.39 billion in the three months ended June 30, 2020 to ₹4.43 billion in the three months ended June 30, 2021 in part due to an increase in recovery of written-off accounts.

Interest Expended

Interest expended decreased by 8.54% from ₹67.53 billion in the three months ended June 30, 2020 to ₹61.77 billion in the three months ended June 30, 2021. This decrease in interest expended was primarily due to a decrease in interest paid on deposits by 5.22% from ₹61.94 billion in the three months ended June 30, 2020 to ₹58.70 billion in the three months ended June 30, 2021.

Other Income

Other income increased by 39.22% from ₹17.07 billion in the three months ended June 30, 2020 to ₹23.77 billion the three months ended June 30, 2021. The following table sets forth the components of other income:

	Three months ended June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Commission, exchange and brokerage	2.22	2.39	7.65
Profit on sale of investments (net)	9.14	9.36	2.41
Profit on foreign exchange transactions (net)	3.33	7.54	126.43

	Three months ended June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Others[(1)]	2.38	4.47	87.82
Total Other Income	**17.07**	**23.77**	**39.22**

Note:

(1) Others includes sale of land, buildings and other assets, income earned by way of dividend on subsidiaries, companies and/or Joint Venture and other miscellaneous income.

Other income increased by primarily due to an increase in "foreign exchange transactions" by 126.47% from ₹3.33 billion in the three months ended June 30, 2020 to ₹7.54 billion in the three months ended June 30, 2021, as well as by an increase in "Others" by 87.63%.The increase in "Others" was mainly due to recovery of written off accounts which increased from ₹0.31 billion in the three months ended June 30, 2020 to ₹1.73 billion in the three months ended June 30, 2021.

Operating Expenses

The following table sets forth the principal components of the Bank's operating expenses.

	Three months ended June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Payments to and provisions for employees	14.51	17.09	17.78
Rent, taxes and lighting	1.597	1.83	15.09
Depreciation on property	0.86	0.89	3.49
Other operating expenses	6.48	7.34	13.27
Total Operating Expenses	**23.44**	**27.15**	**15.84**

Payments to and provisions for employees increased by 17.84% from ₹14.51 billion in the three months ended June 30, 2020 to ₹17.09 billion in the three months ended June 30, 2021, primarily due to 11th Bipartite Settlement and other staff benefits.

Rent, taxes and lighting, increased by 15.18% from ₹1.59 billion in the three months ended June 30, 2020 to ₹1.83 billion in the three months ended June 30, 2021, primarily due to costs related to network expansion and general increases in lease rentals and lighting expenses.

Depreciation on property increased by 3.34% from ₹ 0.86 billion in the three months ended June 30, 2020 to ₹0.89 billion in the three months ended June 30, 2021, primarily due to the acquisition of new premises and IT assets apart from network expansion.

Other operating expenses primarily include printing and stationery, advertising and publicity, postage, telegram and telephone expenses, audit fees and other professional fees, among others. Other operating expenses increased by 13.20% from ₹6.48 billion in the three months ended June 30, 2020 to ₹7.34 billion in the three months ended June 30, 2021.

Provisions and Contingencies

The following table sets forth certain information regarding the Bank's provisions and contingencies.

	Three months ended June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Provision for income tax	4.89	3.77	(22.90)
Provision for loan losses	7.67	8.73	13.82
Depreciation in value of investments	(0.15)	(0.62)	(313.33)
Others	7.62	8.98	17.85
Total Provisions and Contingencies	**20.01**	**20.86**	**4.26**

Provision for Loan Losses

Loan loss provisions increased by 13.91% from ₹7.67 billion in the three months ended June 30, 2020 to ₹8.73 billion in the three months ended June 30, 2021. This increase was primarily due to increase in aging provisions.

The general provision on standard assets increased from ₹7.59 billion in the three months ended June 30, 2020 to ₹8.70 billion in the three months ended June 30, 2021, primarily due to restructuring of advances as per COVID 19 regulatory package of RBI.

Depreciation in value of investments

Provision for depreciation in value of investments decreased from ₹(0.15) billion in the three months ended June 30, 2020 to a write back of ₹(0.62) billion in the three months ended June 30, 2021. The decrease was due to a reduced provisioning requirement based on mark-to-market valuation, as interest rates fell over the three-month period ending June 30, 2021, leading to an increase in asset values based on mark-to-market valuation.

Others

Other provisions (including floating provisions) increased from ₹7.61 billion in the three months ended June 30, 2020 to ₹8.98 billion in the three months ended June 30, 2021. A net reduction in other provisions was primarily due to a decrease in provisions for country risk and for other assets.

Net Profit

As a result of the foregoing factors, the Bank's net profit decreased by 14.65% from ₹8.44 billion in the three months ended June 30, 2020 to ₹7.20 billion in the three months ended June 30, 2021.

Results of the Group for Fiscal Year 2021 Compared to Fiscal Year 2020

Summary of Performance

	Fiscal Year		
	2020	2021	% change
	(₹ in billions, except percentages)		
Net Interest Income(1)	153.99	144.33	(6.28)
Other Income	68.09	74.96	10.09
Operating Expenses	106.12	110.06	3.71
Provisions and Contingencies	145.25	87.24	(39.94)
Net Profit	(30.51)	20.84	168.26

Note:

(1) Net interest income is the difference between interest income and interest expended as set forth in the section below titled "*Net Interest Income.*"

Net interest decreased by 6.28% from ₹153.99 billion in fiscal year 2020 to ₹144.33 billion in fiscal year 2021. The decrease was primarily due to a decrease in interest on advances 4.93% from ₹289.76 billion in fiscal year 2020 to ₹275.47 billion in fiscal year 2021.

Other income increased by 10.09% from ₹68.09 billion in fiscal year 2020 to ₹74.96 billion in fiscal year 2021.

Operating expenses grew by 3.71% from ₹106.12 billion in fiscal year 2020 to ₹110.06 billion in fiscal year 2021. The increase was primarily due to an increase in payments to and provisions for employees.

Provisions and contingencies decreased by 39.94% from ₹145.25 billion in fiscal year 2020 to ₹87.23 billion in fiscal year 2021 primarily due to a decrease in provision for loan losses.

As a result of the above, net profit increased by 168.26% from ₹(30.51) billion in fiscal year 2020 to ₹20.83 billion in fiscal year 2021.

Net Interest Income

The Group's net interest income decreased by 6.28% from ₹153.99 billion in fiscal year 2020 to ₹144.33 billion in fiscal year 2021. The following table sets forth the components of net interest income.

	Fiscal Year		
	2020	**2021**	**% change**
	(₹ in billions, except percentages)		
Interest/discount on advances/bills	289.77	275.48	(4.93)
Income on investments	107.57	116.48	8.29
Other interest income[1]	28.57	16.58	(41.97)
Interest Income	**425.91**	**408.54**	**(4.08)**
Interest on deposits	237.28	245.73	3.56
Other Interest Expense[2]	34.64	18.48	(46.66)
Interest Expended[3]	271.92	264.21	(2.83)
Net Interest Income	153.99	144.33	(6.28)

Notes:

(1) Other interest income includes mainly interest on balances with Reserve Bank of India and other inter-bank funds.

(2) Other interest expense includes interest on RBI/inter-bank borrowings and interest on subordinate debts, IRS, etc.

(3) Net interest income is the difference between interest income and interest expended as set forth in the section below titled "Net Interest Income."

Interest income decreased by 4.08% to ₹408.54 billion in fiscal year 2021 from ₹425.91 billion in fiscal year 2020. This decrease was the result of a 4.93% decrease in the interest earned on advances and bills to ₹275.48 billion in fiscal year 2021 from ₹289.77 billion in fiscal year 2020. This decrease was also due reduction in overall interest rates in fiscal year 2021.

Income earned on investments increased by 8.29% to ₹116.48 billion in fiscal year 2021 from ₹107.57 billion in fiscal year 2020, which was the result of increase investment volumes for meeting SLR requirement, which increased by 18.05% to ₹1,916.93 billion in fiscal year 2021 from ₹1,623.23 billion in fiscal year 2020.

Interest Expended

Interest expended decreased by 2.83% to ₹264.21 billion in fiscal year 2021 from ₹271.92 billion in fiscal year 2020. This decrease in interest expended was primarily due to the following reasons:

- 46.67% decrease in other interest to ₹18.48 billion in fiscal year 2021 from ₹34.64 billion in fiscal year 2020.
- a change in method of computation of interest, from monthly product basis to daily product basis, where monthly product basis comprises interest calculation based on a minimum balance in a savings account between the 10th and 30th of the month and daily product basis comprises interest calculation of daily balances in the account, thereby increasing the cost of savings bank deposits for the Group.

Other Income

Other income increased by 10.09% from ₹68.09 billion in fiscal year 2020 to ₹74.93 billion in fiscal year 2021. The following table sets forth the components of other income.

	Fiscal Year		
	2020	**2021**	**% change**
	(₹ in billions, except percentages)		
Commission, exchange and brokerage	13.70	11.19	(18.32)
Profit on sale of investments (net)	5.92	25.53	331.25
Profit on foreign exchange transactions (net)	15.097	18.92	25.38
Others[(1)]	33.38	19.33	(42.09)
Total Other Income	**68.09**	**74.96**	**10.09**

Note:

(1) Others includes sale of land, buildings and other assets, income earned by way of dividend on subsidiaries, companies and/or Joint Venture and other miscellaneous income.

Commission, exchange and brokerage income decreased by 18.38% from ₹13.70 billion in fiscal year 2020 to ₹11.19 billion in fiscal year 2021. The decrease was due to lower business volumes, in line with market trends.

Profit on the sale of investments and currency and interest rate-related derivative transactions increased by 331.17% from ₹5.92 billion in fiscal year 2020 to ₹25.53 billion in fiscal year 2021. This was primarily due to highly volatile market conditions presenting trading opportunities.

Profit on foreign exchange transactions increased by 25.38% from ₹15.09 billion in fiscal year 2020 to ₹18.92 billion in fiscal year 2021. The increase was due to an increase in the volume of foreign exchange transactions.

Operating Expenses

The following table sets forth the principal components of operating expenses.

	Fiscal Year		
	2020	**2021**	**% change**
	(₹ in billions, except percentages)		
Payments to and provisions for employees	61.97	65.29	5.36
Rent, taxes and lighting	7.36	7.67	4.13
Depreciation on property	3.92	3.80	(3.03)
Other operating expenses	32.88	33.31	1.31
Total Operating Expenses	**106.12**	**110.06**	**3.71**

Operating expenses increased by 3.71% from ₹106.12 billion in fiscal year 2020 to ₹110.06 billion in fiscal year 2021. The increase in operating expenses was primarily due to increase in employee cost.

Payments to and provisions for employees includes salaries, allowances and other staff benefits. Payments to and provisions for employees increased by 5.36% from ₹61.97 billion in fiscal year 2020 to ₹65.29 billion in fiscal year 2021. The increase was primarily due to payments made in fiscal year 2021, namely payments of arrears of salary and contributions to terminal benefits on account of wage revisions effected at the industry level for all categories of staff of the Bank.

Rent, taxes and lighting, including expenses for office premises increased by 4.13% from ₹7.36 billion in fiscal year 2020 to ₹7.67 billion in fiscal year 2021. This was primarily due to increase in costs related to network expansion and general increases in lease rentals and lighting expenses.

Depreciation on property decreased by 3.03% from ₹3.92 billion in fiscal year 2020 to ₹3.80 billion in fiscal year 2021.

Other operating expenses increased by 1.31% from ₹32.88 billion in fiscal year 2020 to ₹33.31 billion in fiscal year 2021. The increase was primarily due to increase in travel expenses, bank charges of foreign banks, and also due to network expansion and increase in general business volumes.

Provisions and Contingencies

The following table sets forth certain information regarding provisions and contingencies.

	Fiscal Year		
	2020	**2021**	**% change**
		(₹ in billions)	
Provision for income tax	(16.40)	10.79	165.78
Provision for loan losses	144.46	66.48	(53.98)
Depreciation in value of investments	3.42	8.69	154.05
Others	13.78	1.28	(90.69)
Total Provisions and Contingencies	**145.25**	**87.24**	**(39.94)**

Provision for Loan Losses

Provision for loan losses decreased by 53.98% to ₹66.48 billion in fiscal year 2021 from ₹144.46 billion in fiscal year 2020. This decrease was primarily due decrease in slippages during fiscal year 2021. Provisions for loan losses were made in accordance with RBI guidelines.

The general provision on Standard Assets decreased to ₹ (0.71) billion in fiscal year 2021 from ₹8.72 billion in fiscal year 2020.

Depreciation in value of investments

The Group's depreciation in value of investments increased from ₹3.42 billion in fiscal year 2020 to ₹8.69 billion in fiscal year 2021. The increase in provision was primarily due to adverse market conditions.

Other Provisions

Other provisions decreased from ₹13.78 billion in fiscal year 2020 to ₹1.28 billion in fiscal year 2021.

Net Profit

As a result of the foregoing factors, net profit increased by 168.26% from ₹(30.51) billion in fiscal year 2020 to ₹20.83 billion in fiscal year 2021.

Financial Condition

Assets

The following table sets forth the principal components of the Group's assets as of March 31, 2020 and March 31, 2021.

	As of March 31,		
	2020	**2021**	**% change**
	(₹ in billions, except percentages)		
Cash and balances with RBI	294.47	609.30	106.92
Balance with banks and money at call and short notice	571.63	657.63	15.05
Total cash and cash equivalents	866.09	1,266.94	46.28
Government securities (net)	1,451.37	1,719.23	18.46
Other securities (net)	171.86	197.70	15.03
Total investments (net)	1,623.23	1,916.93	18.09
Term loans (net)	1,848.00	2,061.17	11.54
Other loans (net)	1,858.44	1,615.50	(13.07)
Total loans (net)	3,706.44	3,676.67	(0.80)
Fixed assets	90.58	90.01	(0.62)
Other assets	343.85	377.35	9.74
Total assets	6,630.19	7,327.90	10.52

Total assets amounted to ₹7,327.90 billion as of March 31, 2021 compared to ₹6,630.19 billion as of March 31, 2020, an increase of 10.52%.

Cash and balances with the RBI increased by 106.92% to ₹609.30 billion as of March 31, 2021 from ₹294.47 billion as of March 31, 2020. The primary reason for this increase was the reduction by the RBI of the required CRR.

Balances with banks and money at call and short notice saw a 15.05% increase to ₹657.63 billion as of March 31, 2021 from ₹571.63 billion as of March 31, 2020, primarily due to an increase in money market placements.

Total investments increased by 18.09% to ₹1,916.93 billion as of March 31, 2021 from ₹1,623.23 billion as of March 31, 2020. Investments in Government securities (including investments held to meet SLR requirements) increased by 18.46% to ₹1,719.23 billion as of March 31, 2021 from ₹1,451.37 billion as of March 31, 2020. Investments in other securities increased by 15.03% to ₹197.70 billion as of March 31, 2021 from ₹171.86 billion as of March 31, 2020. The increase was due to the Group investing significantly in certificates of deposit, mutual funds and deposits in NABARD.

Advances decreased by 0.80% to ₹3,676.67 billion as of March 31, 2021 from ₹3,706.44 billion as of March 31, 2020.

Net fixed assets decreased by 0.62% to ₹90.01 billion as of March 31, 2021 from ₹90.58 billion as of March 31, 2020.

Other assets increased by 9.74% to ₹377.35 billion as of March 31, 2021 from ₹343.85 billion as of March 31, 2020. This increase was primarily due to increase in inter-office adjustments to ₹55.89 billion as of March 31, 2021 from ₹0.03 billion as of March 31, 2020.

Liabilities and Shareholders' Funds

The following table sets forth the principal components of the Group's liabilities and shareholders' funds as of March 31, 2020 and March 31, 2021.

	As of March 31,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Capital	32.78	32.78	0.00
Reserves and surplus	417.96	467.03	11.74
Total shareholders' funds	450.73	499.80	10.89
Minority interest	1.51	1.59	5.22
Employees' stock options outstanding (net)	-	-	-
Deposits	5,573.86	6,290.98	12.87
Borrowings	397.53	324.64	(18.33)
Other liabilities and provisions	206.55	210.88	2.09
Total liabilities and shareholders' funds	6,630.19	7,327.90	10.52

The total liabilities and shareholders' funds increased by 10.52% to ₹7,327.89 billion as of March 31, 2021 from ₹6,630.18 billion as of March 31, 2020.

Deposits increased by 12.87%, from ₹5,573.86 billion as of March 31, 2020 to ₹6,290.98 billion as of March 31, 2021, primarily due to increased efforts to obtain low cost deposits. Term deposits increased by 12.54%, or ₹444.35 billion, to ₹3,986.45 billion as of March 31, 2021 from ₹3,542.10 billion as of March 31, 2020, while savings bank deposits increased 14.36%, or ₹248.21 billion, to ₹1,976.58 billion as of March 31, 2021 from ₹1,728.37 billion as of March 31, 2020.

Borrowings decreased by 18.33% from ₹397.52 billion as of March 31, 2020 to ₹324.64 billion as of March 31, 2021.

Other liabilities and provisions increased by 2.09% from ₹206.55 billion as of March 31, 2020 to ₹210.88 billion as of March 31, 2021. This was mainly due to an increase in provision for pension, provision for gratuity and provision for standard assets.

Shareholders' funds increased by 10.89% from ₹450.73 billion as of March 31, 2020 to ₹499.80 billion as of March 31, 2021, primarily due to preferential allotment to promoters (the Government) and retention of current year earnings.

Results of the Group for fiscal year 2020 Compared to fiscal year 2019

Summary of Performance

	Fiscal Year		
	2019	2020	% change
	(₹ in billions, except percentages)		
Net Interest Income(1)	137.98	153.99	11.61
Other income	47.91	68.09	42.12
Operating expenses	103.94	106.12	2.10
Provisions and contingencies	136.92	145.25	6.08

	Fiscal Year		
	2019	2020	% change
	(₹ in billions, except percentages)		
Net profit	(54.27)	(30.51)	43.78

Note:

(1) Net interest income is the difference between interest income and interest expended as set forth in the section below titled "*Net Interest Income*."

Net interest income increased by 11.61% from ₹137.98 billion in fiscal year 2019 to ₹153.99 billion in fiscal year 2020. The increase was primarily due to increase in interest earning assets.

Other income increased by 42.12% from ₹47.91 billion in fiscal year 2019 to ₹68.09 billion in fiscal year 2020.

Operating expenses increased by 2.10% from ₹103.94 billion in fiscal year 2019 to ₹106.12 billion in fiscal year 2020. The increase was primarily due to increase in payments to and provisions for employees and administrative expenses and rent, taxes and lighting.

Provisions and contingencies increased by 6.08% from ₹136.92 billion in fiscal year 2019 to ₹145.25 billion in fiscal year 2020 primarily due to increase in provision for loan losses.

As a result of the above, net loss decreased by 43.78% from ₹ 54.27 billion in fiscal year 2019 to ₹ 30.51 billion in fiscal year 2020.

Net Interest Income

The Group's net interest income increased by 11.61% from ₹137.98 billion in fiscal year 2019 to ₹153.99 billion in fiscal year 2020. The following table sets forth the components of net interest income.

	Fiscal Year		
	2019	2020	% change
	(₹ in billions, except percentages)		
Interest/discount on advances/bills	274.15	289.77	5.70
Income on investments	100.18	107.57	7.37
Other interest income(1)	35.72	28.57	(20.01)
Interest Income	410.05	425.91	3.87
Interest on deposits	230.83	237.28	2.79
Other interest expense(2)	41.24	34.64	(16.00)
Interest Expended	272.07	271.92	(0.06)
Net Interest Income(3)	137.98	153.99	11.61

Notes:

(1) Other interest income includes mainly interest on balances with Reserve Bank of India and other inter-bank funds.

(2) Other interest expense includes interest on Reserve Bank of India/inter-bank borrowings and interest on subordinate debts, IRS, etc.

(3) Net interest income is the difference between interest income and interest expended as set forth in the section below titled "*Net Interest Income*."

Interest income increased by 3.87% to ₹425.91 billion in fiscal year 2020 from ₹410.05 billion in fiscal year 2019. This increase was primarily the result of a 5.70% increase in the interest earned on advances and bills to ₹289.77

billion in fiscal year 2020 from ₹274.15 billion in fiscal year 2019, which was commensurate with the increase in the size of the Group's portfolio of advances.

Income earned on investments increased by 7.37% to ₹107.57 billion in fiscal year 2020 from ₹100.18 billion in fiscal year 2019, which was the result of increase in investment volumes for meeting SLR requirement.

Interest Expended

Interest expended decreased by 0.06% to ₹271.92 billion in fiscal year 2020 from ₹272.07 billion in fiscal year 2019. This decrease in interest expended was primarily due to the following reasons:

- 16.00% decrease in other interest to ₹34.64 billion in fiscal year 2020 from ₹41.24 billion in fiscal year 2019 as a result of a decrease in other interest of the Group;
- a change in method of the computation of interest, from monthly product basis to daily product basis, thereby increasing the cost of savings bank deposits for the Group; and

Other Income

Other income increased by 42.12% from ₹47.91 billion in fiscal year 2019 to ₹68.09 billion in fiscal year 2020. The following table sets forth the components of other income.

	Fiscal Year		
	2019	**2020**	**% change**
	(₹ in billions, except percentages)		
Commission, exchange and brokerage	12.58	13.70	8.91
Profit on sale of investments (net)	(3.90)	5.92	251.79
Profit on foreign exchange transactions (net)	13.15	15.09	14.76
Others(1)	26.08	33.38	28.00
Total Other Income	47.91	68.09	42.12

Note:

(1) Others includes sale of land, buildings and other assets, income earned by way of dividend on subsidiaries, companies and/or Joint Venture and other miscellaneous income.

Commission, exchange and brokerage income increased by 8.91% from ₹12.58 billion in fiscal year 2019 to ₹13.70 billion in fiscal year 2020 due to increased volumes.

Profit on the sale of investments and currency and interest rate-related derivative transactions increased by 251.79% from ₹ (3.90) billion in fiscal year 2019 to ₹5.92 billion in fiscal year 2020. This was primarily due to highly volatile market conditions presenting better trading opportunities.

Profit on foreign exchange transactions increased 14.76% from ₹13.15 billion in fiscal year 2019 to ₹15.09 billion in fiscal year 2020. The increase was due to an increase in the volume of foreign exchange transactions.

Financial Condition

Assets

The following table sets forth the principal components of the Bank's assets as of June 30, 2020 and June 30, 2021.

	As of June 30,		
	2020	2021	% change
Assets	*(₹ in billions, except percentages)*		
Cash and balances with RBI	384.21	447.67	16.52
Balance with banks and money at call and short notice	683.82	762.88	11.56
Total cash and cash equivalents	1,068.02	1210.56	13.35
Government securities (net)	1,454.53	1,698.74	16.79
Other securities (net)	170.11	173.71	2.12
Total investments (net)	1,624.64	1,872.46	15.25
Term loans (net)	1,915.95	2,051.67	7.08
Other loans (net)	1,790.20	1,654.40	(7.59)
Total loans (net)	3,706.15	3,706.07	0.00
Fixed assets	89.25	88.97	(0.31)
Other assets	325.36	326.96	0.49
Total assets	414.61	415.93	0.32

Total assets amounted to ₹415.93 billion as of June 30, 2021 compared to ₹414.61 billion as of June 30, 2020, an increase of 0.32%.

Cash and balances with the RBI increased by 16.52% to ₹447.67 billion as of June 30, 2021 from ₹ 384.21 billion as of June 30, 2020, which reflects normal fluctuations of short-term assets held with the RBI.

Balances with banks and money at call and short notice saw an 11.56% increase to ₹762.88 billion as of June 30, 2021 from ₹683.82 billion as of June 30, 2020. This increase represents a normal fluctuation in the number of short-term surpluses deployed in the money market.

Total investments increased by 15.25 % to ₹1,872.46 billion as of June 30, 2021 from ₹1,624.64 billion as of June 30, 2020. Investments in Government securities (including investments held to meet SLR requirements) increased by 16.79 % to ₹1,698.74 billion as of June 30, 2021 from ₹ 1,454.53 billion as of June 30, 2020, in conformity with regulatory requirements and in line with increase in deposits and other demand liabilities. Investments in other securities increased by 2.12 % to ₹ 173.71 billion as of June 30, 2021 from ₹ 170.11 billion as of June 30, 2020. The increase was due to the Bank's decision to deploy assets in alternative channels with a view to increase returns.

Net fixed assets decreased by 0.31% to ₹88.97 billion as of June 30, 2021 from ₹ 89.25 billion as of June 30, 2020.

"Other assets" includes items such as inter-office adjustments, interest accrued, taxes paid in advance, stationery, deferred tax assets, and others. Other assets increased by 0.49% to ₹326.96 billion as of June 30, 2021 from ₹ 325.36 billion as of June 30, 2020.

Liabilities and Shareholders' Funds

The following table sets forth the principal components of the Bank's liabilities and shareholders' funds as of June 30, 2020 and June 30, 2021.

	As of June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Capital	32.78	36.99	12.85

	As of June 30,		
	2020	2021	% change
	(₹ in billions, except percentages)		
Reserves and surplus	414.23	458.45	10.68
Total shareholders' funds	447.00	495.43	10.83
Employees' stock options outstanding (net)	-	-	-
Deposits	5,952.35	6,233.86	4.73
Borrowings	257.48	300.22	16.60
Other liabilities and provisions	156.59	175.51	12.09
Total liabilities and shareholders' funds	6,813.42	7,205.02	5.75

The total liabilities and shareholders' funds increased by 5.75% to ₹ 7,205.02 billion as of June 30, 2021 from ₹6,813.42 billion as of June 30, 2020.

Deposits increased by 4.73%, or ₹ 281.50 billion, from ₹ 5,952.35 billion as of June 30, 2020 to ₹ 6,233.86 billion as of June 30, 2021, in line with the Bank's general, targeted business growth. Term deposits decreased by 0.37%, or ₹14.33 billion, to ₹3,814.01 billion as of June 30, 2021 from ₹3,828.34 billion as of June 30, 2020, while savings bank deposits increased by 11.67%, or ₹ 210.58 billion, to ₹2,014.33 billion as of June 30, 2021 from ₹ 1803.75 billion as of June 30, 2020.

Borrowings increased by 16.60% from ₹257.48 billion as of June 30, 2020 to ₹300.22 billion as of June 30, 2021.

Other liabilities and provisions increased by 12.09% from ₹156.59 billion as of June 30, 2020 to ₹175.51 billion as of June 30, 2021. This increase was due to an increase in Bills payable of 21.64% or ₹2.11 billion from ₹ 9.75 billion as of June 30, 2020 to ₹11.86 billion as of June 30, 2021. This increase in Other liabilities and provisions was also due to increase in Other liabilities (including provisions) of 12.07% or ₹15.13 billion from ₹ 125.33 billion as of June 30, 2020 to ₹ 140.46 billion as of June 30, 2021.

Shareholders' funds increased by 10.83% from ₹447.00 billion as of June 30, 2020 to ₹495.43 billion as of June 30, 2021, due in part to a capital infusion in March 2021 of ₹30 billion by the Government of India.

Liquidity and Capital Resources

The Bank regularly monitors its funding levels to ensure that it is able to satisfy requirements of loan disbursements and those that would arise upon maturity of liabilities. The Bank maintains diverse sources of funding and liquid assets to facilitate flexibility in meeting its liquidity requirements.

Cash Flows

Discussion on Cash Flows Under Standalone Financial Statements

The following table sets forth our Bank's statement of cash flows for Fiscal 2019, 2020, and 2021:

	For the year ended March 31,		
	2019	2020	2021
		(Audited)	
		(Standalone)	
		(₹ in billions)	
Net cash from/(used in) operating activities	(91.92)	(48.33)	380.63
Net cash from/(used in) investing activities	1.51	(3.50)	(3.37)

	For the year ended March 31,		
	2019	2020	2021
		(Audited)	
		(Standalone)	
		(₹ in billions)	
Net cash from/(used in) financing activities	79.70	(31.71)	23.98
Net increase/(decrease) in cash and cash equivalents	(10.71)	(83.55)	401.24

Operating Activities

In Fiscal 2021, net cash from operating activities was ₹380.63 billion. Net profit before tax was ₹3.37 billion in Fiscal 2021 and adjustments to reconcile net profit before tax to net cash flows primarily consisted of decrease in investments of ₹ 297.95 billion, decrease in advances of ₹34.16 billion, and direct taxes paid of ₹7.09 billion. This was partially offset by decrease in borrowings of ₹73.40 billion.

In Fiscal 2020, net cash used in operating activities was ₹48.33 billion. Net loss before tax was ₹46.03 billion in Fiscal 2020 and adjustments to reconcile net profit before tax to net cash flows primarily consisted of decrease in investments of ₹115.52 billion, decrease in advances of ₹422.93 billion, and direct taxes refund received of ₹8.54 billion. This was partially offset by decrease in borrowings of ₹21.64 billion.

In Fiscal 2019, net cash used in operating activities was ₹91.91 billion. Net loss before tax was ₹87.13 billion in Fiscal 2019 and adjustments to reconcile net profit before tax to net cash flows primarily consisted of decrease in investments of ₹119.18 billion, decrease in advances of ₹153.95 billion, and direct taxes paid of ₹33.86 billion. This was partially offset by increase in borrowings of ₹70.52 billion.

Investing Activities

Net cash used in investing activities was ₹3.37 billion in Fiscal 2021. The primary reason for the outflow was a sale of fixed asset of ₹0.13 billion and dividend received of ₹0.25 billion. This was partially offset by purchase of fixed assets of ₹3.28 billion.

Net cash used in investing activities was ₹3.50 billion in Fiscal 2020. The primary reason for the outflow was a sale of fixed asset of ₹6.05 billion and dividend received of ₹0.23 billion. This was partially offset by purchase of fixed assets of ₹9.56 billion.

Net cash from investing activities was ₹1.51 billion in Fiscal 2019. The primary reason for the outflow was a sale of fixed asset of ₹4.19 billion and dividend received of ₹0.18 million. This was partially offset by purchase of fixed assets of ₹2.87 billion.

Financing Activities

Net cash from financing activities was ₹23.98 billion in Fiscal 2021. The primary reason was share application money of ₹30.00 billion received. This was partially offset by redemption of innovative perpetual debt instruments, subordinated bonds and upper tier II bonds (net) of ₹0.52 billion.

Net cash used in financing activities was ₹31.71 billion in Fiscal 2020. The primary reason was infusion of share capital and share premium amounting to ₹5.18 billion and share application money of ₹46.38 billion received. This was partially offset by redemption of innovative perpetual debt instruments, subordinated bonds and upper tier II bonds (net) of ₹23.25 billion.

Net cash from financing activities was ₹79.70 billion in Fiscal 2019. The primary reason was infusion of share capital amounting to ₹10.16 billion and share premium amounting to ₹97.30 billion and share application money of ₹46.38 billion received. This was partially offset by redemption of innovative perpetual debt instruments, subordinated bonds and upper tier II bonds (net) of ₹64.00 billion.

Discussion on Cash Flows Under Consolidated Financial Statements

The following table sets forth our statement of cash flows for Fiscal 2019, 2020 and 2021:

	For the year ended March 31,		
	2019	**2020**	**2021**
		(Audited)	
		(Consolidated)	
		(₹ in billions)	
Net cash from/(used in) operating activities	(92.18)	(48.27)	378.70
Net cash from/(used in) investing activities	0.71	(2.32)	(1.82)
Net cash from/(used in) financing activities	79.83	(31.92)	23.98
Net increase/(decrease) in cash and cash equivalents	11.64	(82.51)	400.85

Operating Activities

In Fiscal 2021, net cash from operating activities was ₹378.70 billion. Net profit before tax was ₹31.62 billion in Fiscal 2021 and adjustments to reconcile net profit before tax to net cash flows primarily consisted of decrease in investments of ₹306.51 billion, decrease in advances of ₹36.71 billion, and direct taxes paid of ₹7.56 billion. This was partially offset by decrease in borrowings of ₹73.40 billion.

In Fiscal 2020, net cash used in operating activities was ₹48.27 billion. Net loss before tax was ₹46.91 billion in Fiscal 2020 and adjustments to reconcile net profit before tax to net cash flows primarily consisted of decrease in investments of ₹121.79 billion, decrease in advances of ₹421.40 billion, and direct taxes paid of ₹8.63 billion. This was partially offset by decrease in borrowings of ₹21.88 billion.

In Fiscal 2019, net cash used in operating activities was ₹92.18 billion. Net profit before tax was ₹85.88 billion in Fiscal 2019 and adjustments to reconcile net profit before tax to net cash flows primarily consisted of decrease in investments of ₹119.05 billion, decrease in advances of ₹154.93 billion, and direct taxes refunded of ₹33.92 billion. This was partially offset by increase in borrowings of ₹70.67 billion.

Investing Activities

Net cash used in investing activities was ₹1.82 billion in Fiscal 2021. The primary reason for the outflow was a sale of fixed asset of ₹0.19 billion and dividend received of ₹0.22 billion. This was partially offset by purchase of fixed assets of ₹3.49 billion.

Net cash used in investing activities was ₹2.32 billion in Fiscal 2020. The primary reason for the outflow was a sale of fixed asset of ₹6.05 billion and dividend received of ₹0.14 billion. This was partially offset by purchase of fixed assets of ₹9.62 billion.

Net cash from investing activities was ₹0.71 billion in Fiscal 2019. The primary reason for the inflow was a sale of fixed asset of ₹4.26 billion and dividend received of ₹0.11 billion. This was partially offset by purchase of fixed assets of ₹2.98 billion.

Financing Activities

Net cash from financing activities was ₹23.98 billion in Fiscal 2021. The primary reason was share application money of ₹30.00 billion received. This was partially offset by redemption of innovative perpetual debt instruments, subordinated bonds and upper tier II bonds (net) of ₹0.52 billion.

Net cash used in financing activities was ₹31.92 billion in Fiscal 2020. The primary reason was infusion of share capital amounting to ₹ 5.18 billion and share premium amounting to ₹41.00 billion and share application money of ₹46.38 billion received. This was partially offset by redemption of innovative perpetual debt instruments, subordinated bonds and upper tier II bonds (net) of ₹23.25 billion.

Net cash from financing activities was ₹79.83 billion in Fiscal 2019. The primary reason was infusion of share capital amounting to ₹10.16 billion and share premium amounting to ₹97.44 billion and share application money of ₹46.38 billion received. This was partially offset by redemption of innovative perpetual debt instruments, subordinated bonds and upper tier II bonds (net) of ₹64.00 billion.

Capital Expenditure

Our capital expenditure consists principally of investment in technology and communication infrastructure and other miscellaneous fixed assets. In Fiscal 2020, and Fiscal 2021 we incurred ₹3.57 billion, and ₹3.30 billion, respectively, as net capital expenditure respectively on this account. We incurred no net capital expenditure in Fiscal 2019.

Contingent Liabilities

Our contingent liabilities primarily relate to claims against us not acknowledged as debts which represent claims filed against us 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 us. Contingent liabilities also include liabilities on account of outstanding forward exchange contracts that we enter into on our own account and on behalf of our customers. Guarantees given on behalf of entities, acceptances, endorsements and other obligations also form part of our contingent liabilities.

The table below sets forth, as of the dates indicated, the principal components of our Bank's contingent liabilities as of the dates indicated:

	For the year ended March 31,			For the three months ended June 30,	
	2019	**2020**	**2021**	**2020**	**2021**
		(audited)		**(unaudited)**	
Contingent Liabilities			*(₹ in billions)*		
Claims against the Bank not acknowledged as debts including disputed tax liability	15.01	14.99	26.20	14.75	26.20
Liability for partly paid investments	0.17	1.14	1.01	1.12	0.94
Liability on account of outstanding foreign exchange contracts	2,551.62	2,946.16	4,046.62	2,853.02	3,905.79
Guarantees given on behalf of constituents					
In India	209.18	225.14	218.03	224.19	212.33
Outside India	32.09	41.53	30.85	43.73	34.96
Acceptances, endorsements and other obligations including Letter of Comfort	189.42	172.13	183.05	163.94	180.90
Interest rate swaps	106.09	109.64	14.87	52.38	16.12
Other items for which Bank is contingently liable	9.59	12.37	15.72	12.47	16.38
Total	3,113.17	3,523.09	4,536.35	3,365.58	4,393.62

Related Party Transactions

Our Bank enters into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration paid to KMP and others. For further information relating to our related party transactions, see "*Financial Statements*" on page 319.

Off Balance Sheet Arrangements

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates, other unconsolidated entities or financial partnerships that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Auditor Observations and Matters of Emphasis

There are no reservations, qualifications or adverse remarks highlighted by the statutory auditors in their reports to our financial statements/results for Fiscals 2019, 2020 and 2021, and the three months ended June 30, 2021.

Further, the Statutory Auditors have included the following emphasis of matter in their audit reports to the consolidated financial statements for Fiscals 2019, 2020 and 2021:

Fiscal Year	Emphasis of Matter
2021	(a) Note No.10(c) of Schedule-18 of the accompanying Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its domestic and international business operations of the Bank on ongoing basis Note No. 10(c) of Schedule 18 COVID 19 Regulatory Package: The spread of COVID-19 across the globe has resulted in significant decline in Indian as well as global economic activities and increase in volatility in financial markets. The current 'second wave' of COVID-19 pandemic, in which number of cases has increased significantly, has resulted in reimposition of lockdown measures in various parts of the country. Major challenges for the Bank would arise from extended working capital cycles and probability of increase in customer defaults. The extent to which, including the current 'second wave' will continue to impact Bank's results will depend on ongoing as well as future developments, which are highly uncertain. In this situation, though the challenges continue to unfold, the Parent Bank is evaluating the same on an ongoing basis and gearing up itself at all fronts to meet the same. The management, however, believes that no adjustments are required for these challenges as they may not significantly impact the financial results of the Parent Bank. (b) Note No. 8(b) of Schedule-18 of the accompanying Consolidated Financial Statements relating to utilisation of share premium for setting of accumulated losses. Note No. 8(b) of Schedule 18: In terms of Gazette notification No. CGDL- E-23032020-218862 dated March 23, 2020 issued by Ministry of Finance (Department of Financial Services) containing amendment in Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, after complying with the regulatory requirements and after getting approval from Reserve Bank of India vide their letter dated October 29, 2020, the Bank has appropriated accumulated losses of ₹237.82 billion from its share premium account on November 03, 2020. The said appropriation has no impact on Bank's Paid-up capital, Capital Adequacy, Leverage Ratio and Net Worth. (c) Statutory auditors' Comment: Our opinion is not modified in respect of these matters.

2020 (a) Note No.12 (c) of Schedule-18 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its domestic and international business operations of the Bank on an ongoing basis;

Note No. 12(c) of Schedule 18:

The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. The situation continues to be uncertain and the Parent Bank is evaluating the situation on ongoing basis. The major challenge for the Parent Bank would arise from volatility in cash flows. Despite these events and conditions, there would not be any significant impact on Parent Bank's results in future and on the going concern assumption

RBI through circular nos. DOR. No.BP. BC.47/21.04.048/2019-20 dated March 27, 2020; DOR. No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, and DOR.No.BP.BC.71/ 21.04.048/2019-20 dated May 23, 2020 has announced measures to mitigate the burden of debt servicing brought out by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable business

The Impact of above circulars in case of Parent Bank are detailed as under:

S. No.	**Particulars**	**Amount (₹ in billions)**
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	744.45
2	Respective amount where asset classification benefits is extended	41.45
3	Provisions made during the Q4, FY2019-20	4.14
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

(b) Note Nos.12 (f) & (g) of Schedule-18 of the Consolidated Financial Statements regarding provision made in NPA accounts.

Note No. 12 (f) of Schedule 18:

In respect of RBI referred NCLT accounts (List 1 & 2), as on March 31, 2020, Parent Bank holds 100% provision of the outstanding value of ₹39.59 billion.

Note No. 12 (g) of Schedule 18:

During the year ended March 31, 2020, due to uncertainty of recovery, Parent Bank has made additional provision of ₹39.41 billion in NPA Accounts.

(c) Statutory auditors' Comment: Our opinion is not modified in respect of these matters.

2019 (d) Note 9. (A) of Schedule.18 regarding change in accounting policies in appropriation of recovery in NPA accounts

Note No. 9 (A) of Schedule 18:

AS – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items: There are no material prior period items during the year.

(ii) Change in Accounting Policy (AS-5): During the financial year ended March 31, 2019, Parent bank has changed the method of appropriation of recovery in NPA accounts, where recoveries are now being adjusted against charges, Unrealised Interest (URI), Uncharged Interest (UCI) and lastly against principal as against the earlier method of adjusting recoveries against charges, URI, principal and lastly UCI. This has resulted in increase of interest income by ₹5.98 billion, and Profit before tax by ₹1.65 billion. The change in accounting policy is not system driven in case of packing credit, bills, and frozen accounts. The management is in the process of strengthening the system in order to make the process system driven. The management is of the opinion, that the impact, if any, of the same may not be material.

(e) Note Nos. 10. (b) & (c) of Schedule.18 regarding provision made in NPA accounts.

Note No. 10 (b) of Schedule 18:
During the financial year ended March 31, 2019, the Parent bank has made additional provision of ₹48.17 billion in view of uncertainty of recovery and deterioration in value of underlying assets in respect of 213 borrowers.

Note No. 10 (c) of Schedule 18:
In respect of RBI referred NCLT accounts (List 1 & 2), as on 31st March 2019 the Parent bank holds 100% provision of the outstanding value of ₹61.51 billion.

(f) Statutory auditors' Comment: Our opinion is not modified in respect of these matters.

Qualitative Disclosure about Risks and Risk Management

We are exposed to various risks that are an inherent part of any banking business, with the major risks being credit risk, market risk, liquidity risk and operational risk. We have various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios.

For the Bank's interest rate sensitivity analysis, see "*Selected Statistical Information —Advances Portfolio – Interest Rate Sensitivity Analysis*" on page 154.

Total Turnover of each Major Industry Segment in which the Bank Operated

We have one primary business segment, namely banking industry. For further information, see "*Industry Overview*" on page 171 and "*Financial Statements*" on page 319.

New Products or Business Segments

Other than as disclosed in the section titled "*Our Business*" on page 195, our Bank has not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products.

Unusual or Infrequent Events or Transactions

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent."

Significant Economic Changes that materially affect or are likely to affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from our operations identified above in "—*Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" on page 52.

Known Trends or Uncertainties

Other than as described in this Placement Document, particularly in this section and "*Risk Factors*" on page 52, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in this section and the sections "*Risk Factors*" on page 52 and "*Our Business*" on page 195, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Competitive Conditions

We operate in a competitive environment. See, "*Our Business*" on page 195, "*Industry Overview*" on page 171, *"Risk Factors*" on page 52 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting our Results of Operations and Financial Condition*" on page 107.

Significant Developments after June 30, 2021 that may affect our Future Results of Operations

Except as discussed above and as otherwise stated in this Placement Document, to our knowledge, no circumstances have arisen since the date of the last Reviewed Financial Results as disclosed in this Placement Document which materially and adversely affects or is likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities.

SELECTED STATISTICAL INFORMATION

The Bank's fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the year ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, the financial information contained herein for Fiscals 2019, 2020 and 2021 is based on or derived from our Audited Financial Statements, and the financial information included herein for the three months ended June 30, 2021 (including the comparative financial information with respect to the three months ended June 30, 2020) is based on or derived from the Reviewed Financial Results, included in this Placement Document. The following information should be read together with the information included in the sections "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" included elsewhere in this Placement Document.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Average Balance Sheet of the Bank

The table below presents the average balances for interest-earning assets and interest-bearing liabilities of the Bank together with the related interest revenue and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of quarterly balances outstanding. The average yield on average assets is the ratio of interest revenue to average interest-earning assets (except that investments include equity investments and interest revenue with respect to investments includes dividends on such equity investments). The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. This data is provided with respect to the Bank rather than the Group consistent with the Bank and the Group's internal data processing and control systems. The Bank is the largest constituent part of the Group by total assets and net profit, representing 99.05% of the consolidated Group's total assets as of March 31, 2021 and 103.72% of the Group's consolidated net profit for fiscal year 2021.

	Year ended March 31,								
	2019			2020			2021		
	Average Balance	Interest Income/ Expense	Avg. Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Avg. Yield/ Cost (%)	Average Balance	Interest Income/ Expense	Avg. Yield/ Cost (%)
	(₹ in billions, except percentages)								
Interest-earning assets:									
Advances	3,350.42	272.50	8.13	3,433.28	288.05	8.39	3,666.95	274.07	7.47
Investments	1,339.15	99.73	7.45	1,479.64	107.04	7.23	1,727.91	115.48	6.68
Others	734.32	35.45	4.83	642.55	28.44	4.43	719.25	16.45	2.29

Total interest-earning assets	**5423.90**	**407.68**	**7.52**	**5,555.47**	**423.53**	**7.62**	**6,114.11**	**405.99**	**6.64**
Non-interest earning assets:									
Fixed assets	84.89	0.00		89.57	0.00		89.05	0	
Other assets	588.33	0.00		639.26	0.00		815.66	0	
Total non-interest earning assets	**673.22**	**0.00**		**728.83**	**0.00**		**904.71**	**0**	
Total Assets	**6,097.11**	**0.00**		**6,284.29**	**0.00**		**7,018.83**	**0**	
Interest-bearing liabilities:									
Total deposits	5,156.84	229.91	4.46	5,269.79	236.37	4.49	6,104.39	244.82	4.01
Subordinated loan	111.75	10.15	9.08	94.63	8.46	8.94	74.13	6.54	8.82
Borrowings	299.22	31.04	10.37	307.28	26.14	8.51	206.88	11.93	5.77
Total interest-bearing liabilities	**5567.82**	**271.10**	**4.87**	**5,671.70**	**270.96**	**4.78**	**6,385.40**	**263.30**	**4.12**
Non-interest bearing liabilities:									
Capital and reserves	368.09	0.00		461.77	0.00		460.18	0	
Bills payable	11.54	0.00		11.79	0.00		11.89	0	
Other liabilities	149.66	0.00		139.03	0.00		161.35	0	
Total non-interest bearing liabilities	529.30	0.00		612.59	0.00		633.42	0	
Total liabilities	6,097.11	0.00		6,284.29	0.00		7,018.83	0	

	Three months ended June 30, 2020			**Three months ended June 30, 2021**		
	Average Balance	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**	**Average Balance**	**Interest Income/ Expense**	**Avg. Yield/ Cost (%)**
	(₹ in billions, except percentages)					
Interest-earning assets:						
Advances	3,697.49	69.92	1.89	3,681.47	60.18	1.63
Investments	1,555.92	28.03	1.8	1,843.56	28.61	1.55
Others	674.13	4.39	0.65	746.35	4.43	0.59
Total interest-earning assets	**5,927.54**	**102.34**	**1.73**	**6,271.38**	**93.21**	**1.49**
Non-interest earning assets:						
Fixed assets	89.54	0.00		89.06	0.00	
Other assets	674.61	0.00		871.36	0.00	

Total non-interest earning assets	**764.14**	**0.00**		**960.42**	**0.00**	
Total Assets	**6,691.69**	**0.00**		**7,231.79**	**0.00**	
Interest-bearing liabilities:						
Total deposits	5,753.70	61.94	1.08	6,252.50	58.70	0.94
Subordinated loan	78.00	1.78	2.28	83.52	1.86	2.22
Borrowings	249.50	3.82	1.53	228.91	1.21	0.53
Total interest-bearing liabilities	**6,081.20**	**67.53**	**1.11**	**6,564.92**	**61.77**	**0.94**
Non-interest bearing liabilities:						
Capital and reserves	442.58	0.00		491.14	0.00	
Bills payable	10.50	0.00		13.01	0.00	
Other liabilities	157.40	0.00		162.71	0.00	
Total non-interest bearing liabilities	**610.49**	**0.00**		**666.87**	**0.00**	
Total liabilities	**6,691.69**	**0.00**		**7,231.79**	**0.00**	

Yields, Spreads and Margins

The following table sets forth, for the periods indicated, the yields, spreads and interest margins on the Bank's interest-earning assets.

	Year ended March 31			**Three months ended June 30,**	
	2019	**2020**	**2021**	**2020**	**2021**
	(₹ in billions, except percentages)				
Interest income on interest-earning assets	407.68	423.53	405.99	102.34	93.21
Interest expense on interest-bearing liabilities	271.10	270.96	263.30	67.53	61.77
Average interest-earning assets	5,423.90	5,555.47	6,114.11	5,927.54	6,271.38
Average interest-bearing liabilities	5,567.82	5,671.70	6,385.40	6,081.20	6,564.92
Average total assets	6,097.11	6,284.29	7,018.83	6,691.69	7,231.79
Average interest-earning assets as a percentage of average total assets	88.96	88.40	87.11	88.58	86.72
Average interest-bearing liabilities as a percentage of average total assets	91.32	90.25	90.98	90.88	90.78
Average interest-earning assets as a percentage of average interest-bearing liabilities	97.42	97.95	95.75	97.47	95.53
Yield(1)	7.52	7.62	6.64	1.73	1.49

	Year ended March 31			Three months ended June 30,	
	2019	2020	2021	2020	2021
	(₹ in billions, except percentages)				
Cost of funds[(2)]	4.87	4.78	4.12	1.11	0.94
Spread	2.65	2.85	2.52	0.62	0.55
Net interest margin[(3)] (annualized)	2.52	2.75	2.33	2.35	2.01

Notes:

(1) Yield is interest income divided by total quarterly average interest-earning assets.

(2) Cost of funds is interest expense divided by total quarterly interest-bearing liabilities.

(3) Net interest margin is the difference of interest earned and interest expended divided by the total quarterly average interest-earning assets.

Analysis of Changes in Interest Revenue and Interest Expense By Volume and Rate

The following tables set forth, for the periods indicated, the allocation of the changes in the Bank's interest revenue and interest expense between average volume and changes in average rates.

	Fiscal year 2020 vs. Fiscal year 2019			Fiscal year 2021 vs. Fiscal year 2020		
	Increase (Decrease)[(1)] Due to			Increase (Decrease)[(1)] Due to		
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate
	(₹ in millions)					
Interest revenue						
Advances	15.54	6.74	8.80	(13.98)	19.60	(33.58)
Investments	7.31	10.46	(3.15)	8.44	17.96	(9.52)
Others	(7.00)	(4.43)	(2.57)	(11.99)	3.40	(15.39)
Total interest-earning assets	**15.85**	**12.77**	**3.08**	**(17.54)**	**40.96**	**(58.50)**
Interest expenses						
Total deposits[(1)]	6.46	5.04	1.42	8.46	37.43	(28.98)
Subordinated loan	(1.47)	(1.57)	0.10	(1.86)	(1.90)	0.04
Borrowings	(5.13)	0.83	(5.97)	(14.27)	(8.44)	(5.83)
Total interest-bearing liabilities.	**(0.14)**	**4.30**	**(4.44)**	**(7.67)**	**27.10**	**(34.76)**

	Fiscal year 2020 vs. Fiscal year 2019			Fiscal year 2021 vs. Fiscal year 2020		
	Increase (Decrease)(1) Due to			Increase (Decrease)(1) Due to		
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate
			(₹ in millions)			
Net interest revenue	**15.99**	**8.47**	**7.52**	**(9.87)**	**13.86**	**(23.74)**

Note:

(1) Total deposit includes saving deposits, current deposits and term deposits.

	Three months ended June 30, 2021 vs. Three months ended June 30, 2020		
	Increase (Decrease)(1) Due to		
	Net Change	Change in Average Volume	Change in Average Rate
		(₹ in billions)	
Interest revenue			
Advances	(9.75)	(0.30)	(9.44)
Investments	0.58	5.18	(4.61)
Others	0.04	0.47	(0.43)
Total interest-earning assets	**(9.13)**	**5.35**	**(14.48)**
Interest expenses			
Total deposits(1)	(3.24)	5.37	(8.60)
Subordinated loan	0.08	0.13	(0.05)
Borrowings	(2.61)	(0.32)	(2.29)
Total interest-bearing liabilities	**(5.76)**	**5.18**	**(10.94)**
Net interest revenue	**(3.37)**	**0.17**	**(3.53)**

Note:

(1) Total deposit includes saving deposits, current deposits and term deposits.

Financial Ratios of the Bank

The following table sets forth certain key financial indicators as of and for the dates and periods indicated for the Group and the Bank, as indicated.

	As of and for the year ended March 31,			As of and for the three months ended June 30,	
	(Bank)			(Bank)	
	2019	2020	2021	2020	2021
	(in percentages)				
Return on average equity[(1)]	(24.57)	(12.42)	8.81	15.53	10.34
Return on average assets[(2)]	(0.84)	(0.43)	0.28	0.46	0.37
Dividend payout ratio[(3)]	-	-	-	-	-
Cost to average assets[(4)]	1.54	1.51	1.57	0.32	0.35
Tier I capital adequacy ratio	11.07	9.90	11.96	9.48	11.98
Tier II capital adequacy ratio	3.12	3.20	2.97	3.28	3.1
Total capital adequacy ratio	14.19	13.10	14.93	12.76	15.07
Net non-performing assets ratio[(5)]	5.61	3.88	3.35	3.58	3.35
Allowance as percentage of gross non-performing assets[(6)]	76.95	83.74	86.24	84.87	86.17
Average net worth to total average assets[(7)]	3.46	3.46	3.18	2.95	3.59

Notes:

(1) Return on average equity is the ratio of the net profit after tax to the quarterly average net worth (capital plus reserves).

(2) Return on average assets is the ratio of the net profit after tax to the quarterly average assets.

(3) Dividend payout ratio is the ratio of dividend to adjusted net profit (after exclusion of a one-off income item from net profit).

(4) Cost to average assets is the ratio of the operating expenses, excluding lease depreciation, to the quarterly average assets.

(5) Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.

(6) Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions made to the gross non-performing assets.

(7) Average net worth to total average assets is the ratio of quarterly average capital and reserves divided by total quarterly average assets.

Investment Portfolio

As of June 30, 2021, the Bank's investments comprised 25.99% of its total unconsolidated assets, while total advances were 51.43% of the Bank's total unconsolidated assets. The Bank carries out its investment activities according to various investment and trading policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits, duration limits and minimum acceptable credit spreads.

The Bank is required to maintain a minimum holding of 18% of its demand and time liabilities in SLR securities. In addition, the surplus funds of the Bank's deposits and advances are invested by the domestic treasury department. These investments are in conformity with the Bank's policy on investments and the risk limits set by the Bank's Board.

Total Domestic Investment Portfolio

The following tables sets forth, as of the dates indicated, information relating to the Bank's total domestic investment portfolio. Domestic investments constituted 95.73% of the Bank's investment portfolio as of June 30, 2021.

	As of March 31, 2019				As of March 31, 2020				As of March 31, 2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
					(₹ in billions)							
Government securities	1,286.94	1,280.86	6.09	12.17	1,397.95	1,431.44	34.06	0.57	1,658.44	1,671.44	24.56	11.55
Other debt securities[(1)]	94.73	90.27	0.42	4.89	96.99	95.12	1.54	3.41	132.45	130.67	3.40	5.17
Total debt securities	1,381.68	1,371.13	6.51	17.06	1,494.94	1,526.56	35.60	3.98	1,790.88	1,802.12	27.95	16.72
Non-debt securities[(2)]	60.92	32.95	6.28	34.25	55.19	23.06	5.81	37.95	55.28	19.62	5.80	41.47
Subsidiaries, Joint Venture, and associates — at cost..................	12.88	12.68	-	0.20	12.54	12.21	-	0.33	12.60	12.17	-	0.43
Total	**1,455.48**	**1,416.76**	**12.79**	**51.51**	**1,562.67**	**1,561.83**	**41.41**	**42.26**	**1,858.77**	**1,833.90**	**33.76**	**58.62**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

	As of June 30, 2020				As of June 30, 2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
					(₹ in billions)			
Government securities	1,415.85	1,466.27	52.13	1.70	1,655.02	1,662.57	18.97	11.42
Other debt securities[(1)]	124.07	124.89	4.23	3.41	125.78	123.69	3.11	5.20
Total debt securities ...	1,539.92	1,591.16	56.36	5.11	1,780.80	1,786.25	22.08	16.62
Non-debt securities[(2)] ..	52.91	20.81	5.76	37.86	52.36	17.26	6.40	41.50
Subsidiaries, Joint Venture, and associates — at cost ...	12.54	12.21	0.00	0.33	12.60	12.17	0.00	0.43
Total	**1,605.37**	**1,624.19**	**62.11**	**43.30**	**1,845.75**	**1,815.68**	**28.48**	**58.55**

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Available for Sale Investments

	As of March 31,											
	2019				2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)											
Government securities	238.80	237.43	1.32	2.68	302.89	304.21	1.83	0.51	402.42	401.07	1.33	2.68
Other debt securities(1)	93.02	88.44	0.31	4.89	95.09	93.24	1.48	3.33	73.73	70.19	1.53	5.06
Total debt securities	331.81	325.87	1.63	7.57	397.99	397.45	3.31	3.84	476.15	471.27	2.86	7.74
Non-debt securities(2)	58.63	30.20	5.79	34.21	52.47	20.01	5.41	37.87	51.88	16.06	5.54	41.36
Subsidiaries, Joint Venture, and associates — at cost	-	-	-	-	-	-	-	-	-	-	-	-
Total	390.44	356.07	7.42	41.79	450.45	417.46	8.71	41.70	528.03	487.33	208.40	49.10

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

	As of June 30,							
	2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)							
Government securities	433.78	439.06	6.98	1.70	446.28	448.32	4.06	2.02
Other debt securities(1)	89.44	89.28	3.03	3.19	68.75	65.04	1.41	5.13
Total debt securities .	523.22	528.34	10.01	4.89	515.03	513.35	5.47	7.15
Non-debt securities(2)	50.39	17.98	5.39	37.80	49.19	13.90	6.14	41.43
Subsidiaries, Joint Venture, and associates — at cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	As of June 30,							
	2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)							
Total	573.61	546.32	15.40	42.70	564.22	527.25	11.61	48.59

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Held to Maturity Investments

	As of March 31,											
	2019				2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)											
Government securities	1,042.89	1,038.18	4.77	9.48	1,094.95	1,127.13	32.23	0.06	1,256.25	1,270.62	23.23	8.87
Other debt securities[1]	1.72	1.83	0.11	0.00	1.90	1.87	0.06	0.09	58.72	60.48	1.86	0.11
Total debt securities	1,044.61	1,040.01	4.88	9.48	1,096.85	1,129.00	32.86	1.46	1,314.97	1,331.10	25.09	8.98
Non-debt securities[2]	2.28	2.74	0.50	0.04	2.72	3.05	0.41	0.08	3.12	3.30	0.26	0.09
Subsidiaries, Joint Venture, and associates — at cost	12.88	12.68	0.00	0.20	12.54	12.21	0.00	0.33	12.60	12.17	0.00	0.43
Total	1,059.76	1,055.43	5.38	9.72	1,112.11	1,144.26	32.70	0.55	1,330.70	1,346.56	25.36	9.50

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

	As of June 30,							
	2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)							
Government securities	981.43	1,026.57	45.15	0.00	1,210.06	1,215.58	14.91	9.39
Other debt securities[1]	34.62	35.61	1.20	0.21	57.03	58.65	1.70	0.08
Total debt securities	1,016.05	1,062.18	46.35	0.21	1,267.09	1,274.23	16.61	9.47
Non-debt securities[2]	2.52	2.83	0.37	0.06	3.06	3.25	0.26	0.06
Subsidiaries, Joint Venture, and associates — at cost	12.54	12.21	0.00	0.33	12.60	12.17	0.00	0.43
Total	1,031.11	1,077.22	46.72	0.60	1,282.75	1,289.66	16.86	9.95

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Held for Trading Investments

	As of March 31,											
	2019				2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)											
Government securities. .	5,254.83	5,248.63	0.10	6.30	101.71	102.22	0.51	-	(239.13)	(244.03)	0.00	4.90
Other debt securities(1) ..	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Total debt securities......	5,254.83	5,248.63	0.10	6.30	101.71	102.22	0.51	0.00	(239.13)	(244.03)	0.00	4.90
Non-debt securities(2) .. .	17.54	17.06	0.14	0.62	0.00	0.00	0.00	0.00	281.34	259.62	0.04	21.76
Subsidiaries, Joint Venture, and associates — at cost......................	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Total	5,272.37	5,265.68	0.24	6.92	101.71	102.22	0.51	0.00	42.22	15.59	0.04	26.67

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

	As of June 30,							
	2020				2021			
	Book Value	Market Value	Unrealized Gain	Unrealized Loss	Book Value	Market Value	Unrealized Gain	Unrealized Loss
	(₹ in billions)							
Government securities	645.18	643.56	0.03	1.64	(1,323.07)	(1,327.02)	0.02	3.97
Other debt securities(1)								
Total debt securities............. .	645.18	643.56	0.03	1.64	(1,323.07)	(1,327.02)	0.02	3.97
Non-debt securities(2)	5.54	5.56	0.06	0.04	105.50	102.13	0.00	3.36
Subsidiaries, Joint Venture, and associates — at cost								
Total	650.72	649.12	0.08	1.68	(1,217.57)	(1,224.89)	0.02	7.34

Notes:

(1) Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

(2) Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture funds.

Residual Maturity Profile

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as available for sale and their weighted average market yields.

Available for sale

	As of June 30, 2021							
	Up to One Year		One to Five Year		Five to Ten Years		More than Ten Years	
	Amount	% Yield	Amount	% Yield	Amount	% Yield	Amount	% Yield
	(₹ in billions, except percentages)							
Government securities	318.00	3.65	94.37	4.78	33.90	7.25	0.00	0
Other debt securities	9.67	4.98	39.14	5.26	12.79	5.18	7.15	7.88
Total debt securities market value...........	327.54		131.83		47.11		6.87	
Gross book value.....	327.67	3.68	133.51	4.92	46.69	6.69	7.15	7.88

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held to maturity and their weighted average market yields.

Held to maturity

	As of June 30, 2021							
	Up to One Year		One to Five Year		Five to Ten Years		More than Ten Years	
	Amount	% Yield	Amount	% Yield	Amount	% Yield	Amount	% Yield
	(₹ in billions, except percentages)							
Government securities	16.09	6.89	106.01	6.49	656.55	6.87	431.41	6.39
Other debt securities	24.92	8.66	30.77	8.69	1.34	10.72	0.00	
Total debt securities market value...........	41.66		140.18		666.39		426.01	
Gross book value.....	41.01	7.96	136.79	6.98	657.89	6.88	431.41	6.39

The following table sets forth, as of the date indicated, an analysis of the residual maturity profile of the Bank's domestic investments in government and corporate debt securities classified as held for trading and their weighted average market yields.

Held for trading

	As of June 30, 2021							
	Up to One Year		One to Five Year		Five to Ten Years		More than Ten Years	
	Amount	% Yield	Amount	% Yield	Amount	% Yield	Amount	% Yield
	(₹ in billions, except percentages)							
Government securities	-	-	0.05	5.63	(1.13)	6.03	(0.25)	6.74
Other debt securities	-	-	-		-		-	
Total debt securities market value...........	-	-	0.05		(1.13)		(0.25)	
Gross book value.....	-	-	0.05	5.63	(1.13)	6.03	(0.25)	6.74

Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The Bank's principal sources of funds are deposits from retail (term deposits of less than ₹20.0 million and savings account deposits) and corporate customers, borrowings from the RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public issuance of bonds. Domestic deposits raised from the retail segment were 87.69% of total deposits as of June 30, 2021. Of the Bank's total deposits as of June 30, 2021, 6.50% were demand deposits and 32.31% were savings bank deposits, while 61.18% were term deposits.

Total Deposits

The following table sets forth, for the periods indicated, the Bank's outstanding domestic deposits and the percentage composition by each category of deposits. The cost of deposits (interest expense divided by the average of balance for the relevant period) was 4.10% for the period ended March 31, 2021, compared to 4.57% for the period ended March 31, 2020.

The average deposits on a quarterly average basis for the periods set forth are as follows:

	Year ended March 31,					
	2019		2020		2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ in billions, except percentages)					
Current deposits	277.57	5.38	292.25	5.55	315.98	5.18
Savings deposits..........................	1,522.00	29.51	1,640.09	31.12	1,870.58	30.64
Time deposits	3,357.27	65.10	3337.46	63.33	3,917.83	64.18
Total...	**5,156.84**	**100.00**	**5,269.80**	**100.00**	**6,104.39**	**100.00**

	Three months ended June 30,			
	2020		2021	
	Amount	% of Total	Amount	% of Total
	(₹ in billions except percentages)			
Current deposits	320.26	5.38	405.51	6.5
Savings deposits	1,803.75	30.30	2,014.33	32.31
Time deposits	3,828.34	64.32	3,814.01	61.18
Total	**5,952.35**	**100**	**6,233.85**	**100**

As of June 30, 2021, individual domestic term deposits in excess of ₹5.0 million had balance to maturity profiles as set out below.

	As of June 30, 2021				
	Up to 3 Months	3 to 6 Months	6 to 9 Months	9 to 12 Months	More Than 1 Year
	(₹ in billions)				
Balance to maturity for deposits exceeding ₹5,000,000.00 each	32.05	41.34	37.33	34.94	63.55

Short-term Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's short-term Rupee borrowings, which are comprised primarily of money-market borrowings (call borrowing and CBLO borrowing). Short-term Rupee borrowings exclude deposits and securities sold under repurchase agreements with market participants but exclude those with the RBI. For the purpose of the below table, short-term borrowings exclude our Bank's interbank deposits taken under the credit support annex arrangements.

	Year ended March 31,			Three months ended June 30,	
	2019	2020	2021	2020	2021
	(₹ in billions, except percentages)				
Period end balance	121.26	0.00	152.29	10.00	141.90
Average balance during the period not captured[(1)]	131.65	218.85	90.31	64.38	30.74
Average interest rate during the period[(2)]	6.31%	5.33%	3.38%	4.83%	3.27%
Interest at period end[(3)]	83.01%	117.06%	30.56%	7.75%	2.52%

Notes:

(1) Average daily balances outstanding.

(2) Represents the ratio of interest expense on short-term borrowings to the average of balances of short-term borrowings.

(3) Represents the total interest paid on account of short term borrowings during the period.

Perpetual Debt and Upper Tier II Instruments

The following table sets forth, as of June 30, 2021, the details of Perpetual Debt and Upper Tier II instruments issued by the Bank.

(a) Innovative Perpetual Debt Instruments (IPDI)

Particulars	Date of Issue	Perpetual and Call option	Coupon rate	₹ in billions
Series VI – Additional Tier I in India	January 28, 2021	Perpetual - January 28, 2026	9.04	7.50
Series VII – Additional Tier I in India	March 30, 2021	Perpetual - March 30, 2026	9.30	6.02
Total............				13.52

(b) Tier II Bonds

Particulars	Date of Issue	Date of maturity	Coupon rate	₹ in billions
Series X – Tier II in India	September 25, 2013	September 25, 2023	9.80	10.00
Series XI – Tier II in India	September 30, 2013	September 30, 2023	9.80	5.00
Series XII – Tier II in India	December 31, 2015	December 31, 2025	8.52	30.00
Series XIII – Tier II in India	July 07, 2016	July 07, 2026	8.57	15.00
Series XIV – Tier II in India	March 27, 2017	March 27, 2027 - Call option March 27, 2022	8.00	10.00
Total............				**70.00**

******Series XIII – Tier II bonds were redeemed on July 07, 2021.*

Cash Flow Mismatch Analysis

The following table sets forth the Bank's structural liquidity gap position for its domestic operations as of June 30, 2021:

	As of June 30, 2021(1)(2)(3)				
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
	(₹ in billions, except percentages)				
Cash and bank balances.	338.35	47.23	165.46	75.08	626.12
Advances..	368.04	265.28	1,785.85	887.09	3,306.27
Investments	589.97	119.58	480.46	602.47	1,792.47
Fixed assets	0.00	0.00	0.00	82.79	82.79
Other assets	79.90	0.00	0.00	239.35	319.25
Total assets	1,376.26	432.09	2,431.76	1,886.78	6,126.90

	As of June 30, 2021[1][2][3]				
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
	(₹ in billions, except percentages)				
Capital and Reserves	0.00	0.00	0.00	490.56	490.56
Deposits	875.77	408.99	2,270.03	1,968.24	5,523.03
Borrowings	158.45	6.22	124.95	10.00	299.62
Other liabilities	0.00	0.00	0.00	(111.88)	(111.88)
Total liabilities	1,034.22	415.21	2,394.98	2,356.92	6,201.33
Liquidity gap	342.04	16.88	36.78	(470.14)	
Cumulative liquidity gap	342.04	358.92	395.70	(74.44)	
Cumulative liabilities	1,034.22	1,449.43	3,844.41	6,201.33	
Cumulative liquidity gap as a % of cumulative liabilities	33.1%	1.2%	1.0%	(7.6%)	

Notes:

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified as per historical behavioral analysis or management judgment.

Loan Portfolio and Credit Substitutes

As of June 30, 2021, the Bank's gross loan portfolio was ₹4,146.97 billion. As of that date, the Bank's gross non-fund-based exposure was ₹4,575.15 billion. The majority of the Bank's gross loans and credit substitutes are to borrowers in India.

The Bank makes loans to a wide range of customers in the public and private sectors, including commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year.

The following tables sets forth the Bank's advances by segment as of March 31, 2019, 2020 and 2021 and June 30, 2020 and 2021.

	As of March 31,					
	2019		2020		2021	
	₹ in billions	*% of Total*	*₹ in billions*	*% of Total*	*₹ in billions*	*% of Total*
Advances in India						

Agriculture	573.02	17.46	529.18	14.80	590.07	16.28
MSME	545.95	16.64	560.92	15.68	634.25	17.50
Retail	564.92	17.22	608.34	17.01	680.58	18.78
RAM	**1,614.25**	**49.19**	**1,691.10**	**47.28**	**1,869.93**	**51.60**
Corporate and Others	1,597.48	48.68	1,878.26	52.51	1,718.71	47.43
Gross domestic advances	**3,281.37**	100.00	**3,576.70**	100.00	**3,623.61**	100.00
Less provisions	350.85	-	387.23	-	358.24	-
Net domestic advances	**2,930.52**	**85.94**	**3,189.47**	**86.43**	**3,265.37**	**89.29**
Advances outside India.	**479.54**	**14.06**	**500.59**	**13.57**	**391.49**	**10.71**
Total net advances	**3,410.06**	**100.00**	**3,690.06**	**100.00**	**3,656.87**	**100.00**

	As of June 30,			
	2020		**2021**	
	₹ in billions	*% of Total*	*₹ in billions*	*% of Total*
Advances in India				
Agriculture	523.31	14.55	593.01	16.22
MSME	569.46	15.83	634.69	17.36
Retail	616.05	17.13	681.16	18.63
RAM	**1,691.72**	**47.03**	**1,878.15**	**51.36**
Corporate and Others	1,888.33	52.50	1,747.67	47.80
Gross domestic advances	**3,597.15**	**100.00**	**3,656.53**	**100.00**
Less provisions	358.84		350.27	
Net domestic advances	**3,238.31**	**87.38**	**3,306.26**	**89.21**
Advances outside India.	**467.84**	**12.62**	**399.81**	**10.79**
Total net advances	**3,706.15**	**100.00**	**3,706.07**	**100.00**

Interest Rate Sensitivity Analysis

The following table sets forth the interest rate sensitivity analysis of the Bank's assets and liabilities for the Bank's Indian operations as of June 30, 2021:

	Up to 3 Months	**3 Months to 1 Year**	**1 year to 5 years**	**Over 5 Years**	**Non Sensitive**	**Total**
			₹ in billions			
Assets						
Cash & Balances with RBI	0.00	0.00	0.00	0.00	278.75	278.75
Balances with other banks	246.50	27.98	72.88	0.00	0.00	347.37
Advances	318.73	340.29	911.86	1,735.39	0.00	3306.27

	Up to 3 Months	3 Months to 1 Year	1 year to 5 years	Over 5 Years	Non Sensitive	Total
Investments	499.83	86.39	131.06	1,075.19	0.00	1792.47
Fixed Assets	0.00	0.00	0.00	0.00	82.79	82.79
Other Assets	0.00	0.00	0.00	0.00	319.25	319.25
Forex Swaps	0.00	0.00	0.00	0.00	2,216.40	2216.40
Total Assets	1,065.06	454.65	1,115.80	2,810.59	2,897.19	8343.29
OBS Items	0.00	2.00	13.25	0.00	0.00	15.25
Total RSA	1,065.06	456.65	1,129.05	2,810.59	2,897.19	8358.54
Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Capital & Reserve	0.00	0.00	0.00	0.00	490.56	490.56
Deposits	1,088.51	1,693.39	1,868.37	872.76	0.00	5,523.03
Borrowings	158.45	16.22	89.76	0.00	0.00	264.43
Other Liabilities	0.00	0.00	0.00	0.00	(111.88)	(111.88)
Repos	0.00	0.00	35.19	0.00	0.00	35.19
Forex Swaps	0.00	0.00	0.00	0.00	2,194.97	2,194.97
Total Liabilities	1,246.97	1,709.61	1,993.32	872.76	2,573.65	8,396.30
OBS Items	0.00	2.00	13.25	0.00	0.00	15.25
Total RSL	1,246.97	1,711.61	2,006.57	872.76	2,573.65	8,411.55

Concentration of Loans and Credit Substitutes

From April 2019, in accordance with the Large Exposure Framework ("LEF"), our exposure limits for single and group borrowers are 20.0% and 25.0% of our Tier 1 capital funds, respectively. These limits may be subjected to further changes and revisions in future. On account of the COVID-19 pandemic and with a view to facilitate greater flow of resources to corporates borrowers, the RBI vide notification dated May 23, 2020, increased the group exposure limit to 30% of the eligible capital base of our Bank until June 30, 2021. The following tables sets forth, at the dates indicated, the Bank's gross fund-based loans outstanding categorized by borrower industry or economic activity. Our Bank does not consider retail loans a specific industry for this purpose. For further information, see "*Regulations and Policies*" on page 243.

	As of March 31,					
	2019		2020		2021	
Category	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
	(₹ in billions, except percentages)					
Infrastructure						
Power	376.61	8.80	372.64	7.83	408.32	9.06
Telecommunication	1.50	0.04	1.51	0.03	1.46	0.03
Roads and ports	131.67	3.08	136.67	2.87	159.51	3.54
Services Sector						
Computer software	5.47	0.13	4.60	0.10	4.60	0.10
Agro-based Industries						
Sugar	15.20	0.36	13.40	0.28	21.93	0.49
Tea	0.02	0.00	0.02	0.00	0.06	0.00

	As of March 31,					
	2019		2020		2021	
Category	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
	(₹ in billions, except percentages)					
Food processing	18.40	0.43	18.81	0.40	21.36	0.47
Vegetable oils and vanaspati	7.50	0.18	4.317	0.09	3.513	0.08
Manufacturing Sector						
Coal	0.44	0.01	1.06	0.02	0.44	0.01
Mining	50.67	1.23	40.06	0.90	11.61	0.26
Iron and steel	92.76	2.26	114.57	2.56	109.10	2.43
Other metal and metal products	52.67	1.28	25.80	0.58	24.85	0.55
Engineering	18.42	0.45	16.95	0.38	16.47	0.37
Electronics	4.07	0.10	1.94	0.04	2.10	0.05
Electricity	328.66	7.99	319.45	7.15	357.69	7.97
Cotton textile	29.79	0.72	31.01	0.69	27.95	0.62
Jute textile	1.08	0.03	1.03	0.02	1.11	0.02
Other textiles	39.91	0.93	38.07	0.80	38.63	0.86
Tobacco and tobacco products	5.41	0.13	6.04	0.13	2.58	0.06
Paper and paper products	10.79	0.25	10.57	0.22	10.88	0.24
Rubber and rubber products	19.58	0.46	18.46	0.39	18.76	0.42
Chemicals, dyes, paints etc.	15.90	0.37	8.60	0.18	8.40	0.19
Fertilizers	16.35	0.38	9.45	0.20	17.12	0.38
Drugs and pharmaceuticals	17.98	0.42	12.37	0.26	13.49	0.30
Petro-chemicals	10.35	0.24	8.80	0.19	7.48	0.17
Cement	13.04	0.30	14.65	0.31	14.61	0.32
Leather and leather products	4.13	0.10	4.36	0.09	3.93	0.09
Gems and jewelry	67.62	1.58	36.31	0.76	55.07	1.22
Construction	83.22	1.94	84.47	1.78	69.02	1.53
Petroleum	27.12	0.63	42.11	0.89	19.19	0.43
Automobiles including trucks	19.78	0.46	19.26	0.40	23.35	0.52
Others						
Other industries	1075.98	25.14	1044.46	21.96	695.39	15.43
Residual advances to balance Gross advances	2218.63	51.84	2233.77	46.97	2272.48	50.44
Total	4279.97	100.00	4756.08	100.00	4505.46	100.00

Category	As of June 30, 2020 Amount	% of Total	2021 Amount	% of Total
	(₹ in billions, except percentages)			
Infrastructure	482.27	10.45	497.56	11.93
Basic Metal & Metal Products	100.52	2.18	88.40	2.12
Of which Iron & Steel	27.42	0.59	23.93	0.57
Textiles	686.28	14.88	62.42	1.50
Gems & Jewellery	33.47	0.73	54.89	1.32
Chemicals & Chemical Products	24.39	0.53	31.73	0.76
Of which Drugs & Pharmaceuticals	8.67	0.19	9.43	0.23
Vehicles, Vehicle parts & Transport	19.67	0.43	13.37	0.32
Rubber, Plastic & Their products	167.29	3.63	18.90	0.45
Construction	41.14	0.89	42.60	1.02
Other industries	3022.24	65.51	3325.94	79.78
Total	4613.35	100.00	4169.15	100.00

As of June 30, 2021, the aggregate exposure of the Bank's ten largest group borrowers (fund-based) amounted to ₹ 543.21 billion representing 120.17% of the Bank's total capital, which comprises ₹359.17 billion Tier I and ₹92.86 billion Tier II capital. The Bank's exposure to the single largest group borrower (fund-based) on such date was ₹68 billion representing 15.04% of the Bank's total capital.

As of June 30, 2021, the aggregate exposure of the Bank's ten largest individual borrowers (fund based) amounted to ₹ 508.48 billion representing 112.49% of the Bank's total capital, which comprises ₹359.17 billion Tier I and ₹92.86 billion Tier II capital. The Bank's exposure to the single largest individual borrower (fund-based) on such date was ₹58.51 billion representing 12.94% of the Bank's total capital.

Priority Sector Lending

The RBI has issued guidelines requiring Indian banks to lend 40% of their adjusted net bank credit (ANBC), as computed in accordance with such guidelines, or the credit equivalent amount of off-balance sheet exposures (CEOBE), whichever is higher, as of March 31 of the previous fiscal year to certain sectors called "Priority Sectors." Priority sectors are broadly comprised of agriculture, micro small and medium enterprises (MSMEs), export credit, education, housing, social infrastructure, renewable energy and others subject to certain limits.

Our Bank is required to comply with the priority sector lending requirements as of March 31, in each fiscal year. Any shortfall in the amount required to be lent to the priority sector may be required to be deposited with government sponsored Indian developmental banks such as NABARD under the Rural Infrastructure Development Fund Scheme or funds with other financial institutions as specified by RBI, which generate lower levels of interest compared to advances made to the priority sector.

The following table sets forth, for the periods indicated, our Bank's directed lending broken down by sector:

Particulars	As of June 30, 2020	2021
	(₹ in billions)	
Total Agriculture	533.58	593.01
MSME	519.68	574.43

Particulars	As of June 30, 2020	As of June 30, 2021
	(₹ in billions)	
Education	24.87	22.32
Housing	177.07	200.40
Others	2.00	1.35
Total	**1,257.20**	**1,391.51**

Non-Performing Assets ("NPAs")

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global market place, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities. See also "— *NPA Reduction Strategy*."

The management of NPAs has been one of the focus areas of the Bank. Towards this goal, the Bank has focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of Standard Assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under the Corporate Debt Restructuring ("CDR") scheme developed by the RBI as well as under the Bank's own scheme for limiting NPAs; and
- upgrading the Bank's assets.

The Bank's gross and net NPA ratios decreased from 15.84% and 5.61%, respectively, as of March 31, 2019 to 14.78% and 3.88%, respectively, as of March 31, 2020, and decreased to 13.77% and 3.35%, respectively, as of March 31, 2021. The Bank's gross and net NPA ratios decreased to 13.51% and 3.35%, respectively, as of June 30, 2021. See "*Risk Factors — Risks Relating to the Bank's Business — If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations*" on page 58.

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio.

	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
	(₹ in billions, except percentages)				
Non-Performing Assets					
Gross NPAs	606.61	615.50	565.35	577.88	560.42
Specific provisions	393.92	450.81	420.74	422.89	414.17
Floating provisions	2.32	2.32	2.32	2.32	2.32
NPA net of provisions and nettable credits	191.19	143.20	122.62	132.75	124.24
Gross customer assets	3,828.60	4,165.21	4,104.36	4,154.40	4,146.97

	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
	(₹ in billions, except percentages)				
Net customer assets..............................	3,410.06	3,690.06	3,656.87	3,706.15	3,706.07
Gross NPAs/gross customer assets (%).	15.84%	14.78%	13.77%	13.91%	13.51%
Net NPAs/net customer assets (%)........	5.61%	3.88%	3.35%	3.58%	3.35%
Specific provision as a percentage of gross NPAs...	64.94%	73.24%	74.42%	73.18%	73.90%
Total provisions as a percentage of gross NPAs...	65.32%	73.62%	74.83%	77.20%	74.32%
Provision cover (including prudential write-offs)	76.95%	83.74%	86.24%	84.87%	86.17%

The Bank's net provisioning coverage ratio as of March 31, 2019, March 31, 2020, March 31, 2021 and June 30, 2021, computed as per RBI guidelines, was 76.95%, 83.74%, 86.24% and 86.17%, respectively.

Provisions for NPAs

The Bank believes it has been making adequate provisioning in order to contain asset quality in light of recent macro-economic conditions. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Results of Operations and Financial Condition — Economic conditions*" on page 111. The Bank's additions of specific provisions increased by ₹27.99 billion, or 153.12%, from ₹(18.28) billion for the three months ended June 30, 2020 to ₹9.71 billion for the three months ended June 30, 2021.

The following table sets forth, for the periods indicated, movements in the Bank's provisions against NPAs.

	For fiscal year			For the three months ended June 30,	
	2019	2020	2021	2020	2021
	(₹ in billions)				
Specific provisions:					
Specific provisions at the beginning of the period	318.72	393.92	450.81	450.81	420.74
Additions during the period	184.25	142.48	24.40	18.28	9.71
Reductions during the period on account of recovery and write-offs	109.05	85.59	54.47	9.64	16.28
Specific provisions at the end of the period..	393.92	450.81	420.74	422.89	414.17
Floating provisions:	0.00	0.00	0.00	0.00	0.00
Floating provisions at the beginning of the period	2.32	2.32	2.32	2.32	2.32
Additions during the period	—	—	—	—	—

	For fiscal year			For the three months ended June 30,	
	2019	**2020**	**2021**	**2020**	**2021**
			(₹ in billions)		
Utilizations during the period	—	—	—	—	—
Floating provisions at the end of the period	2.32	2.32	2.32	2.32	2.32
Total specific and floating provisions at the end of the period	396.24	453.14	423.06	425.21	416.49

The following table sets forth the classification of gross loan assets of the Bank at the dates indicated.

	As of March 31,			As of June 30,	
	2019	**2020**	**2021**	**2020**	**2021**
			(₹ in billions)		
Standard	3,221.99	3,549.72	3,539.01	3,576.52	3,586.56
Non-performing assets	606.61	615.50	565.35	577.88	560.42
Sub-standard assets	105.92	64.19	66.30	50.43	75.68
Doubtful assets.....................................	336.03	390.17	279.20	333.61	252.25
Loss assets..	164.67	161.14	219.85	193.84	232.48

Recognition of NPAs and Provisioning

RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with the RBI guidelines. The RBI guidelines require Indian banks to classify their NPAs into three categories, as described below, based on the period for which the asset has remained non-performing and the estimated realization of amounts due in relation to such asset. Further, the NPA classification is at the borrower level, rather than at the facility level and, accordingly, if one of the advances granted to a borrower becomes non-performing, such borrower is classified as non-performing and all advances due from it are so classified.

A non-performing asset is a loan or an advance where: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the account remains "out of order" in respect of an overdraft or cash credit; (iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (vi) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on a securitization dated February 1, 2006; or (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment. According to guidelines specified by RBI in July 2013, an account should be classified as an NPA on the basis of the record of recovery and not merely on deficiencies which are temporary in nature, such as non-renewal of limits on the due date or non-submission of stock statements.

Further, RBI requires the banks to classify an account as a non-performing asset only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter

Assets are classified as described below:

Standard asset	Performing assets are Standard Assets which do not disclose any problem and which do not carry more than the normal risk attached to the business. The performing asset is one which generates income for the bank.
Sub-standard asset	With effect from March 31, 2005, a Sub-standard Asset would be one which has remained a NPA for a period less than or equal to 12 months.
Doubtful asset.......................	With effect from March 31, 2005, an account would be classified as doubtful if it had continuously remained in the sub-standard category for 12 months. Further, these doubtful assets are to be classified into the following three categories, depending on the period for which such assets have been classified as doubtful: • assets which have remained in the doubtful category for a period of up to one year; • assets which have remained in the doubtful category for a period of more than one year but less than three years; and • assets which have remained in the doubtful category for a period of more than three years.
Loss asset.............................	In accordance with RBI guidelines, a loss asset is one where the loss has been identified by the bank, internal auditor, external auditors or the RBI at the time of inspection, but the amount has not been written off wholly. In cases of serious credit impairment, an asset is required to be immediately classified as doubtful or as a loss asset, as appropriate. Further, erosion in the value of the security provided may also be considered significant when the realizable value of the security is less than 50.00% of the value as assessed by the bank or as accepted by RBI at the time of the last inspection of the security, as the case may be. In such a case, the assets secured by such impaired security may immediately be classified as doubtful, and provisioning should be made as applicable to doubtful assets. If the realizable value of the security, as assessed by the bank or approved valuation agents or by RBI, is less than 10.00% of the outstanding amount in the borrower's accounts, the existence of security should be ignored and the asset should be immediately classified as a loss asset and it may be either written off or fully provided for by the bank.

In accordance with the RBI guidelines relating to COVID-19 regulatory package, the Bank had initially offered a moratorium of three months on the payment of all instalments falling due between March 1, 2020 and May 31, 2020, in respect of term loans and working capital facilities sanctioned in the form of cash credit/ overdraft to various eligible borrowers. This was further extended by the RBI until August 31, 2020 upon announcement of the second regulatory package by the RBI on May 23, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins must be restored to the original levels by March 31, 2021, and/or, working capital sanctioned limits must be reviewed up to March 31, 2021, based on a reassessment of the working capital cycle. In respect of such working capital facilities, lenders were also permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021. The RBI also clarified that the accounts which benefit from the moratorium period, will get the benefit of an ageing standstill and hence would not be classified as NPAs if the accounts have any instalments or interest are overdue for more than 90 days during the moratorium period. However, lenders are required to make general provisions of 10% to be phased over two quarters in respect of accounts which were in default on February 29, 2020 where moratorium is granted, and asset classification benefit is availed. The utilization and/or release of the provision are subject to the applicable RBI directions that may be amended from time to time.

The Bank may be required to recognize higher loan loss provisions in future periods, on account of the uncertainty in the external environment due to the COVID-19 pandemic, either by regulations or as required by the statutory auditors or based on management judgment, which may adversely impact its asset quality and profitability in future periods.

The following table provides a summary of the Bank's gross loan assets as of the periods indicated, in accordance with RBI classifications.

	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
			(₹ in billions)		
Asset Category					
Standard assets.....................................	3,221.99	3,549.72	3,539.01	3,576.52	3,586.56
Sub-standard assets..............................	105.92	64.19	66.30	50.43	75.68
Doubtful assets	336.03	390.17	279.20	333.61	252.25
Loss assets	164.67	161.14	219.85	193.84	232.48

The following table sets forth the Bank's provisions for possible credit losses at the dates indicated.

	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
		(₹ in billions, except for percentages)			
Asset Category					
Provision held......................................	418.54	475.15	447.49	448.26	440.90
Provision held as percentage of gross advances	10.93	11.41	10.90	10.79	10.63
Provision held as percentage of gross NPAs	69.00	77.20	79.15	77.57	78.67

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A fully secured Standard Asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard assets. The sub-standard accounts which have been subjected to restructuring, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period.

The following table sets forth a summary of our Bank's restructured assets as of, and for the year ended, March 31, 2021:

	Standard	NPAs	Total
Particulars		*(₹ in billions)*	
Restructured assets as of April 01, 2020	47.33	147.32	194.64
New restructured assets during Fiscal 2021	49.65	1.34	51.00

Particulars	Standard	NPAs	Total
		(₹ *in billions)*	
Assets upgraded to restructured assets during Fiscal 2021	0.39	(1.06)	(0.67)
Assets reclassified as restructure assets as of March 31, 2021	16.68	-	16.68
Restructured assets downgraded during Fiscal 2021	(1.03)	1.03	-
Write off of restructured account for Fiscal 2021	4.34	11.43	15.77
Restructured assets as of March 31, 2021	75.32	133.48	208.80

Provisioning and Write-Offs

RBI guidelines on provisioning and write-offs are as follows:

Standard asset....................... A general provision on Standard Assets with a minimum of 0.40% is to be made with the exception of direct advances to agriculture and SME sectors for which a provision of 0.25% will be made, and for residential housing loans under "teaser" loan category, a provision of 2.00% will be made. For commercial real estate loans, a provision of 1.00% will be made. Further in case of advance restructured with effect from June 1, 2016 and prior to June 1, 2016, a provision of 5.00% and 3.50% respectively is done for a period covering moratorium and two years thereafter if the account remains standard. An account upgraded to standard category from non-performing advance, a provision of 3.50% is made in the first year from the date of upgrade.

Sub-standard asset................ A general provision of 15.00% on total outstanding loans should be made without making any allowance for Export Credit Guarantee Corporation of India (ECGC) guarantee cover and securities available. The unsecured outstanding which are identified as sub-standard would attract an additional provision of 10.00% (i.e. a total of 25.00% on the outstanding balance).

Unsecured outstanding is defined as an outstanding where the realizable value of security, as assessed by the bank, the approved valuers and the RBI's inspecting officers, is not more than 10.00%, ab-initio, of the outstanding. Security will mean tangible security properly discharged to the bank and will not include intangible securities such as guarantees and comfort letters.

Doubtful asset .... Provisioning at 100.00% is to be made for the deficit portion i.e. to the extent to which advances are not covered by the realizable value of the security to which the Bank has a valid recourse and the realizable value is estimated on a realistic basis. With regard to the secured portion, as per the revised guidelines of the RBI, provision is to be made at rates ranging from 25% to 100.00% of the secured portion depending upon the period for which the advance has remained in the doubtful category. In regard to the secured portion, provision is to be made in accordance with the table below:

	Period for which advance remained in "Doubtful" category	Provision requirement (%)
	Up to one year..	25
	One to three years	40
	More than three years	100
Loss asset	The entire asset is written off or 100.0% provision is made on outstanding amount.	

See "*Regulations and Policies — RBI Regulations — Provision for Loan Losses and NPAs — Provisioning and Write-Offs.*" on page 243.

Floating Provisions

In June 2006, the RBI issued prudential norms on creation and utilization of floating provisions (i.e., provisions which are not made in respect of specific NPAs or are made in excess of regulatory requirements for provisions for Standard Assets). The norms state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the Board of Directors and with the prior permission of the RBI. These extraordinary circumstances would broadly fall under three categories: (i) general, wherein the bank is put unexpectedly to loss due to events such as civil unrest, collapse of currency in a country, natural calamities, pandemics etc; (ii) market, wherein there is a general meltdown in the markets affecting the entire financial system; and (iii) credit, wherein exceptional credit losses are encountered. Floating provisions for advances and investments would be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted out from gross NPAs to arrive at disclosure of net NPAs. Alternatively, floating provisions can be treated as part of Tier II capital within the overall ceiling of 1.25% of total risk-weighted assets.

Analysis of Non-Performing Loans by Industry Sector

The following tables set forth, for the periods indicated, the Bank's domestic NPAs, by borrowers' industry or economic activity and as a percentage of its loans in the respective industry or economic activities sector. These figures do not include credit substitutes.

	As of March 31, 2019			As of March 31, 2020			As of March 31, 2021		
Name of the Industry	**Gross Loans**	**NPA**	**% of NPA in Industry**	**Gross Loans**	**NPA**	**% of NPA in Industry**	**Gross Loans**	**NPA**	**% of NPA in Industry**
				(₹ in billions, except percentages)					
Mining and quarrying (incl. coal).................................	51.03	17.29	33.89	40.57	0.97	2.40	11.46	1.23	10.76
Food Processing	38.34	14.73	38.41	34.36	12.71	37.00	42.38	14.41	34.01
Sugar	14.73	1.63	11.04	12.86	1.64	12.74	20.64	2.66	12.89
Edible oils and vanaspati ..	6.09	4.44	72.81	3.18	2.56	80.50	2.98	2.53	84.65
Tea	0.00	-	-	0.00	-	-	0.05	-	-
Others — Food Processing	17.51	8.66	49.47	18.31	8.51	46.47	18.70	9.23	49.32
Beverage And Tobacco	5.34	1.46	27.25	6.01	1.49	24.82	2.55	0.64	25.03

	As of March 31, 2019			As of March 31, 2020			As of March 31, 2021		
Name of the Industry	**Gross Loans**	**NPA**	**% of NPA in Industry**	**Gross Loans**	**NPA**	**% of NPA in Industry**	**Gross Loans**	**NPA**	**% of NPA in Industry**
	(₹ in billions, except percentages)								
Textiles............................	66.57	19.36	29.09	68.38	25.69	37.57	64.04	25.28	39.47
Cotton Textiles	29.79	5.85	19.64	31.01	11.88	38.32	26.12	11.43	43.74
Jute Textiles	1.06	0.75	70.38	1.01	0.60	59.71	1.11	0.63	56.29
Man-Made Textiles	11.15	10.79	96.77	9.50	3.87	40.72	9.19	3.89	42.28
Other Textiles..................	24.57	8.83	35.96	0.71	9.34	1,312.22	27.61	9.34	33.83
Leather And Leather Products...........................	3.96	0.54	13.62	4.19	0.63	15.03	3.79	0.62	16.41
Wood And Wood Products	4.58	1.75	38.26	4.02	1.33	33.16	3.63	0.58	16.05
Paper And Paper Products	10.53	3.32	31.54	10.10	3.56	35.21	10.43	3.51	33.68
Petroleum, Coal Products and Nuclear Fuels............	22.29	3.80	17.03	39.11	4.19	10.72	16.79	0.99	5.90
Chemicals and Chemical Products...........................	54.87	17.86	32.55	33.17	8.96	27.02	39.51	7.80	19.75
Fertilizer	15.21	2.34	15.40	9.20	2.33	25.38	16.93	2.35	13.85
Drugs and Pharmaceuticals	16.35	4.82	29.46	8.85	1.92	21.67	15.03	1.68	11.16
Petro Chemicals................	8.42	1.88	22.30	7.28	1.74	23.84	5.92	1.17	19.75
Others — Chemicals	14.89	8.82	59.28	7.84	2.98	37.95	7.59	2.61	34.41
Rubber, Plastics and their Products...........................	17.77	1.83	10.28	16.84	1.83	10.87	16.44	1.82	11.08
Glass and Glass Ware.......	1.05	0.15	14.30	1.12	0.12	11.10	1.11	0.11	10.13
Cement and Cement Products...........................	12.69	2.11	16.62	14.45	2.16	14.94	13.53	1.20	8.84
Basic Metal and Metal Products...........................	105.79	19.37	18.31	116.88	19.18	16.41	123.33	16.19	13.13
Iron and Steel	78.50	9.62	12.26	91.11	8.67	9.51	99.93	7.14	7.15
Other Metal and metal Products...........................	27.29	9.74	35.71	25.78	10.51	40.78	23.40	9.05	38.67
All Engineering	25.47	8.20	32.21	25.17	7.45	29.60	26.31	6.28	23.87
Electronics.......................	1.99	0.96	48.44	1.94	0.89	45.69	2.12	0.92	43.20
Others — Engineering......	23.48	7.24	30.83	23.23	6.56	28.25	24.19	5.36	22.17

Name of the Industry	As of March 31, 2019 Gross Loans	NPA	% of NPA in Industry	As of March 31, 2020 Gross Loans	NPA	% of NPA in Industry	As of March 31, 2021 Gross Loans	NPA	% of NPA in Industry
	(₹ in billions, except percentages)								
Vehicles, Vehicle Parts and Trans. Equip	18.83	10.44	55.47	18.05	10.38	57.52	14.99	4.76	31.78
Gems and Jewellery..........	40.07	14.25	35.56	36.04	16.91	46.91	30.99	11.01	35.53
Construction	46.46	4.06	8.75	41.00	5.09	12.42	42.18	6.67	15.82
Infrastructure	469.93	114.34	24.33	482.99	88.36	18.29	498.65	58.74	11.78
Power (Including Electricity)...................... .	322.12	124.04	38.51	320.87	44.63	13.91	344.68	21.84	6.34
Telecommunication	1.44	1.08	74.99	1.47	1.07	72.75	1.42	0.97	68.04
Roads and Ports................	106.36	41.44	38.96	109.01	32.79	30.08	108.51	25.06	23.10
Other Infrastructure	40.01	10.38	25.94	51.64	9.87	19.12	44.04	10.88	24.71
Other Industries................	173.07	56.16	32.45	0.09	0.03	36.24	42.86	31.83	74.26
Total	**1,062.85**	**291.64**	**27.44**	**1,046.93**	**242.79**	**23.19**	**1,004.97**	**177.51**	**17.66**

Name of the Industry	As of June 30, 2020 Gross Loans	NPA	% of NPA in Industry	As of June 30, 2021 Gross Loans	NPA	% of NPA in Industry
	(₹ in billions, except percentages)					
Mining and quarrying (incl. coal)	41.20	0.98	2.37	12.38	1.29	10.43
Food Processing..........................	32.69	12.49	38.21	38.82	14.93	38.45
Sugar...	11.30	1.63	14.46	16.95	3.30	19.49
Edible oils and vanaspati	3.19	2.53	79.24	2.96	2.53	85.37
Tea	0.00	-	-	0.04	-	-
Others — Food Processing	18.20	8.33	45.76	18.87	9.10	48.23
Beverage And Tobacco	5.21	1.49	28.65	2.18	0.64	29.39
Textiles	68.20	25.74	37.74	60.53	23.50	38.83
Cotton Textiles............................	30.85	11.89	38.53	26.58	11.71	44.08
Jute Textiles	1.05	0.60	57.40	1.10	0.61	55.33
Man-Made Textiles.....................	10.54	3.87	36.75	8.86	3.96	44.69
Other Textiles	25.75	9.37	36.39	24.00	7.22	30.09

Name of the Industry	As of June 30, 2020 Gross Loans	NPA	% of NPA in Industry	As of June 30, 2021 Gross Loans	NPA	% of NPA in Industry
	(₹ in billions, except percentages)					
Leather And Leather Products	3.78	0.62	16.36	3.50	0.68	19.53
Wood And Wood Products...........	4.17	1.33	31.98	3.82	0.70	18.23
Paper And Paper Products	10.66	3.55	33.28	10.54	3.71	35.19
Petroleum, Coal Products and Nuclear Fuels	17.76	4.17	23.51	9.56	0.98	10.29
Chemicals and Chemical Products	33.05	8.96	27.12	41.16	8.18	19.88
Fertilizer	9.26	2.32	25.06	18.25	2.35	12.85
Drugs and Pharmaceuticals..........	8.66	1.92	22.15	9.43	1.44	15.30
Petro Chemicals...........................	7.11	1.75	24.64	5.83	1.23	21.02
Others — Chemicals....................	8.02	2.97	37.04	7.65	3.17	41.39
Rubber, Plastics and their Products	16.73	1.76	10.51	18.90	2.00	10.59
Glass and Glass Ware	1.09	0.13	11.77	1.13	0.13	11.14
Cement and Cement Products......	14.42	2.16	14.98	13.22	1.44	10.91
Basic Metal and Metal Products ..	119.53	19.02	15.91	103.03	12.69	12.31
Iron and Steel..............................	92.11	8.72	9.46	79.73	4.17	5.23
Other Metal and metal Products ..	27.42	10.30	37.58	23.31	8.52	36.55
All Engineering	27.03	7.69	28.47	14.92	3.88	25.97
Electronics	1.92	0.88	45.99	2.22	0.91	41.18
Others — Engineering	25.10	6.81	27.12	12.70	2.96	23.31
Vehicles, Vehicle Parts and Trans. Equip	19.67	11.89	60.43	13.36	4.76	35.64
Gems and Jewellery.....................	33.47	15.40	46.02	32.03	12.81	39.98
Construction	41.14	5.11	12.41	42.60	6.39	15.00
Infrastructure	482.20	79.84	16.56	514.92	55.19	10.72
Power (Including Electricity)	317.35	36.10	11.38	364.38	20.43	5.61
Telecommunication	1.36	1.00	73.27	1.16	0.96	82.83
Roads and Ports	112.16	32.90	29.34	109.19	22.21	20.34
Other Infrastructure	51.32	9.83	19.16	40.19	11.58	28.81
Other Industries	162.47	36.09	22.21	136.88	28.06	20.50
Total	**1,014.93**	**219.40**	**21.59**	**970.45**	**169.26**	**17.44**

Top Ten Non-Performing Corporate Loans

The following table sets forth, for the period indicated information regarding its 10 largest NPAs, classified by industry sector, as well as the value of the collateral securing the loan, as of June 30, 2021. However, the net realizable value of such collateral may be substantially less, if anything. See "*Risk Factors — Risks Relating to the Bank's Business — The Bank may experience delays in enforcing its collateral when borrowers default on their obligations to the Bank, which may result in failure to recover the expected value of collateral security, exposing it to a potential loss*." on page 60.

Industry	Type of Banking Arrangement	Gross Principal Outstanding	Provisions	Principal Outstanding Net of Provisions for Credit Losses	Security
		(₹ in billions)			
NBFC	Consortium	40.39	40.39	-	18.13
Petroleum	Consortium	15.82	15.82	-	-
Infrastructure	Consortium	14.94	14.94	-	19.15
Infrastructure	Consortium	9.49	9.49	-	1.78
Paper And Paper Products	Consortium	8.03	8.03	-	-
Infrastructure	Consortium	7.25	7.25	-	2.16
Mining and quarrying	Consortium	7.08	7.08	-	-
Infrastructure	Consortium	6.71	6.71	-	5.12
Infrastructure	Consortium	6.26	3.37	2.89	4.86
Food Processing	Consortium	6.05	6.05	-	0.53
Total		122.02	119.12	2.89	51.73

Restructuring of Debts

The Bank's NPAs are restructured on a case-by-case basis after it is determined that restructuring is the preferred

mode of maximizing realization of the loan. These loans continue to be on a non-accrual basis and are reclassified as performing loans only after sustained performance under the loan's renegotiated terms for a period of at least one year.

Management of Stressed Assets

An integrated approach to review and manage stressed assets including rehabilitation and restructuring has been put in place. The primary intent in the approach is to ensure that a Separately Managed Account ("SMA") (account showing sign of trouble) does not slip into an NPA. Identification, determination of the cause of the problem and initiation of remedial measures on a proactive basis are the hallmarks of this approach.

A separate vertical, stressed assets management vertical has been established in order to review the stressed assets on an on-going basis. The appropriate reviewing authority would give necessary directions on the recommended action plan. Based on a detailed viability study, if the unit is found viable, it is put on a rehabilitation package.

Borrowing accounts may also be referred to the NCLT on a selective basis for resolution.

NPA Reduction Strategy

Monitoring the Bank's credit portfolio is essential in order to maintain and improve the asset quality of the Bank and to minimize its credit risks. The main objective of these credit monitoring efforts is to ensure compliance of sanction terms and manage the use of funds. The Bank has to further ensure that these assets remain at normal levels, and seek to reduce identified distressed accounts, as well as to take corrective action to prevent slippage of the accounts from standard to sub-standard. The Bank has been using various tools and methods for identifying and monitoring distressed accounts with signs of weakness /potential default/ delinquencies to ensure good asset quality coupled with effective containment of probable slippages.

Tools for efficient monitoring & control process:-

Early Warning Signal

A fully tech-based EWS solution has been implemented in our Bank since August 2020. Our EWS is fully automated solution with in-built well-defined workflow. Alerts are generated based on both internal (CBS and Rating Data) and External Data (MCA, CIC etc). The alerts generated help the Bank identify possible weakness and initiate timely remedial measures. This also helps the Bank identify possible fraud, and the system also allows the branches to closely monitor accounts as needed.

CRILC Reporting

Identification of the accounts in SMA category triggers, mitigating steps such as follow-up for regularization and restructuring. Distressed accounts with credit limits of ₹5 crore and above are reported to the RBI on a weekly basis using the CRILC platform, in line with RBI guidelines.

System Asset Classification (SASCL)

The Bank uses a predictive program to identify the probable slippages showing overdue of more than a two month period, based on records of recovery as well as of accounts showing technical irregularities such as no submission of Stock/QIS statement over three months, insufficient/ no credit in CC accounts, and other factors. This may cause downgrading of accounts if timely corrective action is not taken. These accounts are monitored specifically by various verticals for containment of downgrading of standard assets.

Credit Process Audit

The Bank uses a Credit Process Audit is to ensure that credit is granted in compliance with set terms, and that the disbursing officer, before parting with the banks funds, has taken all necessary measures for creation/perfection of security with a view to ensure enforceability of the said securities. Now, CPA is integrated as a part of the Finacle system used to monitor such processes in real-time.

Stock Audit

The Bank ensures timely conduct of stock and receivables audits in eligible accounts, and takes active/preventive steps wherever warranted. The stock audit is applicable mostly for standard advance accounts having working capital exposure of ₹5 crore and above. These audits are required to be conducted annually. Assets showing inherent signs of weakness, such as out of order position, overdue bills under letters of credit, invocation of guarantees, review overdue, or which otherwise pose a threat to the bank's asset quality, are reviewed with relevant parties.

Daily marking of NPA

The Bank has migrated to daily marking of NPA since April 15, 2021. This is to allow the Bank to have more transparency in the identification of non-performing assets and to comply with regulatory guidelines.

COVID19- regulatory relief package

In compliance with RBI guidelines, the Bank granted moratorium benefits to all the borrowers from March 1,, 2020 until August 31, 2020. Further, eligible accounts were restructured.

Other monitoring tools

The Bank has:

- centralized monitoring of pre-and post-disbursement terms and procedures, in order to improve compliance with regulations;

- appointed ASMs for specialized monitoring in accounts of ₹250 crore and above;
- put policies in place for the red-flagging of accounts where there are risks of fraud, and to report such accounts as necessary; and
- adopted strategies for the recovery of non-performing assets and written-off accounts through the activation of Asset Recovery Branches, staff at grass root levels. See "Risk Factors — *Risks Relating to the Bank's Business — If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations*" on page 58.

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available documents from various sources and has not been prepared or independently verified by the Bank, the Book Running Lead Managers or any of their affiliates or advisers. Data in this section may have been re-classified by us for the purposes of presentation. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Further, statements in this section that are not statements of historical fact constitute "forward- looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results to materially differ. Accordingly, prospective investors should not base their investment decision, or otherwise place undue reliance, on this information.

Indian Economy

The Indian economy's GDP for Fiscal 2021 is estimated at ₹195.86 trillion, as against ₹203.51 trillion for Fiscal 2020, showing a contraction of 3.8%. (*Source: Ministry of Statistics and Programme Implementation, Press note February 26, 2021*). India is the sixth largest economy in the world, surpassing the Italy and France. (*Source: Worldbank GDP Ranking 2019, updated on July 1, 2021*). Downside risks from a delayed vaccine, persistence of supply bottlenecks, volatile international financial markets and high food inflation acquiring a structural character are clear and present dangers to the macroeconomic outlook. Global public debt is estimated by the International Monetary Fund ("IMF") at over 97.6% of gross domestic product ("GDP') at the end of 2020. (Source: *International Monetary Fund, Fiscal Monitor Update – Government Support Is Vital as Countries Race to Vaccinate, January 2021*).

Prior to the onset of COVID-19, according to the Reserve Bank of India ("**RBI**"), reviving consumption demand and private investment had assumed the highest priority heading into Fiscal 2020. This involved strengthening the banking and non-banking sectors via a significant push for spending on infrastructure and implementation of much needed structural reforms in the areas of labour laws, taxation and other legal reforms to enhance ease of doing business. (*Source: RBI, Annual Report 2018-2019*). Continuing to focus on reviving economic growth as the Indian economy heals from the scars of COVID-19, the RBI prioritised increasing credit flow to Micro, Small and Medium Enterprises ("**MSME**s") during Fiscal 2020. The outlook for the economy remains clouded by uncertainty and testing challenges, mainly the intensity, spread and duration of COVID-19. (*Source: RBI, Annual Report 2019-2020*). Going forward, reform measures in various areas are likely to uplift India's growth potential on a sustainable basis. The growth prospects essentially depend on how fast India can arrest the second wave of COVID-19 pandemic. While the economy has not moderated to the extent during the first wave, the surrounding uncertainties can act as a deterrent in the immediate period. (*Source: RBI, Annual Report 2020-2021*).

India's inflation dynamics were favourable over the last three years. The consumer price index ("**CPI**") inflation fell from 3.6% in Fiscal 2018 to 3.4% in Fiscal 2019 and increased to 4.8% in Fiscal 2020. The increase in Fiscal 2020 was largely driven by movement in food inflation. (*Source: RBI, Handbook of Statistics on the Indian Economy, 2019-2020*) The Ministry of Statistics and Programme Implementation ("**MoSPI**") published the CPI (general) for the month of June 2021 (provisional) which stood at 6.26% (rural and urban combined), and for the month of May 2021 (final) which stood at 6.30% (rural and urban combined). (*Source: Ministry of Statistics and Programme Implementation, Press Release on Consumer Price Index, July 12, 2021*) The RBI in its Survey of Professional Forecasters has assigned the highest probability to real GDP growth lying between 9.0-9.4% in Fiscal 2022 followed by the range 10.0-10.4%. For Fiscal 2023, highest probability has been assigned to the range 6.0-6.9% (*Source: RBI, Survey of Professional Forecasters on Macroeconomic Indicators - Results of the 71st Round, August 6, 2021*)

GDP at constant (2011-12) prices in Fiscal 2021 is now estimated to attain a level of ₹135.13 lakh crore, as against the First Revised Estimate of GDP for Fiscal 2020 of ₹145.69 lakh crore, released on January 29, 2021. The growth in GDP during Fiscal 2021 is estimated at -7.3% as compared to 4.0% in Fiscal 2020. GDP at Current Prices in Fiscal 2021 is estimated to attain a level of ₹197.46 lakh crore, as against the First Revised Estimates of ₹203.51 lakh crore in Fiscal 2020, showing a change of -3.0% as compared to 7.8 percent in Fiscal 2020. GDP at constant (2011-12) prices in the fourth quarter of Fiscal 2021 is estimated at ₹38.96 lakh crore, as against ₹38.33 lakh crore in the fourth quarter of 2019-20, showing a growth of 1.6 percent. (*Source: Press Note on Provisional*

Estimates of Annual National Income 2020-21 and Quarterly Estimates of Gross Domestic Product for the Fourth Quarter (Q4) of 2020-21, National Statistical Office, Ministry of Statistics & Programme Implementation, Government of India dated May 31, 2021) The Quick Estimates of Index of Industrial Production with base 2011-12 for the month of May 2021 was at ₹116.6 lakh crore. (*Source: Quick Estimates of Index of Industrial Production and Use-Based Index for the Month of May, 2021, National Statistical Office, Ministry of Statistics & Programme Implementation, Government of India dated July 12, 2021*) Fiscal deficit was ₹933,651 crore (actuals) in Fiscal 2020, and based on revised estimates was ₹1,848,655 crore in Fiscal 2021. Based on budget estimates, fiscal deficit is expected to be ₹1,506,812 crore in Fiscal 2022. Disinvestment receipts amounted to ₹50,304 crore (actuals) in Fiscal 2020 and amounted to ₹32,000 crore, based on revised estimates, in Fiscal 2021. Based on budget estimates, disinvestment receipts are expected to be ₹175,000 crore in Fiscal 2022. (*Source: Union Budget 2021-22, Budget at a Glance*)

Since the release of the Monetary Policy Report in October 2020, domestic economic activity has turned out to be better than anticipated on the back of a turnaround in gross fixed capital formation and a much shallower contraction in private consumption than in the preceding quarters. India's GDP shrugged off the contractions of preceding quarters and moved into the expansion zone in the third quarter of Fiscal 2021 (an increase of 0.4%, year-on-year). High frequency indicators pointed to the growth momentum gaining strength in the fourth quarter of Fiscal 2021, although the surge in COVID-19 infections in a few states in March 2021 imparted uncertainty to the assessment. Inflation receded into the tolerance bank beginning December 2020 after breaching the upper threshold of 6% for six consecutive months (June-November 2020). In the run up to the December 2020 Monetary Policy Committee meeting, CPI inflation had increased to 7.6% in October 2020. By the time the Monetary Policy Committee met in February 2021, CPI inflation had declined to 4.6% in December 2020 on the back of a larger than anticipated deflation in vegetable prices. (*Source: Reserve Bank of India, Monetary Policy Report – April 2021*)

Going forward, rural demand is likely to remain resilient on good prospects for the agriculture sector. The fiscal stimulus under *AtmaNirbhar* 2.0 and 3.0 schemes and increased capital outlays and the investment-enhancing proposals in the Union Budget 2021-22 will likely accelerate public investment and crowd-in private investment. While the domestic financial conditions are expected to remain supportive in view of the guidance from RBI that systemic liquidity would continue to remain comfortable over the ensuing year, the risks of spillovers from volatility in global financial markets remain elevated. (*Source: Reserve Bank of India, Monetary Policy Report – April 2021*)

On the domestic front, the ferocity of the second wave has dented economic activity, though policy measures have ensured the smooth functioning of markets and financial institutions. Finances of the centre and states have been impacted by shortfalls and additional expenditure on health care and welfare measures. With a quantum jump in market borrowings, a significant share of public debt has been absorbed by banks; going forward, however, their absorptive capacity may be circumscribed by the likely expansion of bank credit in the wake of the recovery. Moreover, the sizable holdings of government securities required to be marked to market renders them sensitive to valuation changes. For net commodity importers like India, the uptrend in the international prices of crude oil and other key commodities has emerged as a source of risk, fuelling inflation expectations and also translating into terms of trade losses. Within the domestic financial system, credit flow from banks and capital expenditure of corporates remain muted. While banks' exposures to better rated large borrowers are declining, there are incipient signs of stress in the micro, small and medium enterprises (MSMEs) and retail segments. The demand for consumer credit across banks and non-banking financial companies (NBFCs) has dampened, with some deterioration in the risk profile of retail borrowers becoming evident. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Assessment

System liquidity remained ample, with average daily absorption under the LAF increasing from ₹5.7 lakh crore in June to ₹6.8 lakh crore in July and further to ₹8.5 lakh crore in August so far (up to August 4, 2021). Auctions for a cumulative amount of ₹40,000 crore in Q2:2021-22 so far under the secondary market government securities acquisition programme (G-SAP) evened liquidity across illiquid segments of the yield curve. Reserve money (adjusted for the first-round impact of the changes in the cash reserve ratio) expanded by 11.0 per cent y-o-y on July 30, 2021 driven by currency demand. As on July 16, 2021, money supply (M3) and bank credit by commercial banks grew by 10.8 per cent and 6.5 per cent, respectively. India's foreign exchange reserves increased by US$ 43.1 billion in 2021-22 (up to end-July) to US$ 620.1 billion (*Source: Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) August 4-6, 2021*)

Growth Outlook

Going forward, the revival of south-west monsoon and the pick-up in kharif sowing, buffered by adequate food stocks should help to control cereal price pressures. High frequency indicators suggest some softening of price pressures in edible oils and pulses in July in response to supply side interventions by the Government. Input prices are rising across manufacturing and services sectors, but weak demand and efforts towards cost cutting are tempering the pass-through to output prices. With crude oil prices at elevated levels, a calibrated reduction of the indirect tax component of pump prices by the Centre and states can help to substantially lessen cost pressures. Taking into consideration all these factors, CPI inflation is now projected at 5.7 per cent during 2021-22: 5.9 per cent in second quarter; 5.3 per cent in third quarter; and 5.8 per cent in fourth quarter of 2021-22, with risks broadly balanced. CPI inflation for first quarter of 2022-23 is projected at 5.1 per cent. (*Source: Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) August 4-6, 2021***)**

Domestic economic activity is starting to recover with the ebbing of the second wave. Agricultural production and rural demand are expected to remain resilient. Urban demand is likely to mend with a lag as manufacturing and non-contact intensive services resume on a stronger pace, and the release of pent-up demand acquires a durable character with an accelerated pace of vaccination. Buoyant exports, the expected pick-up in government expenditure, including capital expenditure, and the recent economic package announced by the Government will provide further impetus to aggregate demand. Although investment demand is still anaemic, improving capacity utilisation and congenial monetary and financial conditions are preparing the ground for a long-awaited revival. Firms polled in the Reserve Bank surveys expect expansion in production volumes and new orders in second quarter of 2021-22, which is likely to sustain through fourth quarter. Elevated levels of global commodity prices and financial market volatility are, however, the main downside risks. Taking all these factors into consideration, projection for real GDP growth is retained at 9.5 per cent in 2021-22 consisting of 21.4 per cent in first quarter; 7.3 per cent in second quarter; 6.3 per cent in third quarter; and 6.1 per cent in fourth quarter of 2021-22. Real GDP growth for first quarter of 2022-23 is projected at 17.2 per cent. (*Source: Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) August 4-6, 2021***)**

Effect of COVID-19

COVID-19, with its mutated contagious strains, has hit again in 2021 – with a rapid resurgence in global cases, notably in India and countries in Europe and Latin America. At this juncture, rapid vaccination lends a ray of hope. April 2021 saw a doubling of global vaccination rates and a concomitant lowering of average transmission rates in countries with high vaccination rates. The second wave in India has now seen new peaks in daily cases, daily deaths, active cases and positivity rates. The policy response, as has been the global experience, includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure. Recognizing vaccination as the crucial pillar to the 'test, track, treat and COVID-appropriate behaviour' strategy, the access to vaccines has been deregulated and opened to all individuals above the age of 18 years. (*Source: Monthly Economic Review, April 2021, Economic Division, Department of Economic Affairs, Government of India*).

Despite the surge in cases, the recovery in economy is resilient with sustained improvement in majority of high frequency indicators. The agricultural sector remains the bright spot of Indian economy with food grains production touching 303.3 million tonnes in Fiscal 2021, beating record production levels for the fifth consecutive year in a row. In addition, the Government of India's ("**GoI**") capital expenditure sharply turned around to grow at 104.4% during October 2020 to February 2021 year-on-year, recovering from a decline of 11.6% year-on-year. Growth in real gross fixed capital formation of overall economy increased from a contraction of 46.4% in the first quarter of Fiscal 2021 to grow by 2.6% in the third quarter of Fiscal 2021. The effect on overall economy of the country is reflected in an increase in real GDP growth from a contraction of 24.4% in the first quarter of Fiscal 2021 to a growth of 0.4% in the third quarter of Fiscal 2021. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*). The global economy recovered further in March and April, powered with vaccination drives and fiscal stimuli by few large economies. In April, due to the second wave in India, the momentum in economic recovery since the first wave has moderated. Agriculture continues to be the silver lining with record food grain production estimated in the ensuing crop year on the back of predicted normal monsoons. Rural demand indicators like tractor sales recorded a growth of 172% and 36% compared to a low base in March 2020 and even the pre-COVID month of March 2019 respectively. (*Source: Monthly Economic Review, April 2021, Economic Division, Department of Economic Affairs, Government of India*). The Union Budget 2021-22 has further provided a strong fillip to the capex momentum with clear emphasis on infrastructure investment as a key sector to revive demand and overall growth. Capital Expenditure budgeted outlay for Fiscal 2022 has been raised by 34.5% over Fiscal 2021 with a special focus on railways, roads, urban transport, power, telecom, textiles and affordable housing amid continued emphasis on the National Infrastructure Pipeline. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*). The second wave of COVID-19 has posed a downside risk to economic activity in the first quarter of Fiscal 2022. However, there are reasons to expect a muted economic impact as compared to the first wave. Learning to "operate with COVID-19", as borne by international experience, provides a silver lining of economic resilience amidst the second wave. (*Source: Monthly Economic Review, April 2021, Economic Division, Department of Economic Affairs, Government of India*).

On March 27, 2020, the RBI permitted all commercial banks (including regional rural banks ("**RRB**s"), small finance banks and local area banks), co-operative banks, All India Financial Institutions ("**AIFI**s") and non-banking financial companies ("**NBFCs**") (including housing finance companies ("**HFC**s") and microfinance institutions ("**MFI**s")) (referred to hereafter as "lending institutions") to allow a moratorium of three months on payment of instalments in respect of all term loans outstanding as on March 1, 2020. In view of the extension of the lockdown and continuing disruptions on account of COVID-19, it was decided to permit lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, were shifted across the board by another three months. (*Source: RBI Press Release dated May 22, 2020*)

Furthermore, RBI has, through its notification dated August 6, 2020, permitted, inter alia, the resolution of eligible corporate exposures and accounts without change in ownership and personal loans sanctioned to individual borrowers by lending institutions to become eligible for resolution under the Revised Framework while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. However, only those borrower accounts shall be eligible for resolution under Prudential Framework which were classified as standard, but not in default for more than 30 days with the lending institution as on March 1, 2020 and resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 90 days from the date of invocation. Also, RBI through its circular dated September 7, 2020 on '*Resolution Framework for COVID-19 related Stress –Financial Parameters*' directed each of the lending institutions to mandatorily consider the key ratios prescribed therein, while finalizing the resolution plans in respect of all eligible borrowers

The GoI executed a strategy wherein it imposed a lockdown to allow states to ramp up their health and testing infrastructure while implementing Pradhan Mantri Garib Kalyan Yojana to provide immediate cash support to the needy. More than 420 million poor people as of June 2020 have received financial assistance of ₹654.54 billion under the scheme. Procurement of wheat increased, touching an all-time record figure of 388.3 lakh metric tonnes on June 29, 2020. A minimum support price of ₹735 billion was also paid, benefiting 4.2 million farmers. The focus has been to support the economy during the COVID-19 pandemic. Accordingly, in May 2020, the GoI, adding to its and the RBI's past measures, announced a consolidated stimulus package of ₹20 trillion. The stimulus package was pivoted on Atma Nirbhar Bharat, wherein MSMEs received a huge financial package in terms of collateral free debt, a guarantee for subordinate debt through funds-of-funds and GoI's interest subvention scheme. In addition, Pradhan Mantri Garib Kalyan Rojgar Abhiyaan, a rural infrastructure and employment generation scheme, was launched for the benefit of returnee migrants. The stimulus package is a set of reforms providing continuity to the initiative that commenced in 2014. It accelerated reforms at a time when the pandemic had constrained the government's fiscal envelope and dampened the inclination to spend in light of economic uncertainty. (*Source: Macroeconomic Report, June 2020, Economic Division, Department of Economic Affairs, Government of India*)

India's fiscal space during the pandemic period has been characterized by additional spending directed towards ensuring basic means of sustenance and livelihood for vulnerable people, relief measures for the MSME sector, accommodating additional health infrastructure and services to fight COVID-19 and measures to boost consumption demand. The fiscal space is also characterized by measures announced to lend to states for increasing capital expenditure, providing them assistance under the State Disaster Response Fund and borrowing on their behalf to meet states' GST revenue shortfalls. In order to compensate the states for the loss of GST revenue during Fiscal 2021, the Government has borrowed a total amount of ₹1,10,208 crore at a weighted average interest rate of 4.8473% and passed it on to the states (₹101,329 crore) and union territories with Legislative Assembly (₹8,879 crore). The fiscal position of the GoI has witnessed improvement in the recent months due to a revival in economic activities. Based on provisional estimates for the full year, net tax revenues for Fiscal 2021 are expected to overshoot the revised estimates that are based on -0.9% projected for the full year. This would be in spite of the fact despite higher income tax refunds at ₹2.62 crore this year, which is around 41% higher than ₹1.86 lakh crore last year. The expenditure profile for the period from April 2020 to February 2021 is characterised by an increased thrust on capital expenditure. The capital expenditure during this period registered a 33% year-on-year growth and the total expenditure recorded a year-on-year growth of 14.3%. This is expected to be pivotal in bringing back the economy on a high growth trajectory, thereby facilitating buoyant revenues and a sustainable fiscal path in the medium term. (*Source: Monthly Economic Review, October 2020, Economic Division, Department of Economic Affairs, Government of India and Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*)

The Indian economy is poised to build back better and stronger as is reflected in the movement of several high-frequency indicators. Goods and services tax ("**GST**") collections peaked during March 2021, posting a growth of 27% on a year-on-year basis to ₹1,23,902 crore substantiating continued economic recovery and effectiveness of anti-evasion drive undertaken by the tax administration to improve compliance. India's Purchasing Managers' Indexes ("**PMIs**") Manufacturing Index of 55.4 in March 2021 indicated some loss of momentum compared to February. However, manufacturing sector conditions continue to improve sharply, outpacing the long-run series average with firms scaling up production and witnessing upturn in sales. Fiscal 2021 witnessed a record foreign portfolio investment ("**FPI**") inflow of USD $36.2 billion (until March 30, 2021), the highest in a decade after Fiscal 2015. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*). Consumer confidence for the current period has weakened in March 2021 as the current situation index ("**CSI**"), as per RBI Surveys, dipped on the back of deteriorating sentiments on general economic situation, income and prices. With higher essential spending vis-a-vis a year ago, most consumers reported higher overall expenditure, which is expected to increase further in the coming year despite continuing moderation in discretionary spending. (*Source: Monthly Economic Review, April 2021, Economic Division, Department of Economic Affairs, Government of India*).

Instrumental in this resilient comeback will be a strong revival in investment growth supported by the Atma Nirbhar Bharat Mission and a massive boost to infrastructure and capital expenditure provided for in the Union Budget 2021-22. As the vaccination drive continuously upscales in India and guided by the learnings of India's successful management of pandemic during its first wave, India is now well armed to combat any downside risk posed by the recent surge in COVID-19 cases. (*Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India*). The second wave in India is witnessing a much higher caseload with new peaks of daily cases, daily deaths and positivity rates and presents a challenge to ongoing economic recovery. India is emphasizing on a five-fold strategy to curb the tide of new COVID cases – test, track, treat, COVID appropriate behaviour, vaccination. A dynamic and concerted policy response to the second surge has been initiated with ramping up health infrastructure, oxygen supplies and deregulating the vaccine availability for all Indians above the age of 18 from May 1, 2021. With the second wave of COVID-19 infections forcing localized or state-wide restrictions, there is a downside risk to growth in the first quarter of Fiscal 2022. However, there are reasons to expect a muted economic impact as compared to the first wave. The experience from other countries suggests a lower correlation between falling mobility and growth as economic activity has learnt to operate 'with COVID-19'. (*Source: Monthly Economic Review, April 2021, Economic Division, Department of Economic Affairs, Government of India*).

In its monetary policy statement on April 7, 2021, RBI announced extension of the On Tap Targeted Long-Term Repo Operations Scheme by six months until September 30, 2021 and additional support of ₹50,000 crore to the AIFIs for fresh lending in Fiscal 2022, thereby expecting to provide adequate liquidity to productive sectors of economy. Further on May 5, 2021, RBI announced further measures as a part of its calibrated and comprehensive strategy against the second wave. These measures included term liquidity facility of ₹50,000 crore to easy access to emergency health services, special long-term repo operations ("**SLTRO**") ₹10,000 crore for small finance banks ("**SFBs**"), Lending by SFBs to MFIs for on-lending classified as priority sector lending, incentivising credit to MSME entrepreneurs, Resolution Framework 2.0 for COVID related stressed assets of individuals, small businesses and MSMEs, rationalization of compliance to KYC requirements for customer convenience, utilization of floating provisions and countercyclical provisioning buffer and relaxation in overdraft facility for States Governments (*Source: Monthly Economic Review, April 2021, Economic Division, Department of Economic Affairs, Government of India*).

Indian Banking Authority

The RBI was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the RBI was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated. Though originally privately owned, since nationalization in 1949, the RBI has been fully owned by the GoI. The RBI performs a supervisory function under the guidance of the Board for Financial Supervision. The Board was constituted in November 1994 as a committee of the Central Board of Directors of the RBI. (*Source: RBI, About Us https://www.rbi.org.in/Scripts/AboutusDisplay.aspx#MF*).

Impact of Liberalization on the Indian Financial Sector

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions had mutually exclusive roles and objectives, operating in a largely stable environment with little to no competition. Long-term lending institutions were focused on achieving the GoI's various socioeconomic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the GoI, funds guaranteed by the GoI originating from commercial banks in India and foreign currency resources from multilateral and bilateral agencies. The focus of commercial banks was primarily to mobilise household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, commercial banks provided a range of banking services to individuals and business entities.

However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms have transformed the operating environment of banks and long-term lending institutions. In particular, the deregulation of interest rates, the emergence of a liberalized domestic capital market and the entry of new private sector banks, along with the broadening of lending institutions' product portfolios, have progressively intensified the competition between banks and long-term lending institutions. The RBI has permitted the transformation of long-term lending institutions into banks subject to compliance with the prudential standards applicable to banks. (*Source: RBI Circular on Approach to Universal Banking dated April 28, 2001 http://www.rbi.org.in/scripts/NotificationUser.aspx?Mode=0&Id=368#anx1*).

Introduction to the Indian Financial Sector

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including (i) commercial banks, comprising: private sector banks, RRBs, public sector banks ("**PSB**s"), foreign banks, co-operative banks, small finance banks and payment banks; (ii) long-term lending institutions; (iii) NBFCs, including HFCs; (iv) other specialized financial institutions and state-level financial institutions; (v) insurance companies; (vi) micro-finance companies; and (vii) mutual funds.

Set forth below are the details of financial intermediaries in the public and private sectors participating in India's financial sector:

Commercial Banks

Commercial banks in India have traditionally focused on meeting the short-term financial needs of industry, trade and agriculture. In recent years, commercial banks have also focused on increasing long-term financing to sectors like infrastructure. The Department of Banking Supervision supervises all scheduled commercial banks ("**SCBs**") (excluding RRBs), local area banks, payment banks, small finance banks, credit information companies and AIFIs within the existing legal and regulatory framework based on supervisory inputs received through off-site monitoring and on-site inspections. (Source: RBI, Annual Report 2018-2019) During 2016-17, all SCBs operating in India (excluding RRBs and local area banks) were brought under risk-based supervision under the Supervisory Programme for Assessment of Risk and Capital. The inter-regulatory forum for monitoring financial conglomerates identified a revised set of 11 financial conglomerates in the Indian financial sector, including five bank-led financial conglomerates, four insurance company-led financial conglomerates and two securities company-led financial conglomerates, based on their significant presence in two or more segments of the financial sector. (Source: RBI's Annual Report 2016-2017) As of March 2021, there were 131 SCBs in India with a network of 150,207 reporting offices. (Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (March 2004 to March 2021 dated May 28, 2021)). In the 2021-22 Budget speech, the Finance Minister of India announced that the government proposes to take up the privatisation of two more public sector banks and one general insurance company in the year 2021-22.

Public Sector Banks

Public sector banks are SCBs with significant government shareholding. PSBs constitute the largest category of banks in the Indian banking system. These include the 12 nationalised banks, as of April 2020, taking into account the amalgamation of certain PSBs in March and April 2020. *(Source: RBI, List of SCBs, April 13, 2020*) As of March 2021, the aggregate deposits for all PSBs had registered an annual growth rate of 10.4%, while the bank credit for all PSBs had registered an annual growth rate of 3.6%. (*Source: RBI's Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (March 2004 to March 2021 dated May 28, 2021)*).

In 2017, the State Bank of India announced an amalgamation with five of its erstwhile associate banks and an erstwhile government-owned non-affiliate bank (Bharatiya Mahila Bank), which was effective from April 1, 2017. In September 2018, the GoI announced the amalgamation of three PSBs, Bank of Baroda, Vijaya Bank and Dena Bank. The amalgamation was effective from April 1, 2019. In addition, in Fiscal 2019, the ownership of a PSB, IDBI Bank, was acquired by LIC, following which IDBI Bank was reclassified as a private sector bank by the RBI. In Fiscal 2020, the GoI announced several additional amalgamations of public banks: the amalgamation of Canara Bank with Syndicate Bank; the amalgamation of United Bank of India and Oriental Bank of Commerce with Punjab National Bank; the amalgamation of Andhra Bank and Corporation Bank with Union Bank of India; and the amalgamation of Allahabad Bank with Indian Bank, all of which were effective from April 1, 2020. Following these amalgamations, the number of PSBs is 12, down from 27 as at March 31, 2017.

Private Sector Banks

As of April 2020, there were a total of 22 private banks (including IDBI). (*Source: RBI, List of SCBs, April 13, 2020*). The data on bank-group wise growth rate from March 2019 is based on the adjusted bank-group totals. 'The Lakshmi Vilas Bank Ltd.' (a private sector bank) was amalgamated with 'DBS Bank India Ltd.' (a foreign bank) with effect from November 27, 2020. Hence, from December 2020 round onwards private and foreign bank-group wise growth rates are based on adjusted bank-group totals. (Source: RBI Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks dated February 25, 2021). As of March 2021, the aggregate deposits for all private sector banks had registered an annual growth rate of 16.6% while the bank credit for all private sector banks had registered an annual growth rate of 9.1%. (*Source: RBI's Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (March 2004 to March 2021 dated May 28, 2021)*)

Foreign Banks

According to the RBI, there were 46 foreign banks operating in India as of July 14, 2020. (*Source: RBI. Available at https://www.rbi.org.in*) As of March 2021, the aggregate deposits for all foreign banks had registered an annual growth rate of 10.3% while the bank credit for all foreign banks had registered an annual decrease of 3.3%. (*Source: RBI's Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (March 2004 to March 2021 dated May 28, 2021)*). Foreign banks may operate in India by establishing wholly owned subsidiaries, which are allowed to raise rupee resources through the issue of non-equity capital instruments, as allowed to domestic banks. In addition, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centres except at specified locations considered sensitive for national security reasons. Establishment of a wholly owned subsidiary would require approval of the RBI which would be subject to various factors including economic and political relations with the parent bank's country of incorporation and reciprocity with the parent bank's home country. The regulatory framework for a subsidiary of a foreign bank is substantially similar to the regulatory framework applicable to domestic banks, including with respect to management, directed lending, investments and branch expansion. Wholly owned subsidiaries of foreign banks may, after further review, be permitted to enter into merger and acquisition transactions with Indian private sector banks, subject to adherence to the foreign ownership limit of 49% under the automatic route and 74% under the government approval route that is currently applicable to Indian private sector banks. (*Source: RBI - Scheme for Setting up of Wholly Owned Subsidiaries (WOS) by foreign banks in India and Consolidated FDI Policy notified by the DPIIT under DPIIT File Number 5(2)/2020- FDI Policy dated the October 15, 2020, effective from October 15, 2020*).

Co-operative Banks

The RBI continues to play a key role in strengthening the co-operative banking sector by fortifying the regulatory and supervisory framework. The primary responsibility of the Department of Co-operative Bank Supervision ("DCBS") is supervising urban co-operative banks ("UCBs") and ensuring the development of a safe and well-managed co-operative banking sector. The Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004, which came into effect on September 24, 2004, specifies that all multistate co-operative banks are under the supervision and regulation of the RBI. Accordingly, the RBI is currently responsible for the supervision and regulation of urban co-operative societies, state co-operative banks and district central co-operative banks. The wide network of co-operative banks, both rural and urban, supplements the commercial banking network for deepening financial intermediation by bringing a large number of depositors/borrowers under the formal banking network.

According to the RBI, as of May 31, 2021 there are 23 scheduled state co-operative banks, 11 non- scheduled state co-operative banks, 53 scheduled urban co-operative banks and 1,478 non-scheduled urban co-operative banks. (Source: RBI. Available at https://rbi.org.in/commonman/English/Scripts/BanksInIndia.aspx, accessed August 4, 2021).

Non-Banking Financial Companies

There were 9,618 NBFCs registered with the RBI as at July 16, 2020, of which 64 were deposit accepting ("NBFCs-D") and 292 were systemically important non-deposit accepting NBFCs ("NBFCs-ND-SI"). (Source: RBI – Report on Trend and Progress of Banking in India 2019-20).

Non-traditional and digital players are entering the NBFC sector to deliver financial services by way of innovative methods involving digital platforms. The goal of the RBI is to strengthen the sector, maintain stability and reduce the scope for regulatory arbitrage. An optimal level of regulation and supervision is sought so that the NBFC sector is financially resilient and robust, catering to financial needs of a wide variety of customers and niche sectors while providing complementarity and competition to banks. The NBFC sector largely depends on market and bank borrowings, thereby creating a web of inter-linkages with banks and financial markets. As HFCs now fall under the regulatory purview of the RBI, the process of harmonising regulations for HFCs with those applicable for NBFCs assumes priority. A robust liquidity risk management framework is in place for NBFCs and should, in time, apply to HFCs as well, with the objective of ensuring proper governance and risk management structures, including appointing a functionally independent chief risk officer with clearly specified roles and responsibilities. Due recognition of the systemic importance of NBFCs/HFCs and their inter-linkages with the financial system, ensuring higher credit flow by appropriately modulating exposure limits, enabling co-financing and commercial bank lending to NBFCs and fostering active engagement with stakeholders are the hallmarks of the evolving engagement with the NBFC sector. (Source: RBI Annual Report 2019-20)

Credit extended by NBFCs rose 8.8% (year-on-year) during 2020-21 after a deceleration in the preceding year that was marred by credit events in the sector and muted demand. Despite the pandemic conditions during the year, the GNPA ratio for the sector declined with a more than commensurate fall in the NNPA ratio attesting to higher provisioning, and capital adequacy improved marginally (Table 2.8). 2.49 NBFC-MFIs, which are primarily dependent on bank borrowings for funding, have been undergoing asset quality stress during the pandemic. Their GNPA ratio ballooned from 2.0% of total advances in March 2020 to 4.9% in March 2021 as business dislocation dampened recoveries. Furthermore, their SMA-2 advances increased from 0.2% to 1.3% of total advances. Decline in collection efficiency could impact the liquidity position of NBFC-MFIs negatively and have implications for the quality of their borrowings. (Source: RBI – Financial Stability Report Issue No. 23, July 1 2021)

NBFCs were the largest net borrowers of funds from the financial system with gross payables of ₹11.69 lakh crore and gross receivables of ₹1.86 lakh crore as at end-March 2021. The share of funding by SCBs grew substantially in the fourth quarter of Fiscal 2021while that of AMC-MFs and insurance companies dipped. During Q4:2020-21, the NBFC funding mix saw a decline in the share of LT debt while that of LT loans increased . (Source: RBI - Financial Stability Report Issue No. 23, July 1 2021)

In Fiscal 2019, challenges emerged for NBFCs and HFCs following a default by a large NBFC primarily involved in the infrastructure sector. This resulted in tightening liquidity conditions and an increase in yields on the debts of NBFCs and HFCs, leading to funding and growth challenges. As access to bond markets for these companies was constrained, bank lending to these companies increased, which was reflected in the growth of bank credit to the sector. In response, the RBI announced several measures with a view towards facilitating the flow of credit and banking system support to NBFCs. The GoI, in its budget for Fiscal 2019, announced a partial credit guarantee, for a limited period, for purchases of loan portfolios by PSBs from NBFCs. (Source: RBI Publications, Non- Banking Financial Institutions dated December 24, 2019)

Housing Finance Companies

The National Housing Bank ("**NHB**") was set up on July 9, 1988, under the National Housing Bank Act, 1987, as an apex institution for housing finance. The primary function of the NHB is to register, regulate and supervise HFCs. In addition, the NHB provides refinancing to HFCs, SCBs, RRBs and co-operative credit institutions for housing loans and also undertakes direct lending (project financing) to borrowers in the public and private sectors. Over the years, the NHB's focus has been on providing financial support to housing programmes for unserved and underserved segments of the population. Additionally, the NHB manages the Credit Risk Guarantee Fund Trust for Low Income Housing. The NHB's entire capital amounting to ₹14.5 billion was divested by the RBI on March 19, 2019 to the GoI. (Source: RBI Annual Report 2018-19)

Regulation of HFCs and wider supervisory powers over NBFCs have been vested with the RBI. As HFCs now fall under the regulatory purview of the RBI under the amendment in the National Housing Bank Act, 1987 with effect from August 9, 2019, the process of harmonising regulations for HFCs with those applicable for NBFCs assumed priority. On April 17, 2020, special refinance facilities (totalling ₹10,000 crore) were provided to NHB for supporting HFCs. In respect of HFCs, the on-lending limit was increased from ₹10 lakh to ₹20 lakh per borrower with effect from August 13, 2019. On-lending by HFCs is allowed for up to 5% of an individual bank's total priority sector lending on an average basis. These guidelines, after a review in March 2020, have been made applicable up to March 31, 2021 and will be reviewed thereafter. (Source: RBI Annual Report 2019-20)

Microfinance Institutions

Microfinance institutions form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor, and play an important role in delivering credit to people at the bottom of the economic pyramid. Microfinance institutions differ from other financial service providers as they do not depend on grants or subsidies to provide unsecured loans to borrowers with low incomes and no access to the mainstream banking system. They encompass a host of financial institutions engaged in advancing loans to low-income groups. The essential features of microfinance loans are that they are of small amounts, have short tenures, are extended without collateral and require a frequency of loan repayments that is greater than that for traditional commercial loans. These loans are generally taken for income-generating activities but are also provided for consumption, housing and other purposes. The overall Gross Loan Portfolio ("**GLP**") of MFIs, i.e., the outstanding amount of loans extended to microfinance borrowers, grew from ₹1.79 lakh crore as on March 31, 2019 to ₹2.32 lakh crore as on March 31, 2020. (RBI Bulletin, Microfinance: Reaching out to the Bottom of the Pyramid dated September 11, 2020)

Regional Rural Banks

Regional rural banks were formed under the Regional Rural Bank Act, 1976 with a view towards developing the rural economy by providing, for the purpose of developing agriculture, trade, commerce, industry and other productive activities in the rural areas, credit and other facilities, particularly to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, and for matters connected therewith and incidental thereto. In the Union Budget of 2019-20, ₹235 crore was allocated for the recapitalisation of RRBs to enable them to comply with regulatory requirements and channel a larger volume of resources for financial inclusion. In order to recapitalise RRBs with CRAR below 9%, the GoI extended the process of recapitalisation up to Fiscal 2021 and earmarked ₹670 crore as the central government's share in their recapitalisation. This amount is equivalent to 50% of the planned recapitalisation support of ₹1,340 crore, subject to the condition that the sponsor banks release their proportionate shares. Three RRBs were amalgamated, reducing the total number of RRBs to 43 with effect from April 1, 2020. (Source: The Regional Rural Banks Act, 1976 and Report on Trend and Progress of Banking in India 2019-20)

As of March 2021, the aggregate deposits for all RRBs had registered an annual growth rate of 9.3% while the bank credit for all RRBs had registered an annual growth rate of 12.7%. (Source: RBI's Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (March 2004 to March 2021 dated May 28, 2021))

Long-Term Lending Institutions

Long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and expanding and modernising existing facilities. These institutions provided fund-based and non-fund-based assistance to industries in the form of loans, underwriting and direct subscription to shares, debentures and guarantees.

Long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional government funding. However, in recent years, the operating environment of long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for government funding to industries, the reform process required such institutions to expand the scope of their business activities, including into fee-based activities like investment banking and advisory services and into short-term lending activities including corporate finance and working capital loans.

Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group in 1998, a working group was created in 1999 to harmonize the role and operations of long-term lending institutions and banks. The RBI, in its mid-term review of monetary and credit policy for Fiscal 2000, announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms applicable to banks. In April 2001, the RBI issued guidelines on several operational and regulatory issues which were required to be addressed in evolving a path for conversion of a long-term lending institution into a universal bank.

Small Finance Banks

The objective of small finance banks is to further financial inclusion by providing savings vehicles and supplying credit to small business units, small and marginal farmers, micro and small industries and other unorganized sector entities through high technology-low cost operations. The RBI granted in-principle approvals to ten small finance banks in September 2015 pursuant to which all ten small finance banks have started operations. (*Source: Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector and RBI - RBI grants "In-principle" Approval to 10 Applicants for Small Finance Banks. Available at https://www.rbi.org.in*)

As of March 2021, the aggregate deposits for all small finance banks had registered an annual growth rate of 40.3% while the bank credit for all small finance banks had registered an annual growth rate of 19.7%. (Source: RBI's Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (March 2004 to March 2021, dated May 28, 2021))

Payment Banks

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the RBI's criteria. The RBI is supportive of creating more specialised banks and granting differentiated banking licences, e.g., for payment banks and small finance banks. The RBI also plans to create wholesale and long-term finance banks in the near future. In November 2014, the RBI released guidelines for licensing payment banks and for licensing of small finance banks in the private sector. On August 19, 2015 the RBI granted in-principle approval to 11 applicants to set up payment banks. (*Source: RBI Press Release dated August 19, 2015. Available at https://www.rbi.org.in*)

Other Financial Institutions

Specialised Financial Institutions

In addition to the long-term lending institutions, there are various specialised financial institutions which cater to the specific needs of different sectors. These include the National Bank for Agriculture and Rural Development ("**NABARD**"), the Export-Import Bank of India ("**EXIM Bank**"), the Small Industries Development Bank of India ("**SIDBI**"), Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, the NHB, Power Finance Corporation Limited, Infrastructure Development Finance Corporation Limited, the Industrial Investment Bank of India, the North Eastern Development Finance Corporation and the India Infrastructure Finance Company. (Source: Report on Trend and Progress of Banking in India, 2003-04)

State Financial Institutions

State financial corporations ("**SFCs**") operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote small and medium-sized enterprises. State financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industries. At the state level, there are also state industrial development corporations, which primarily finance medium-sized and large enterprises. (Source: Report on Trend and Progress of Banking in India, 2003-04)

Insurance Companies

The General Insurance Corporation of India, a re-insurance company, the Life Insurance Corporation of India and other public sector general insurance companies provide long-term financial assistance to the industrial sector.

The insurance sector in India is regulated by the Insurance Regulatory Development Authority ("**IRDA**"). In December 1999, the Indian Parliament passed the IRDA Act, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors. The Insurance Act, 1938 was further amended by the Insurance Law (Amendment) Act, 2015 which raised permitted foreign equity participation in new insurance companies from 26.00% to 49.00%, which was further proposed to increase to 74.00% in the union budget 2021-2022. Insurance companies are required to be Indian-owned and controlled. Control includes the right to appoint a majority of the Directors or control management or policy decisions by virtue of shareholding, management rights, shareholders' agreements or voting agreements. Therefore, both ownership and control are required to remain in Indian hands. Further, the amendment permitted insurers to raise capital through instruments other than equity. (Source: General Insurance Corporation of India Prospectus dated October 17, 2017)

As announced in the Union Budget 2021-22, the limit of foreign investment in Indian insurance companies has been raised from the existing 49% to 74%. This brings the insurance sector at par with the private banking sector. The act will enable global insurance companies to take more strategic and long-term view on the Insurance sector in India, thereby bringing in greater inflow of long-term capital, global technology, processes, international best practices. (Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India)

Mutual Funds

The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the Securities and Exchange Board of India ("**SEBI**") (Mutual Funds) Regulations, 1996.

In June 2009, the SEBI removed the entry load, up-front charges deducted by mutual funds for all mutual fund schemes and required that the up-front commission to distributors should be paid by the investor to the distributor directly. In November 2009, to enhance the reach and marketability of mutual fund schemes, the SEBI permitted the use of stock exchange terminals to facilitate transactions in mutual fund schemes, as a result of which mutual fund units can now be traded on recognized stock exchanges. In February 2010, the SEBI introduced guidelines for the valuation of money market and debt securities with a view to ensure that the value of money market and debt securities in the portfolio of mutual fund schemes reflect the current market value. The valuation guidelines were effective from August 1, 2010.

In the quarter ended June 2021, the aggregate average assets under management for mutual funds (excluding fund of funds - domestic but including fund of funds - overseas) was ₹33,17,87,159.90 lakhs, and aggregate average assets under management for mutual funds (domestic fund of funds) was ₹31,04,345.14 lakhs. (*Source: Average Assets under Management (AAUM) for the quarter of April – June 2021*) The total number of schemes as of July 2021 was 1,510. (*Source: Association of Mutual Funds in India, Monthly Report for the Month of July 2021*)

The volume of fund mobilisation and redemption in mutual funds during H2:2020-21 was subdued as compared to the corresponding period in the previous year. The net inflow of ₹ 0.7 lakh crore into mutual fund schemes, however, outstripped the level of ₹ 0.3 lakh crore recorded during H2:2019-20. Income/debt-oriented schemes accounted for inflows of ₹ 80,937 crore while growth/ equity-oriented schemes witnessed outflows of ₹ 41,823 crore. Total inflows under all other schemes stood at ₹ 28,382 crore during H2:2020-21. The assets under management of the mutual fund industry increased by 44.5 per cent during 2020-21. At the end of May 2021, the asset under management increased by 34.7 per cent year-on-year. The asset under manager of mutual fund investment through systematic investment plans, which continued to be a favoured choice for investors, recorded 78.1 per cent growth during 2020-21. (*Source: RBI - Financial Stability Report Issue No. 23, July 2021*)

On April 27, 2020, the RBI opened a special liquidity facility for mutual funds with a view to ease liquidity pressures on mutual funds. Under such a facility, the RBI would conduct repo operations of 90 days tenor at the fixed repo rate in an on-tap and open-ended manner, starting April 27, 2020 and up to May 11, 2020 or up to the full usage of the allocated amount, whichever is earlier. Funds availed under this facility are to be used by banks exclusively for meeting mutual funds' liquidity requirements by extending loans and outright purchase of, and/ or repos against, the collateral of investment grade corporate bonds, commercial papers, debentures and certificates of Deposit CDs held by mutual funds. Liquidity support availed under this facility will be classified as HTM even in excess of 25.0% of the total investment permitted to be included in the HTM portfolio. Exposures under this facility will also not be considered under the large exposure framework or for computation of adjusted non-food bank credit for determining priority sector targets/ sub-targets, and they will be exempt from banks' capital market exposure limits. (Source: RBI, Press Release dated April 27, 2020)

Key Banking Industry Trends in India

The RBI, other financial sector regulators and the government have undertaken extraordinary measures to mitigate the impact of the pandemic. Several innovative measures were rolled out to ease balance sheet stress for borrowers and lending institutions. Alongside these pandemic-induced actions, the pace of ongoing efforts to address systemic gaps and to develop and strengthen various parts of the financial system continue apace. (*Source: RBI - Financial Stability Report Issue No. 23, July 1, 2021*)

Performance – Assets and Earnings

Bank credit growth has remained tepid, impacted by lockdowns and associated restrictions. On the other hand, deposit growth maintained its upward trajectory, with current account and savings account (CASA) deposits leading the way, reflecting continued preference for precautionary savings. (*Source: RBI - Financial Stability Report Issue No. 23, July 1, 2021*)

Bank credit growth remains subdued. During 2020-21, bank credit increased by 5.4% (year-on-year), which was the lowest in the last four financial years and it remains subdued in first quarter of Fiscal 2022 (up to June 4). Credit by PSBs and private sector banks ("**PVB"**s) increased by 3.2% and 9.9% (year-on-year), respectively, whereas the loan book of foreign banks ("**FB**"s) remained flat as on June 4, 2021. The overall credit to deposit ("**C-D**") ratio continued on its declining trajectory. The incremental C-D ratio recorded an improvement during the fourth quarter of Fiscal 2021but turned negative in First Quarter of Fiscal 2022 (up to June 4). Agriculture and personal loan books remained bright spots and recorded double digit growth in March 2021. Since then (till April 2021), however, loans to these sectors have contracted by less than one per cent. In the personal loan category, housing and vehicle loans witnessed encouraging growth; vehicle loan growth exceeded its pre-COVID-19 levels for both PSBs and PVBs. SCBs' credit outstanding to the industrial sector, which had contracted over the past five quarters, turned a corner during the fourth quarter of Fiscal 2021but the sector's share in total credit declined during the year. Growth in bank loans to the services sector remained tepid across all bank groups since the onset of the pandemic and slipped into negative zone in the fourth quarter of Fiscal 2021, with PSBs being the major contributors to the fall. In 2021-22 so far (till April 2021), outstanding loans to the services sector have contracted by more than one per cent as compared to end-March 2021 level. New loans extended by SCBs showed recovery in the second half of 2020-21, especially for agricultural and personal purposes. New loans to the private corporate and household sectors, which nosedived during the first half, recovered in the subsequent period. Loan demand exhibited signs of revival during the fourth quarter of Fiscal 2021, especially in the share of new loans in total loans. During 2020-21, the net interest margin (NIM) of SCBs stood at 3.3%, similar to the previous year. The amount of provisions made during 2020-21 declined by 20% (year-on-year), with risk provisions falling by 28.1%. Net interest income of SCBs clocked a 13.1% increase (year-on-year) in March 2021. The return on assets and return on equity maintained their positive upturn, with PSBs recording multi-year highs whereas these ratios dipped marginally for PVBs and FBs on a sequential basis. Further easing of monetary conditions since the onset of the pandemic was transmitted to the spectrum of interest rates. The cost of funds and yield on assets declined across bank groups to reach their lowest levels in the last two decades. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Asset Quality and Capital Adequacy

SCBs' GNPA and net NPA ("**NNPA**") ratios remained stable and stood at 7.5% and 2.4%, respectively, in March 2021. The slippage ratio, defined as the new accretion to NPAs in the quarter as a ratio to the standard advances at the beginning of the quarter, contracted sharply for consecutive half-years to 0.15% in September 2020, with the decline spread across all bank groups. The improvement was aided significantly by the regulatory dispensations extended in response to the COVID-19 pandemic. SCBs' NPA provisions recorded a marginal decline of 0.2% (year-on-year), with PSBs and foreign banks decreasing their provisioning and PVBs increasing them. The provision coverage ratio ("**PCR**") of SCBs taken together improved across all bank groups and rose from 66.2% in March 2020 to 68.9% in March 2021.

The CRAR of SCBs improved considerably by 130 bps from 14.7% in March 2020 to 16.0 % in March 2021, with PVBs improving their ratios even further. The tier-I leverage ratio, which is the ratio of tier 1 capital to total assets, improved marginally to 7.4% in March 2021 from 6.9% in March 2020, contributed by PVBs and FBs. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Sectoral Asset Quality

Among the broad sectors, asset quality declined noticeably in the industry and agriculture sectors between March 2020 and March 2021, with a decline in GNPA and stressed advances ratios. A broad-based decline in GNPA ratio was visible across all major sub-sectors within the industry sector. In view of the regulatory forbearance, however, there are implications for asset quality for the ensuing reporting periods. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Credit Quality of Large Borrowers

The share of large borrowers in the aggregate loan portfolio of SCBs stood at 52.7% in March 2021, but they accounted for a share of 77.9% of the total GNPAs (73.5% in September 2020). The GNPA ratio for large borrowers declined across all categories of banks during H2:2020-21 though there was a sequential uptick in the growth of loans in the special mention account ("**SMA**")-18 category. SMA-2 category loans registered a sharp contraction after a significant chunk was recognised as NPAs following vacation of the freeze on asset classification. Even so, SMA-2 ratios of large borrowers of both PSBs and PVBs were higher vis-à-vis in March 2020 and in September 2020. The share of the top 100 large borrowers in aggregated SCBs' GNPAs declined year-on-year, but with a rising profile during 2020-21. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Resilience – Macro Stress Tests

The stress tests indicate that the GNPA ratio of all SCBs may transition to 9.80% in the baseline scenario by March 2022 and can increase to 10.36% and 11.22%. Within the bank groups, PSBs' GNPA ratio of 9.54% in March 2021 edging up to 12.52% by March 2022 under the baseline scenario is an improvement over earlier expectations and indicative of pandemic proofing by regulatory support. For PVBs and FBs, the transition of the GNPA ratio from baseline to severe stress is from 5.82% to 6.04% to 6.46%, and from 4.90 % to 5.35% to 5.97%, respectively. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Shift towards a Digital and Cashless Economy

The GoI is taking steps to promote a cashless economy such as its flagship 'Digital India' program, which envisions transforming India into a digitally empowered society and knowledge economy. As part of promoting cashless transactions, various modes of digital payment are available, including debit cards, credit cards, mobile banking, point of sale, unified payment interface and forex cards. For instance, the volume of immediate payment service ("**IMPS**"), National Electronic Funds Transfer ("**NEFT**") and United Payment Interface ("**UPI**") transfers were 257.92 crore, 274.45 crore, and 1,251.86 crore, respectively, in Fiscal 2020, up from 175.29 crore, 231.89 crore and 539.15 crore, respectively in Fiscal 2019. The value of IMPS, NEFT and UPI transfers were ₹23,375.41 crore, ₹229,455.80 crore and ₹21,317.30 crore, respectively, in Fiscal 2020, compared to ₹15,902.57 crore, ₹227,936.08 crore and ₹8,769.71 crore, respectively, in Fiscal 2019. (*Source: RBI Annual Report - 2019-20*)

Mergers and Consolidations

Competition in the Indian banking sector has intensified following the entry of foreign banks. Banks have increasingly looked to consolidations in an effort to derive greater benefits such as enhanced synergy, cost take-outs from economies of scale, organisational efficiency and diversification of risks. For details of mergers of PSBs, see "—*Public Sector Banks*".

Certain Key Banking Business Sectors

MSME Sector

Growth in credit to MSMEs during 2020-21 was aided by the ECLGS scheme, with aggregate sanctions at ₹2.46 lakh crore at end-February 2021. PSBs' credit to the sector remained flat and new disbursements turned negative, after adjusting for interest accretion on past loans; PVBs, on the other hand, showed relatively robust increase in exposure. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Since 2019, weakness in the MSME portfolio of banks and NBFCs has drawn regulatory attention, with the Reserve Bank permitting restructuring of temporarily impaired MSME loans (of size up to ₹ 25 crore) under three schemes. While PSBs have actively resorted to restructuring under all the schemes, participation by PVBs was significant only in the COVID-19 restructuring scheme offered in August 2020. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

Despite the restructuring, however, stress in the MSME portfolio of PSBs remains high. Boosted by ECLGS disbursements to eligible categories, net credit flow to stressed MSMEs20 during March 2020-February 2021 rose to ₹50,535 crore with the shares of PSBs and PVBs at 54% and 35%, respectively. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

The transition from low and medium risk MSME borrowers (year-on-year) to the high-risk segment was noteworthy, as per information available for February 2021. Given the elevated level of debt of the stressed cohort, the implications of business disruptions following the resurgence of the pandemic could be significant. (*Source: RBI - Financial Stability Report Issue No. 23, July 1 2021*)

The MSME sector has the potential to become an engine of growth, but it has been underperforming for too long due to various structural reasons. This sector has been constrained by high cost of credit due to a lack of adequate information, a lack of modern technology, no research and innovation, insufficient training and skill development and complex labour laws. Key reforms relating to MSMEs include the removal of the definitional difference between manufacturing and service-based MSMEs, an increased threshold limit to define an enterprise as an MSME and adding turnover as another criteria besides investment scale to define MSMEs. These reforms could be harbingers of far-reaching changes that can transform manufacturing in India. (*Source: RBI Annual Report 2019-20*)

On November 2, 2018, the GoI had announced a 2% interest subvention for MSMEs on fresh or incremental loans up to ₹100 lakh extended by the banks during Fiscal 2019 (November 2, 2018 to March 31, 2019) and Fiscal 2020. Accordingly, the RBI issued guidelines to SCBs in February 2019, under which all MSMEs having a valid Udyog Aadhaar Number ("**UAN**") and GST Number are eligible under the scheme. The GoI has relaxed the guidelines for availing interest subvention, *viz*., permitting trading activities without a UAN, accepting claims in multiple lots, accepting submissions of statutory auditor certificates by June 30, 2020, settling claims based on internal/ concurrent auditor certificates and dispensing with the requirement of having a UAN for units eligible for the GST. The revised guidelines in this regard were issued by the RBI on February 5, 2020. (*Source: RBI Annual Report 2019-20*)

MSMEs badly hit by the pandemic are expected to benefit from various policies of the government such as the collateral-free loan of ₹3 lakh crore, the subordinate debt provision of ₹20,000 crore and equity infusion via the motherfund-daughterfund model. Further, including turnover as a basis in classifying MSMEs will allow MSMEs to expand without losing benefits and improve ease of doing business by aligning MSMEs with the GST. The structural reforms introduced as part of the fourth tranche of the stimulus is expected to bring in private investments across eight critical sectors. The proposed change in public sector enterprise policy – where all sectors will be opened to private sectors and public-sector enterprises will operate only in notified strategic sectors – will bring far-reaching changes to India's industrial sector. The Atma Nirbhar Bharat Abhiyan Package aims to provide immediate relief to sections of the economy most impacted by the pandemic and to revive economic activity while creating new opportunities for employment and growth. In the manufacturing sector, a 100% FDI in contract manufacturing and commercial coal mining through the automatic route is expected to bring in more private investments. (*Source: RBI Annual Report 2019-20*)

Liquidity support of up to ₹20,000 crore in the form of subordinate debt was provided to stressed MSMEs. All functioning MSMEs, which are NPA or stressed, were eligible for such support. Further, ₹4,000 crore was made available to the Credit Guarantee Fund Trust for Micro and Small Enterprises which then provided partial credit guarantees to banks. The promoters of such MSMEs were given debt by banks, which was then infused by promoters as equity. (*Ministry of Finance Press Release dated May 13, 2020*)

Priority Sector

The priority sector lending for scheduled commercial banks stood at 40.54% in Fiscal 2021 (as at the end of December 2020). Among bank groups, while public sector banks continued to achieve the prescribed PSL target of 40%, a marginal shortfall was observed for private sector banks and foreign banks. As per the extant guidelines, in case of shortfall in achieving priority sector targets/sub-targets by SCBs, as decided by the Reserve Bank from time to time, they are advised to allocate amounts for contribution to RIDF established with NABARD and other funds with NABARD / NHB / SIDBI / Micro Units Development and Refinance Agency ("**MUDRA**").The total trading volume of PSLCs recorded a growth of 25.9% and stood at ₹5.89 lakh crore in Fiscal 2021 as compared with 43.1% growth a year ago. Among the four PSLC categories, the highest trading was observed in the case of PSLC-general and PSLC-small and marginal farmer with the transaction volumes being ₹2.26 lakh crore and ₹1.98 lakh crore, respectively, for the year ended March 31, 2021. (*Source: RBI Annual Report 2020-21*) Recently, in order to increase the ambit and benefits of the PSL under the RBI guidelines, the Government of India has decided to include retail and wholesale trade under the ambit of MSME. *(Source: RBI circular on New Definition of Micro, Small and Medium Enterprises - Addition of Retail and Wholesale Trade dated July 7, 2021)*

(₹ in crores, except parentheses)

Achievement of Priority Sector Lending Targets			
Year	**Public Sector Banks**	**Private Sector Banks**	**Foreign Banks**
2019-20	23,14,242	12,72,745	1,67,095
	(41.05)	(40.32)	(40.80)
2020-21	23,79,790	14,04,824	1,73,945
(April-December)*	(40.98)	(39.89)	(39.85)
*: Provisional Note: Figures in parentheses are percentages to ANBC or CEOBE, whichever is higher.			

(Source: RBI Annual Report 2020-21)

Developments and Reforms in the Banking Sector

Implementation of the Basel III Capital Regulations

The RBI has issued guidelines based on the Basel III reforms on Capital Regulation to the extent applicable to banks operating in India. These guidelines require, among other things, higher levels of Tier I capital and common equity, a capital conservation buffer ("**CCB**"), maintenance of a minimum prescribed leverage ratio on a quarterly basis, higher deductions from common equity and Tier I capital for investments in subsidiaries and changes in the structure of non-equity instruments eligible for inclusion in Tier I and Tier II capital.

In December 2010, the Basel Committee on Banking Supervision issued a comprehensive reform package for capital regulations (Basel III). The objective of the reform package is to improve the banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spillover from the financial sector to the real economy. (*Source: RBI – Guidelines on Implementation of Basel III Capital Regulations in India*)

The RBI's Basel III Capital Regulations, which are more stringent than the requirements prescribed by earlier RBI guidelines, have been implemented in India in phases since April 1, 2013. The Basel III Capital Regulations were expected to be fully implemented by March 31, 2019. However, the RBI had deferred the final phase in of the CCB of the Basel III Capital Regulations to March 31, 2020, which was further extended until September 30, 2020. Accordingly, in light of the COVID-19 pandemic, the RBI, by way of its notification dated September 29, 2020, deferred the implementation of the last tranche of 0.625% of the CCB from March 31, 2020 to April 1, 2021. In view of the continuing COVID-19-induced stress on the Indian economy and in order to aid the recovery process, the RBI decided, by way of its notification dated February 5, 2021, to defer the implementation of the last tranche of 0.625% of the CCB from April 1, 2021 to October 1, 2021. (*Source: RBI – Basel III Capital Regulations – Review of transitional arrangements dated February 5, 2021*)

In addition, the Basel III liquidity framework introduced the net stable funding ratio ("**NFSR**"), which measures the ratio between the available stable funding with maturities greater than one year and the required stable funding with maturities greater than one year to support long-term lending and other long-term assets. For banks in India, the RBI had released the final guidelines and prescribed an NSFR of at least 100% from April 1, 2020. However, in view of exceptional conditions due to COVID-19, the RBI, by way of its notifications dated March 27, 2020 and September 29, 2020, deferred its NSFR implementation to April 1, 2021. In view of the ongoing economic stress on account of COVID-19, it has been decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines shall come into effect from October 1, 2021. (*Source: RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR), February 5, 2021*)

The minimum capital conservation ratios prescribed under the Master Circular - Basel III Capital Regulations in paragraph 15.2.2 of Part D 'Capital Conversion Buffer Framework' dated July 1, 2015, which are applicable to Indian banks from March 31, 2018, will apply for a further period until the CCB attains the level of 2.5% on October 1, 2021. The pre-specified trigger for loss absorption through the conversion/ write-down of Additional Tier I instruments (Perpetual Non-Convertible Preference Shares and Perpetual Debt Instruments), shall remain at 5.5% of risk weighted assets ("**RWA**s") and will rise to 6.125% of RWAs from October 1, 2021. (*Source: RBI – Basel III Capital Regulations – Review of transitional arrangements dated February 5, 2021*)

Leverage Ratio Framework

In June 2019, as a part of the 'Leverage Ratio Framework', the RBI announced that the minimum Leverage Ratio would be 4% for Domestic Systemically Important Banks and 3.5% for other banks. Both the capital measure and exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times. These guidelines were effective from the quarter commencing October 1, 2019. (*Source: RBI Notification - Basel III Capital Regulations - Implementation of leverage ratio, June 28, 2019*)

Domestic Systemically Important Banks

In August 2015, the RBI designated the State Bank of India ("**SBI**"), ICICI Bank and later in September 2017, the HDFC Bank as Domestic Systemically Important Banks ("**D-SIB**s"). Based on the methodology provided in the D-SIB framework and data collected from banks as of March 31, 2018, the RBI, in its release dated March 14, 2019, required SBI, ICICI Bank and HDFC Bank to provide Additional Common Equity Tier 1 ("**CET1**") requirements as a percentage of RWAs of 0.6%, 0.2% and 0.2%, respectively. In accordance with the RBI's press release dated March 14, 2019, these CET1 requirements were applicable to D-SIBs from April 1, 2016 in a phased manner and became fully effective from April 1, 2019 onwards. The additional CET1 requirements were in addition to the CCB. (*Source: RBI releases 2018 list of Domestic Systemically Important Banks (D-SIBs) dated March 14, 2019 and RBI releases 2020 list of Domestic Systemically Important Banks (D-SIBs) dated January 19, 2021*)

The Insolvency and Bankruptcy Code (Amendment) Act, 2017

The Insolvency and Bankruptcy Code ("**IBC**") (Amendment) Act, 2017 bars wilful defaulters, defaulters whose dues have been classified as NPAs for more than one year, and all connected persons ('connected persons' refers only to persons who are connected to the resolution applicant's business activity) from submitting resolution plans and purchasing the assets of corporate debtors in liquidation. An enabling provision is in place to provide a cure for ineligibility conditions and help in meeting the corporate insolvency resolution process timeline. It also empowers the insolvency professional to lay down qualifying criteria for resolution applicants familiar with the complexity and scale of the corporate debtor's operations. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code* (*Amendment) Act, 2017*)

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 and The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021

In terms of the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) (the "**Act**") Section 10 A was inserted in the IBC through of which an embargo was imposed on initiation of corporate insolvency resolution proceedings ("**CIRP**") against corporate debtors for any default arising on or after March 25, 2020 for a period of period of six months or such further period not exceeding one year ("**Embargo Period**"). Further, the Act also provided that initiation of CIRP, for defaults arising during the Embargo Period shall be barred in perpetuity. Subsequently, the Embargo Period was initially extended up until December 24, 2020 and thereafter up until March 24, 2021. Additionally, the Act also amended Section 66 of the IBC in terms of a resolution professional was authorised to apply to the National Company Law Tribunal against persons who were knowingly party to transactions undertaken to defraud the creditors of a Corporate Debtor or for any fraudulent purposes. In terms of the Act, Section 66 was amended to restrict resolution professionals from initiating actions under such persons provided the CIRP of the relevant corporate debtor is covered under the Embargo Period. Subsequently, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 was introduced on April 4, 2021 in terms of which, the pre-packaged insolvency framework was introduced and the Embargo Period was ended with effect from March 24, 2021. (*Source: The Gazette of India – The Insolvency and Bankruptcy Code* (*Second Amendment) Act, 2020 dated September 23, 2020; Notification dated September 24, 2020 issued by the Ministry of Corporate Affairs, Notification date December 22, 2020 issued by the Ministry of Corporate Affairs and the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 dated April 4, 2021*)

Amendments to the Banking Regulation Act

The Banking Regulation (Amendment) Act, 2017 was enacted with a view to give the RBI extensive powers to issue directions to banks for the resolution of stressed assets. The amendment introduced two new sections to the Banking Regulation Act: Section 35AA, which enables the RBI, with the authorisation of the Central Government, to direct banks to commence the insolvency resolution process against the defaulting company under the IBC and Section 35AB, which enables the RBI to issue directions to any banking company or group of banking companies for the resolution of stressed assets. (*Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2017*)

The Banking Regulation (Amendment) Act, 2020 was enacted with a view to expand the RBI's regulatory control over co-operative banks in terms of management, capital, audit and liquidation. The Act makes two changes: (i) extending previously omitted provisions of the Banking Regulation (Amendment) Act, 2017 to co- operative banks, and (ii) amending certain provisions of the Banking Resolution Act, 1949 applying to all banks. (*Source: The Gazette of India – The Banking Regulation (Amendment) Act, 2020*)

Liquidity Facility for NBFC/ Housing Finance Companies/ Microfinance Institutions

Special liquidity scheme of up to ₹30,000 crore for NBFCs/ housing finance companies/ microfinance institutions has been announced. Under the scheme, investment will be made in both primary and secondary market transactions in investment-grade debt of NBFCs/ housing finance companies/ microfinance institutions. The securities will be fully guaranteed by the GoI. (*Ministry of Finance Press Release – Cabinet approves Special Liquidity Scheme for NBFCs/HFCs to address their Liquidity Stress, May 20, 2020*)

Expansion of Partial Credit Guarantee Scheme for NBFCs

The scope of the partial credit guarantee scheme for NBFCs has been widened. First 20% of the loss will be guaranteed by the GoI. Unrated instruments and instruments with ratings AA and below are eligible for investment. This scheme is intended to result in a liquidity infusion of ₹45,000 crore. (*Source: Ministry of Finance Press Release – Cabinet approves modifications in the existing "Partial Credit Guarantee Scheme (PCGS)", May 20, 2020*)

Recent Policy Measures Undertaken by the RBI

The RBI, other financial sector regulators and the government have undertaken extraordinary measures to mitigate the impact of the pandemic. Several innovative measures were rolled out to ease balance sheet stress for borrowers and lending institutions. Alongside these pandemic-induced actions, the pace of ongoing efforts to address systemic gaps and strengthen various parts of the financial system did not slow down. (*Source: RBI - Financial Stability Report Issue No. 22, January 2021*)

Liquidity Measures

On-tap Liquidity Window for Contact-intensive sectors

On May 5, 2021, it was decided to open an on-tap liquidity window of ₹50,000 crore with tenors of up to three years at the repo rate until March 31, 2022 to boost provision of immediate liquidity for ramping up COVID-related healthcare infrastructure and services in the country. It has now been decided to open a separate liquidity window of ₹15,000 crore with tenors of up to three years at the repo rate until March 31, 2022 for certain contact-intensive sectors i.e., hotels and restaurants; tourism – travel agents, tour operators and adventure/heritage facilities; aviation ancillary services – ground handling and supply chain; and other services that include private bus operators, car repair services, rent-a-car service providers, event/conference organisers, spa clinics, and beauty parlours/saloons. Banks are expected to create a separate COVID loan book under the scheme. By way of an incentive, such banks will be eligible to park their surplus liquidity up to the size of the COVID loan book, created under this scheme, with the Reserve Bank under the reverse repo window at a rate which is 25 bps lower than the repo rate or, termed in a different way, 40 bps higher than the reverse repo rate. Banks desirous of deploying their own resources without availing funds from the RBI under the scheme for lending to the specified segments mentioned above will also be eligible for this incentive. (*Source: RBI - Statement on Developmental and Regulatory Policies, June 4, 2021*)

Special Liquidity Facility to SIDBI

To nurture the embryonic growth impulses of the economy, the Reserve Bank extended fresh support of ₹50,000 crore on April 7, 2021 to AIFIs for new lending in Fiscal 2022. This included a special liquidity facility ("**SLF**") of ₹25,000 crore to NABARD to support agriculture and allied activities, the rural non-farm sector and non-banking financial companies-micro finance institutions ("**NBFC-MFIs**"), an SLF of ₹10,000 crore to the NHB to support the housing sector and ₹15,000 crore to the SIDBI to meet the funding requirements of micro, MSMEs. In order to meet MSMEs' short- and medium-term credit needs to kick start the investment cycle with additional focus on smaller MSMEs and businesses including those in credit deficient and aspirational districts, it has been decided to provide a further special liquidity facility of ₹16,000 crore to SIDBI. The facility would be extended for on-lending / refinancing through novel models and structures including double intermediation, pooled bond / loan issuances, etc. The facility will be available at the prevailing policy repo rate for a period of up to one year. The Reserve Bank may consider further extension of the facility depending on its usage. (*Source: RBI - Statement on Developmental and Regulatory Policies, June 4, 2021*)

TLTRO on Tap Scheme – Extension of Deadline

The RBI announced the TLTRO on Tap Scheme on October 9, 2020 (available up to March 31, 2021) with a view towards increasing the focus of liquidity measures on reviving activity in specific sectors having both backward and forward linkages and multiplier effects on growth. In addition to the five sectors announced under the Scheme on October 21, 2020, 26 stressed sectors identified by the Kamath Committee were also brought within the ambit of sectors eligible under the Scheme on December 4, 2020 and bank lending to NBFCs on February 5, 2021. Liquidity availed by banks under the Scheme is deployed in corporate bonds, commercial paper and nonconvertible debentures issued by entities in these sectors. The liquidity availed under the Scheme can also be used to extend bank loans and advances to these sectors. Under the Scheme, investments made by banks can be classified as held-to-maturity ("**HTM**") even above the 25% of total investment permitted to be included in the HTM portfolio. All exposures under the Scheme are exempted from reckoning under the large exposure framework ("**LEF**"). Given that NBFCs are well recognised conduits for reaching out last mile credit and acting as a force multiplier in expanding credit to various sectors, it has been proposed on February 5, 2021 to provide NBFCs funds from banks under the TLTRO on Tap scheme for incremental lending to these sectors. On review, it has been decided to extend the TLTRO on Tap Scheme by a period of six months, i.e., until September 30, 2021. (*Source: RBI - Statement on Developmental and Regulatory Policies, April 7, 2021*)

Restoration of Cash Reserve Ratio in Two Phases Beginning March 2021

To help banks tide over the disruption caused by COVID-19, the cash reserve ratio ("**CRR**") of all banks was reduced by 100 basis points to 3.0% of net demand and time liabilities ("**NDTL**") effective from the reporting fortnight beginning March 28, 2020. The dispensation was available for a period of one year ending March 26, 2021. On a review of monetary and liquidity conditions, it was decided to gradually restore the CRR in two phases in a non-disruptive manner. Banks would now be required to maintain the CRR at 3.5% of NDTL effective from the reporting fortnight beginning March 27, 2021 and at 4.0% of NDTL effective from the fortnight beginning May 22, 2021. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 5, 2021*)

Marginal Standing Facility – Extension of Relaxation

On March 27, 2020 banks were allowed to avail of funds under the marginal standing facility ("**MSF**") by dipping up to an additional 1% of NDTL into the SLR, i.e., cumulatively up to 3% of NDTL. This facility, which was initially available up to June 30, 2020, was later extended in phases up to March 31, 2021 to provide comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio ("**LCR**") requirements. This dispensation provides increased access to funds to the extent of ₹1.53 lakh crore and qualifies as a high-quality liquid asset ("**HQLA**") for the LCR. With a view to providing comfort to banks on their liquidity requirements, it has now been decided to continue with the MSF relaxation for a further period of six months, i.e., up to September 30, 2021. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 5, 2021*)

SLR Holdings in Held-to-Maturity Category

On September 1, 2020, the RBI increased the limits under the HTM category from 19.5% to 22% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2022. In order to provide certainty to market participants in the context of the borrowing programme of the centre and states for Fiscal 2022, it has now been decided to extend the dispensation of the enhanced HTM limit of 22% up to March 31, 2023 to include securities acquired between April 1, 2021 and March 31, 2022. The HTM limit will be restored from 22% to 19.5% in a phased manner starting from the quarter ending June 30, 2023. It is expected that banks will be able to plan their investments in SLR securities in an optimal manner with a clear glide path for the restoration of HTM limits. (*Source: RBI - Statement on Developmental and Regulatory Policies dated February 5, 2021*)

Additional Measures Undertaken by the RBI

In addition to the measures described above, on May 23, 2020, the RBI announced additional policy measures, including:

- Permitting banks to increase their exposure to a group of connected counterparties to 30% from 25% of the eligible capital base of the bank, with the increased limit being applicable up to June 30, 2021.

- Measures to improve market functioning such as a re-financing facility for SIDBI of ₹150 billion, which was rolled over for another 90 days to provide SIDBI greater flexibility in running its operations. Moreover, for their debt investments under the Voluntary Retention Route, FPIs were allowed three additional months to fulfil the condition that at least 75% of allotted limits must be invested within three months. (*Source: RBI Notifications, Large Exposures Framework – Increase in Exposure to a Group of Connected Counterparties dated March 23, 2020*)

  Additionally, with effect from May 22, 2020, the RBI reduced the policy repo rate under the liquidity adjustment facility ("**LAF**") by 40 bps to 4.0% from 4.4%. Accordingly, the MSF rate and Bank Rate stood reduced to 4.25% from 4.65%, while the reverse repo rate under the LAF was reduced to 3.35% from 3.75%. (*Source: Monetary Policy Statement, 2020-21: Resolution of the Monetary Policy Committee May 20 to 22, 2020*)

  On April 17, 2020, the RBI announced a reduction in the liquidity coverage ratio ("**LCR**") from 100% to 80%, a special ₹50,000 crore refinancing facility at the repo rate for AIFIs (i.e., the NABARD, SIDBI and NHB) and another TLTRO ("**TLTRO 2.0**") targeted at NBFCs. TLTRO 2.0 is conducted at the policy repo rate for tenors up to three years for a total amount of up to ₹50,000 crores, to begin with, in tranches of appropriate sizes. At least 50% of that amount is to be reserved for: NBFCs with asset sizes between ₹500 crore and ₹5,000 crore (25%), NBFCs with asset sizes of ₹500 crore and below (15%) and MFIs (10%). (*Source: RBI Press Release on Reserve Bank Announces Targeted Long-Term Repo Operations 2.0 (TLTRO 2.0) dated April 17, 2020 and Governor's Statement, April 17, 2020*)

- *Loan restructuring:* The RBI constituted a committee that recommended financial ratios for 26 sectors which could be factored by lending institutions while finalizing a resolution plan for a borrower, such financial parameters, inter alia, include aspects related to leverage, liquidity and debt serviceability. However, only those borrowers' accounts shall be eligible for resolution under the Resolution Framework for COVID–19 related Stress which were classified as "standard" and are not in default for more than 30 days with any lending institution as on March 1, 2020. (*Source: RBI Notification on Resolution Framework for COVID-19-related Stress dated August 6, 2020 and RBI Report of the Expert Committee on Resolution Framework for Covid-19 related Stress dated September 4, 2020*)

- *Credit growth:* The RBI decided to postpone the implementation of the NSFR to October 1, 2021 in order to encourage banks to lend during these economically challenging times. Deferring the implementation of the last tranche of 0.625% of the CCB to October 1, 2021 was a step in the same direction. Special refinance facilities for a total amount of ₹75,000 crore at the policy repo rate have been allocated to the NABARD, the SIDBI, the NHB and the EXIM to meet sectoral credit needs during April-August 2020; these facilities were available for one year. Pursuant to the RBI's press release dated April 7, 2021, it has been decided to extend ₹50,000 crore to the AIFIs for new lending in Fiscal 2022. Accordingly, NABARD would be provided a SLF of ₹25,000 crore for a period of one year. An SLF of ₹10,000 crore will be extended to NHB for one year to support the housing sector. To meet the funding requirements of MSMEs, SIDBI will be sanctioned ₹15,000 crore under this facility for a period up to one year. All these three facilities will be available at the prevailing policy repo rate. (*Sources: RBI Notification on Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR), February 5, 2021, RBI Notification on Basel III Capital Regulations - Review of transitional arrangements, February 5, 2021, and RBI, Statement on Developmental and Regulatory Policies, April 7, 2021*)

- *Regulatory changes:* The RBI clarified in its statement dated March 27, 2020 on the COVID-19 Regulatory Package that the three-month moratorium on payments of loans in instalments falling due between March 1, 2020 and May 31, 2020 (extended to August 31, 2020 *vide* the RBI's notification dated May 23, 2020) would not result in an asset classification downgrade or affect the credit history of the borrower. (*Source: RBI, COVID-19 – Regulatory Packages dated March 27, 2020 and May 23, 2020*)

- *Digital Payment Security Controls:* In its statement dated December 4, 2020, the RBI proposed the RBI (Digital Payment Security Controls) Directions, 2020 with a view towards strengthening security measures around digital payments in India. On February 18, 2021, the RBI implemented the Master Direction on Digital Payment Security Controls for regulated entities to set up a robust governance structure for digital payment systems and implement common minimum standards of security controls for channels including internet banking, mobile banking and card payments. While the guidelines are technology and platform agnostic, they will create an enhanced and enabling environment for customers to use digital payment products in a more safe and secure manner. (*Source: RBI, Statement on Developmental and Regulatory Policies dated December 4, 2020 and Master Direction on Digital Payment Security Controls dated February 18, 2021*)

COVID-19-Related Developments

Rescheduling of Payments – Working Capital Facilities

In respect of working capital facilities sanctioned in the form of cash credit/overdraft ("**CC/OD**"), lending institutions were permitted to allow a deferment of another three months, from June 1, 2020 to August 31, 2020, for the recovery of interest applied in respect of all such facilities. Lending institutions were permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020 into a funded interest term loan ("**FITL**") repayable not later than March 31, 2021. (*Source: RBI Notification no. RBI/2019-20/244 dated May 23, 2020*)

All lending institutions were required to put in place a Board-approved policy to refund or adjust the 'interest on interest' charged to borrowers during the moratorium period, i.e., March 1, 2020 to August 31, 2020 – including borrowers who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. (*Source: RBI Notification no. RBI/2021-22/17 dated April 7, 2021*)

Banks Operating in the International Financial Services Centre (March 2020)

In their March 27, 2020 notification, the RBI permitted banks in India operating International Financial Services Centre Banking Units ("**IBUs**") to participate in the offshore Indian rupee ("**INR**") derivative market – the non-deliverable forward ("**NDF**") market – with effect from June 1, 2020. Banks were permitted to participate through their branches in India, their foreign branches or through their IBUs. This move, which was intended to improve depth and price discovery in foreign exchange market segments by reducing arbitrage between onshore and offshore markets, was made in light of the increased volatility of the rupee caused by the impact of COVID-19 on currency markets. (*Source: RBI Press Release dated March 27, 2020: "Statement on Developmental and Regulatory Policies"*)

Banks in India operating IBUs were permitted to offer non-deliverable derivative contracts ("**NDDC**s") involving the rupee, or otherwise, to persons not residing in India with effect from June 1, 2020. Authorised dealers having at least one IBU may transact in NDDCs with other Authorised Dealer ("**AD**") Category 1 banks having IBUs and banks overseas with effect from June 1, 2020. (*Source: RBI, Risk Management and Inter-bank Dealings - Participation of Banks in Offshore Non-Deliverable Rupee Derivative Markets, March 27, 2020*)

Declaration of Dividends by Banks (April 2020)

Due to the heightened uncertainty caused by COVID-19, it is important that banks conserve capital to retain their capacity to support the economy and absorb losses. Accordingly, the RBI decided that all banks will not be permitted to make any further dividend payouts on equity shares from the profits pertaining to the financial year ended March 31, 2020. (*Source: RBI Notification dated December 4, 2020: "Declaration of dividends by banks"*)

Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets (April 2020)

In terms of paragraph 11 of the Prudential Framework on Resolution of Stressed Assets, lenders are required to implement a resolution plan in respect of entities in default within 180 days from the end of the 30-day Review Period. (*Source: RBI Notification dated June 7, 2019: "Prudential Framework for Resolution of Stressed Assets"*)

On review, the RBI decided that, in respect of accounts which were within the Review Period as on March 1, 2020, the period from March 1, 2020 to May 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period was expected to resume from June 1, 2020, upon expiry of which the lenders would have the usual 180 days for resolution. However, the RBI decided to further, extend the aforesaid timeline of May 31, 2020 to August 31, 2020 and the timeline ending June 01, 2020 to September 1, 2020. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets" and RBI Notification dated May 23, 2020: "COVID19 Regulatory Package - Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets"*)

In respect of accounts where the Review Period was ended but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution was extended by 90 days (later extended by 180 days) from the date on which the 180-day period was originally set to expire. (*Source: RBI Notification dated April 17, 2020 (and May 23, 2020): "COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets"*)

Consequently, the requirement of making additional provisions specified in paragraph 17 of the Prudential Framework is to trigger as and when the extended resolution period, as stated above, expires. (*Source: RBI Notification dated May 23, 2020: "COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets"*)

In respect of all other accounts, the provisions of the RBI notification on COVID 19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets dated April 17, 2020 have been in force without any modifications. (*Source: RBI Notification dated May 23, 2020: "COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets"*)

Further, the lending institutions were required to make the relevant disclosures, in respect of accounts where the resolution period was extended, in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 and Fiscals 2020 and 2021. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets"*) *COVID19 Regulatory Package – Asset Classification and Provisioning (April 2020)*

Asset Classification under the Prudential Norms on Income Recognition, Asset Classification ("IRAC")

In terms of the COVID – 19 – Regulatory Package circular dated March 27, 2020 bearing no. DOR.No.BP.BC.47/21.04.048/2019-20 ("**Regulatory Package**"), lending institutions were permitted to grant a moratorium of three months on payment of all term loan instalments falling due between March 1, 2020 and May 31, 2020 ("**Moratorium Period**"). As such, in line with the clarification provided by the Basel Committee on Banking Supervision, in respect of all accounts classified as "standard" as on February 29, 2020, even if overdue, the moratorium period, wherever granted, has been excluded by the lending institutions from the number of days past due for the purpose of asset classification under the IRAC norms. For the period commencing September 1, 2020, asset classification for all accounts which were granted moratorium in terms of the Regulatory Package and all updates thereof shall be as per the applicable IRAC norms. Further, the Moratorium Period was later extended to August 31, 2020. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Asset Classification and Provisioning, RBI Notification dated May 23, 2020: "COVID19 Regulatory Package" and RBI Notification dated April 7, 2021: "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package"*)

Similarly, in respect of working capital facilities sanctioned in the form of cash credit/overdraft, the Regulatory Package permitted the recovery of interest applied during the period from March 1, 2020 up to May 31, 2020 to be deferred ("**Deferment Period**"). This Deferment Period, wherever granted in respect of all facilities classified as "standard", including SMAs, as on February 29, 2020, was excluded for the determination of "out of order" status. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package-Asset Classification and Provisioning and RBI Notification dated May 23, 2020: "COVID19 Regulatory Package"*). Further, the Deferment Period was later extended to August 31, 2020.

Further, NBFCs, which were required to comply with the Indian Accounting Standard ("**Ind AS**") shall, as hitherto, continue to be guided by the guidelines duly approved by their Boards and as per the Institute of Chartered Accountants ("**ICAI**") Advisories for recognition of the impairments. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Asset Classification and Provisioning"*)

Provisioning

In respect of accounts in default but standard where the above provisions are applicable and where asset classification benefits are extended, lending institutions shall make general provisions of not less than 10% of the total outstanding of such accounts, to be phased over two quarters as under:

- the quarter ended March 31, 2020 - not less than 5%; or
- the quarter ended June 30, 2020 - not less than 5%.

The above provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Asset Classification and Provisioning"*)

The above provisions shall not be reckoned for arriving at net NPAs until they are adjusted against the actual provisioning requirements as under the paragraph above. Further, until such adjustments are made, these provisions shall not be netted from gross advances but shown separately in the balance sheet as appropriate. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Asset Classification and Provisioning"*)

All other provisions required to be maintained by lending institutions, including the provisions for accounts already classified as NPA as on February 29, 2020 as well as subsequent ageing in these accounts, shall continue to be made in the usual manner. (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Asset Classification and Provisioning"*)

Other Conditions

The exclusions permitted above shall be duly reckoned by the lending institutions in their supervisory reporting and reporting to credit information companies ("**CICs**"); i.e., the days past due and Special Mention Accounts ("**SMA**") status, where applicable, as on March 1, 2020 will remain unchanged until May 31, 2020.

Lending institutions shall suitably disclose the following in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 and Fiscals 2020 and 2021:

1. respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of the paragraphs on the Moratorium Period and NBFCs above;

2. respective amounts where asset classification benefits are extended;

3. provisions made during the fourth quarter of Fiscal 2020 and the first quarter of Fiscal 2021 in terms of the first paragraph under "Provisioning"; and

4. provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of the second paragraph under "Provisioning". (*Source: RBI Notification dated April 17, 2020: "COVID19 Regulatory Package - Asset Classification and Provisioning"*)

Term Liquidity Facility of ₹50,000 crore (May 2021)

A term liquidity facility of ₹50,000 crore to ease access to emergency health services was rolled out by the RBI to enable for the ramping up of COVID-19 related healthcare infrastructure and services in India. This facility is being opened until March 31, 2022. Banks are incentivised to make advances under the facility through the extension of priority sector classification to such lending. (*Source: RBI Press Release on On-Tap Term Liquidity Facility to Ease Access to Emergency Health Services dated May 7, 2021*)

Credit to MSME Entrepreneur (May 2021)

Scheduled commercial banks are allowed to deduct the amount equivalent to credit disbursed to 'New MSME borrowers' from their net demand and time liabilities for the calculation of their cash reserve ratio. (*Source: RBI Notification on Credit to MSME Entrepreneurs dated May 5, 2021)*

Resolution Framework 2.0 for COVID Related Stressed Assets of Individuals, Small Businesses and MSMEs (May 2021)

With the objective of alleviating the potential stress to individual borrowers and small businesses, the RBI has further announced set of measures vide a notification dated May 5, 2021 that are broadly in line with the contours of the Resolution Framework - 1.0. The RBI has permitted lending institutions to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as standard upon implementation of the resolution plan subject to certain conditions. (*RBI Notification on Resolution Framework – 2.0: Resolution of COVID-19-related Stress of Individuals and Small Businesses dated May 5,2021)*

Resolution Framework for COVID-19-related Stress – Financial Parameters – Revised timelines for compliance

In view of the resurgence of the Covid-19 pandemic in 2021 and recognising the difficulties it may pose for the borrowers in meeting the operational parameters, it has been decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters, viz. Total Debt / EBIDTA, Current Ratio, DSCR and ADSCR, to October 1, 2022. The key ratios consisted of four operational ratios, viz., Total Debt / EBITDA, Current Ratio, Debt Service Coverage Ratio (DSCR) and Average Debt Service Coverage Ratio, along with the ratio Total Outside Liabilities / Adjusted Tangible Net Worth representing the debt-equity mix of the borrower post implementation of the resolution plan. Further, the target date for achieving the ratio Total Outside Liabilities / Adjusted Tangible Net Worth, as crystallised in terms of the resolution plan, shall remain unchanged as March 31, 2022 *(Source: RBI Circular on Resolution Framework for COVID-19-related Stress – Financial Parameters – Revised timelines for compliance dated August 6, 2021).*

Utilisation of Floating Provisions and Countercyclical Provisioning Buffer (May 2021)

Banks are allowed to utilize 100% of the floating provisions/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for NPAs with prior approval of their board of directors. Such utilisation is permitted up to March 31, 2022. (*Source: RBI Notification on Utilisation of Floating Provisions/Counter Cyclical Provisioning Buffer dated May 5, 2021)*

Continued Fiscal Support to State Governments

The Central Government ("**Centre**") has continued to persistently support state governments towards faster economic recovery. As a part of the Atma Nirbhar Bharat Package, the Centre enhanced the borrowing limit for states from 3% to 5% of the gross state domestic product ("**GSDP**") for Fiscal 2021. Linking the grant of additional borrowing permission to the implementation of State level reforms has motivated states to undertake reforms in various citizen-centric sectors. As at December 30, 2020, 10 states have implemented the One Nation, One Ration Card System, seven states have completed the stipulated reforms in the Ease of Doing Business, and two states have carried out local body reforms. During Fiscal 2021, state governments have raised ₹7.8 lakh crore as gross market borrowings, which is 27.9% higher than the states' gross borrowings during the corresponding period in Fiscal 2020. In order to share the revenue buoyancy seen in the fourth quarter of Fiscal 2021, the Centre has released an amount of ₹45,000 crore as additional devolution to states in Fiscal 2021, which is an increase of 8.2% over retained earnings in Fiscal 2021. As per retained earnings in Fiscal 2021, ₹5,49,959 crore, or 41% of the shareable pool of taxes and duties, were estimated to be released to the states. A total amount of ₹74,340 crore has been released to 14 eligible states as Post Devolution Revenue Deficit Grant in Fiscal 2021, as per the recommendations of the Fifteenth Finance Commission. In addition, in order to compensate states for the loss of GST revenue during Fiscal 2021, the Centre has borrowed a total amount of ₹110,208 crore at a weighted average interest rate of 4.8473% and passed it on to the states (₹101,329 crore) and union territories with Legislative Assembly (₹8,879 crore). Under the scheme 'Special Assistance to States for Capital Expenditure' announced as a part of Atma Nirbhar Bharat Abhiyan, an amount of ₹11,830 crore has been released for capital expenditure proposals of 27 states. (Source: Monthly Economic Review, December 2020, Economic Division, Department of Economic Affairs, Government of India and Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India)

As per information available with Comptroller and Auditor General, total capital expenditure of 25 states increased by 7.29% in the third quarter of Fiscal 2021 year on year. Growth in real gross fixed capital formation of overall economy increased from a contraction of 46.4% in the first quarter of Fiscal 2021 to growth of 2.6% in the third quarter of Fiscal 2021. The effect on the overall economy is reflected in the increase in real GDP growth from a contraction of 24.4% in the first quarter of Fiscal 2021 to growth of 0.4% in the third quarter of Fiscal 2021. (Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India)

Outlook

The renewed jump in COVID-19 infections in several parts of the country and the associated localised and regional lockdowns add uncertainty to the growth outlook. Economic recovery will be at risk if this new wave of infections is not flattened soon. Fortunately, the rise in GDP quarter over quarter since the initial sharp decline in the first quarter of Fiscal 2021 provides a basis for more robust future growth. Nonetheless, the pace of recovery of output needed to offset the negative impact of the COVID-19 shock to the economy in terms of growth in income and employment will be substantial and sustained over many years. (*Source: RBI, Minutes of the Monetary Policy Committee Meeting April 5-7, 2021 dated April 22, 2021*).

Since the RBI's Monetary Policy Committee Meeting held on April 5-7, 2021, the second wave of the pandemic on India has worsened and caused significant strain on the health infrastructure, resulting in numerous states announcing lockdowns or other restrictions, such as weekend lockdowns and night curfews, in April and May 2021. The resurgence of COVID-19 pandemic in India in the recent weeks and the consequent containment measures to check the spread of the pandemic may impact the recovery process and create new uncertainties.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", for a discussion of certain factors that may affect our business, financial condition or results of operations.

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 each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2019, 2020 and 2021 are derived from our Audited Financial Statements, and the financial information included herein for the three months ended June 30, 2021 (including the comparative financial information with respect to the three months ended June 30, 2020) is based on the Reviewed Financial Results, included in this Placement Document.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "Government") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by the Bank, the Book Running Lead Managers or any of their affiliates or advisers.

Overview

We were incorporated in 1906 and operated as a private bank until nationalization in 1969. As on June 30, 2021, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. We cater to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to our banking operations, we provide other financial services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of the date of this Placement Document, the Government of India ("**GoI**") owned 90.34% of the Bank and exercises control over the Bank's management and operations.

As of June 30, 2021, the Bank had around 102 million customers, reflecting our large customer base. The Bank's operations covered 28 States and eight Union Territories across India, with 5,084 branches across India, 5,426 ATMs (including 3,081 offsite and 2,345 onsite ATMs). The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. Our Bank also has internet, mobile banking and door step banking solutions. As of June 30, 2021, our Bank had approximately 7.60 million internet banking users and 4.70 million mobile banking users.

We have over the past century expanded our presence in India and globally. We commenced international operations, through our branch in London in 1946 and our branch in Paris in 1974 and have since developed our international presence significantly. As of June 30, 2021, the Bank operated in 19 countries, through 23 branches and one representative office, including branches in Dubai, Hong Kong, London, New York, Singapore, and Tokyo. We have also set-up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of June 30, 2021. Operating profits of foreign branches accounted for 6.00% of the Bank's global operating profits in the three months ended June 30, 2021. The Bank's foreign business makes up 24.80% of the Bank's global net profits.

The Bank leverages technology to identify opportunities, and deliver products and services. For instance, the Bank has recently launched 'BOI Seva', a virtual digital assistant for better customer service and has launched the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has migrated all of its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. The Bank launched its mobile banking application in August 2018, and revamped its website that was launched in December 2018 with device agnostic features for easy access on multiple devices. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also GoI supported UPI / BHIM, Bharat QR and Aadhaar Pay facilities.

The Bank intends to undertake further initiatives to facilitate digital and alternate delivery channels. For further information, see "—*Technology*" on page 219. The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

Our principal banking operational units include:

- ***Corporate Banking***. Our corporate banking operations include fund based and non-fund based products, of which the fund based products consist of term loans, and non-fund based includes export finance, bullion banking, drawee bill financing, and extending foreign currency swing limits. We also offer trade loans, bridge financing and project finance and syndication services. Our corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of our Bank's total advances, our Bank's advances in the corporate banking segment accounted for 41.72%, 45.09%, 41.88% and 42.14% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively.
- ***Retail Banking***. Our retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements. Our loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Our retail banking also includes retail hubs / business centers, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. As a percentage of our Bank's total advances, our Bank's advances in the retail banking segment accounted for 14.76 %, 14.61%, 16.58% and 16.43% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively.
- ***MSME Banking***. Our MSME banking operations include loans to enterprises engaged in manufacturing and service activities in the form of investment as well as working capital. We also consider other criteria including cost of project/ relevant sector, while allocating the account under large, mid or SME verticals. As a percentage of our Bank's total advances, our Bank's advances in the MSME banking segment accounted for 14.26 %, 13.47%, 15.45% and 15.30% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.
- ***Agricultural Banking***. Our agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. We also offer specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. The Bank has also set-up dedicated 84 Star Krishi Vikas Kendra ("**SKVKs**") specialized to build its agricultural banking portfolio especially in investment credit. These branches are specialized in technology linked agriculture projects and large volume agriculture businesses. As a percentage of our Bank's total advances, our Bank's advances in the agricultural banking segment accounted for 14.97 %, 12.70%, 14.38% and 14.30% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three month period ended June 30, 2021, respectively.

- ***International Banking***. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches, Joint Venture and representative office. As a percentage of our Bank's total advances, our Bank's advances in the international banking segment accounted for 14.29%, 14.13%, 11.71% and 11.83% in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021, respectively.

- ***Other Services***. In addition to our primary banking operations, we also provide certain services on behalf of the GoI and various State governments such as collection of taxes, stamp duty collection, and pension disbursements. We also provide certain non-banking services through our Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

History

The Bank was originally established as a private commercial bank in Mumbai in September 1906 and rapidly expanded its presence across India and abroad. The Bank was nationalized along with 13 other banks in July 1969 and was mandated under the Banking Companies Act, 1969 and Scheme to serve the needs of the development of the Indian economy in conformity with national policies and objectives including, among others, priority sector lending. The Bank initially offered its shares publicly in 1997 and, as of the date of this Placement Document, the Government holds 90.34% of the Bank's issued and paid-up share capital. The Bank originated as a local Mumbai operation but rapidly expanded to establish a presence both in India and abroad.

The Bank established a relationship with the Bombay Stock Exchange in 1921 when it began operating the exchange's clearinghouse and has maintained this relationship through its subsidiary, BOI Shareholding Limited. The Bank has since opened branches in a number of major financial centres including New York, Paris, Tokyo, Hong Kong, Singapore and Antwerp.

Recent Developments

Impact of COVID-19

The World Health Organization declared the 2019 novel coronavirus ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Further, on March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown announced on March 24, 2020 for three weeks, which was subsequently extended to May 31, 2020. Subsequently, progressive relaxations have been granted for movement of goods and people and cautious re-opening of businesses and offices. However, banking services were determined to be operating as an essential industry, which allowed us to continue our operations at majority of our branches and ATMs during the nationwide lockdown with limited workforce and other safety measures. While India has commenced gradual easing of lockdown measures, the trajectory of the eventual outcome remains uncertain and contingent on the future path of the viral outbreak and the effectiveness of measures to counter it. The second wave of COVID-19 infections had impacted India in April, May, and June 2021. This second wave in India had seen new peaks in daily cases, daily deaths, active cases, and positivity rates. The second wave has resulted in significant strain on the health infrastructure in the country resulting in several states announcing lockdown measures. More recently with the decline in COVID-19 reported cases, the government has gradually started to ease some of the strict precautionary measures.

Further, the COVID-19 pandemic caused substantial disruption to the global economy and supply chains, creating significant volatility and disruption in financial markets, including India. In order to address the financial implications of the COVID-19 pandemic, central banks around the world, including India, have taken monetary, fiscal and administrative measures. For instance, the RBI issued guidelines as part of a COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. In terms of these guidelines, we have granted a moratorium of up to six months on the payment of all instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers, in accordance with the schemes approved by the Board. For further information on the moratorium benefit that has been extended in accordance with the COVID-19 Regulatory Package issued by the RBI, see "*Selected Statistical Information"* on page 139. Further, the RBI reduced the reverse repo rate to 3.35% and the LCR was reduced from 100% to 80%. The LCR was restored gradually in two phases, i.e. 90% from October 1, 2020 and 100% from April 1, 2021. Further, the RBI deferred the implementation of the final phase of the Basel III Capital Regulations on capital conservation buffer until September 30, 2020 and subsequently until September 30, 2021.

In addition, the RBI issued the circular on the "*Resolution Framework for COVID-19 Related Stress*" ("**Resolution Framework 1.0**") dated August 6, 2020 which enabled lending institutions to implement a resolution plan for corporate exposures, without requiring a change in ownership and personal loans while continuing to classify such exposures as standard assets, subject to specified conditions. Further, recently, the Government of India announced the "*Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020)*", which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions. Further, the RBI, vide its circular dated September 7, 2020 on "*Resolution Framework for COVID- 19-related Stress – Financial Parameters*", laid down key ratios to be mandatorily considered while finalizing the resolution plans in respect of resolution framework. Further, it also laid down, sector specific thresholds to be considered by the lenders, intended as floors or ceilings. The resolution plans shall take into account the pre-COVID-19 operating and financial performance of the borrower and impact of COVID-19 on its operating and financial performance at the time of finalizing the resolution plan, to assess the cash flows in subsequent years, while stipulating appropriate ratios in each case. For further details on regulatory measures taken by the RBI in order to address the impact of the COVID-19 pandemic, see *"Industry Overview – Effect of COVID-19"* and "*Regulations and Policies"* on pages 173 and 243, respectively. However, the extent of economic disruption on account of the extended lockdown currently remains unknown and may have significant impact on our Bank's ability to achieve its strategies.

In accordance with the RBI guidelines relating to COVID-19 regulatory package, our Bank had initially offered a moratorium of three months on the payment of all instalments falling due between March 1, 2020 and May 31, 2020, in respect of term loans and working capital facilities sanctioned in the form of cash credit/ overdraft to various eligible borrowers. This was further extended by the RBI until August 31, 2020 upon announcement of the second regulatory package by the RBI on May 23, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins must be restored to the original levels by March 31, 2021; and/or, (ii) review the working capital sanctioned limits up to March 31, 2021, based on a reassessment of the working capital cycle. In respect of such working capital facilities, lenders were also permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021. The RBI also clarified that the accounts which benefit from the moratorium period, will get the benefit of an ageing standstill and hence would not be classified as NPAs if the accounts have any instalments or interest are overdue for more than 90 days during the moratorium period. However, lenders are required to make general provisions of 10% to be phased over two quarters in respect of accounts which were in default on February 29, 2020 where moratorium is granted, and asset classification benefit is availed. The utilization and/or release of the provision are subject to the applicable RBI directions that may be amended from time to time. There are currently pending challenges to banks' ability to charge interest on such loans during the moratorium period by various industry bodies, which, if decided adversely to the Bank, could adversely affect the Bank's results of operations. The Government of India has already waived off compound interest charged on loans up to ₹20 million for the six-months moratorium period by way of implementation of "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (March 1, 2020 to August 31, 2020)" ("**Scheme**"). In terms of the Scheme, banks could credit the interest amount to the account of the eligible borrower(s) and lodge a claim for reimbursement from the Government of India. Under the Scheme, the Bank has paid ₹0.74 billion and the same has been reimbursed by the GoI. The following table provides certain information in relation to the moratorium provided by our Bank based on the sectors as of August 31, 2020:

Sector	**Total Number of Accounts**	**Availed accounts**	**Percentage of availed accounts**	**Total outstanding amount**	**Availed amount**	**Percentage of availed amount to total amount**
				(₹ in billion)	*(₹ in billion)*	
Agriculture	2,772,200	543,851	19.62%	102.89	19.45	18.90%
Retail	885,621	564,310	63.72%	323.05	16.15	5.00%

Sector	Total Number of Accounts	Availed accounts	Percentage of availed accounts	Total outstanding amount	Availed amount	Percentage of availed amount to total amount
				(₹ in billion)	(₹ in billion)	
MSME(1)	749,511	428,195	57.13%	200.88	17.46	8.70%
Corporate	2,617	570	21.78%	402.19	65.58	16.30%
Others	323,297	43,890	13.57%	1.61	0.15	9.57%
Total	**4,733,246**	**1,580,816**	**33.40%**	**1030.62**	**118.79**	**11.52%**

Note:

(2) Retail sector includes deposit products including savings, current, recurring, term and tax saving deposit arrangements.

Our Bank proactively implemented various measures to reduce the impact of the COVID-19 pandemic related lockdown on its operations, including the following:

- Launched COVID Emergency Credit Support Schemes (CESS) for stressed sectors encompassing Corporate, MSME, Agriculture as well as personal loan scheme;
- Formulated comprehensive operating procedures and advisories for implementation, not only to ensure safety and well-being of employees, but also to ensure continuity of services;
- Developed and promoted COVID-19-specific loans, working capital, and products through our Bank website, in order to generate leads and provide credit assistance to interested customers;
- Formulated a special resolution framework for a COVID-19-related, one-time restructuring of loans for MSME entities;
- Launched a special scheme under the RBI's COVID-19 Regulatory Package for borrowers facing distress on account of the economic fallout of the pandemic;
- Successfully implemented various government-supported COVID-19 relief schemes (e.g. ECLSG-1, ECLGS 2, CGSSD) to help MSME entrepreneurs meet their operational liabilities and restart their businesses;
- Developed a finance restructuring application form our website where eligible borrowers affected by the COVID-19 pandemic could seek relief, whether through a loan moratorium or extension of the tenure of the loans; and
- Granted a moratorium benefit to all borrowers from March 1 to August 31, 2020, whereby eligible accounts were rescheduled and restructured in accordance with the RBI relief package guidelines.

The resurgence of COVID-19 pandemic in India in the recent weeks and the consequent containment measures to check the spread of the pandemic may impact the recovery process and create new uncertainties. The RBI on May 5, 2021 announced several measures as part of a calibrated strategy to mitigate the risks posed to the Indian economy by the second wave of COVID-19. The measures will help healthcare providers, key medical suppliers, small borrowers, MSMEs and businesses. Some of the measures announced by the RBI include:

- *Term Liquidity Facility of ₹50,000 crore to Ease Access to Emergency Health Services*: this facility will enable improvement of COVID-19 related healthcare infrastructure and services in India. This facility is open till March 31, 2022. Banks are incentivised to make advances under the facility through the extension of priority sector classification to such lending.

- *Credit to MSME Entrepreneur*: scheduled commercial banks are allowed to deduct an amount equivalent to credit disbursed to 'New MSME borrowers' from their net demand and time liabilities for the calculation of their cash reserve ratio.

- *Resolution of COVID Related Stressed Assets of Individuals, Small Businesses and MSMEs ("**Resolution Framework 2.0**")*: with the objective of alleviating the potential stress to individual borrowers and small businesses, the RBI has further announced set of measures vide a notification dated May 5, 2021 that are broadly in line with the contours of the Resolution Framework - 1.0, provided that (i) aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does not exceed ₹250 million as at March 31, 2021; and (ii) borrower's account was a 'standard asset' as at March 31, 2021. The RBI has permitted lending institutions, including our Bank, to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as standard under the RBI's IRAC norms upon implementation of the resolution plan subject to certain conditions. In respect of accounts of borrowers which were restructured in terms of the MSME restructuring circulars, lending institutions are permitted, as a one-time measure, to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring upon implementation of the resolution plan subject to certain conditions.

- *Utilisation of Floating Provisions and Countercyclical Provisioning Buffer*: banks are allowed to utilize 100% of floating provisions/countercyclical provisioning buffer held by them as on December 31, 2020 for making specific provisions for NPAs with prior approval of their board of directors. Such utilisation is permitted up to March 31, 2022.

Competitive Strengths

Established brand with over 110 years of operations and legacy

With over 110 years of banking services in India and over seven decades of business globally, the Bank believes that it is one of the most trusted and recognized banking brands in India with a loyal customer base. As on June 30, 2021, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. As of June 30, 2021, the Bank had around 102 million customers, reflecting large customer base. The Bank's operations covered 28 States and 8 Union Territories across India, with 5,084 branches across India, 5,426 ATMs (including 3,081 offsite and 2,345 onsite ATMs). Through its expansive operations across India, including in rural regions, it has over the years provided a banking platform that has supported the growth of financial activity across India, enabling it to strengthen its brand, reputation and goodwill.

In addition, the GoI owns 90.34% of the total issued and paid-up share capital of the Bank. As the Bank's Promoter and majority shareholder, the GoI enhances the Bank's brand value and goodwill.

The Bank has domestic subsidiaries engaged in merchant banking, trustee services, and distribution of mutual fund products. Further, the Bank also engages in insurance business through its Joint Venture Star Union Dai-Chi. Overseas subsidiaries and Joint Venture of the Bank located in Tanzania, Uganda, New Zealand, Indonesia, and Zambia also form part of the Bank's operations.

Strong and diversified deposit base

The Bank has a strong, diversified, and low-cost deposit base. Our Bank's deposits have grown 6.65% from ₹5,208.62 billion in Fiscal 2019 to ₹5,555.05 billion in Fiscal 2020, and grew 12.89% to ₹6,271.14 billion in Fiscal 2021. As of June 30, 2021, the bank has ₹6,233.85 billion in deposits. Steps have been undertaken to optimize this pool of deposits by increasing the ratio of current accounts and savings accounts ("**CASA**", such ratio the "**CASA Ratio**"), which stands at 43.22% as of June 30, 2021. Aside from this our focus on keeping individual deposit accounts low-cost, has helped us reduce the cost of funds and deposits. Our Bank's cost of deposit has increased from 4.50% in Fiscal 2019 to 4.57% in Fiscal 2020, and reduced to 4.10% in Fiscal 2021 and to 3.79% during three months period ended June 30, 2021.

Growing and diversified asset book

The assets of the Bank are diversified across business segments, industries and groups. In terms of sectors, as on June 30, 2021, the Bank's domestic large industry exposures were to infrastructure at ₹588.68 billion; basic metal and metal products at ₹126.64 billion; textiles at ₹77.66 billion; chemicals & chemical products at ₹51.12 billion, and gems and jewellery at ₹40.41 billion, comprising a total of ₹884.51 billion and constituting 24.19% of the Bank's gross domestic advances. The Bank's loan book concentration and depositor concentration are among the lowest in the industry, with its 20 largest borrowers comprising 15.84% of its loan book and its 20 largest domestic depositors comprising 7.05% of its deposits.

The Bank's revenue is diversified across business segments, with the retail banking, wholesale banking (comprising large and non-retail accounts) and treasury operations accounting for 31.59%, 32.49% and 35.90% of the Bank's revenue for the year ended March 31, 2021. While focusing on diversification, the Bank also focuses on growth, with an annualized growth rate of 10% in terms of total assets from Fiscal 2020 through Fiscal 2021.

Our Bank advances have been stable and consistently improving with growing share of government guaranteed advances and RAM. Our Bank's advances increased from ₹3,828.60 billion as of March 31, 2019 to ₹4,104.36 billion as of March 31, 2021. As of June 30, 2021, the Bank has a portfolio of global advances of ₹4,146.97 billion. Since Fiscal 2019, there has been an increase in advances to the retail, agriculture, and MSME ("**RAM**") sector, as well as government-guaranteed advances. As of June 30, 2021, RAM advances and government-guaranteed advances have made up 64.68% of the total advance mix. We believe our strategically diversified asset portfolio across the RAM sectors and government guaranteed advances will lead to better risk diversification, increased revenue, improved margins and better assets quality.

The Bank believes it has consistently maintained strong capital fundamentals over the years and as on June 30, 2021, the Bank has a net advances-to-deposits ratio of 59.45%; of the Bank's total funding, 88.68% is from deposits, and 40.38% of the Bank's total assets are liquid assets such as Government securities and cash and reserve balances, which ensures high liquidity.

Gradually improving asset quality

Our Bank believes that it has effectively managed its risk-bearing asset portfolio and its asset quality has been improving. Our risk management and credit evaluation processes, coupled with our ability to evaluate and appropriately price risk and automated system for NPA calculation, have helped us reduce our exposure to NPAs, restructured standard assets and Special Mention Accounts ("**SMA**"). Our Bank's gross NPAs as a percentage of gross advances were 15.84%, 14.78%, 13.77% as of March 31 2019, 2020 and 2021, respectively. Our Bank's gross NPAs as a percentage of gross advances were 13.51% as of June 30, 2021. Our Bank's net NPAs as a percentage of gross advances were 5.61%, 3.88%, 3.35% as of March 31 2019, 2020 and 2021, respectively. Our Bank's net NPAs as a percentage of gross advances were 3.35% as of June 30, 2021. Our Bank's provision coverage ratio as of March 31, 2019, 2020 and 2021, was 76.95%, 83.74%, and 86.24%, respectively. Our Bank's provision coverage ratio was 86.17% as of June 30, 2021. Our Bank's credit cost was 4.62%, 4.06%, 1.80%, and 0.95% in Fiscal 2019, 2020, 2021, and for the three months ended June 30, 2021, respectively. Our Bank has made adequate provisions for our NCLT account and has provided 91.00% as of June 30, 2021.

Our Bank believes that we have been able to contain NPA levels and maintain relatively healthy asset quality by implementing our independent risk management function, covering enterprise risk management, credit risk, market risk, and operational risks that are updated on a continuous basis towards preserving our asset quality, among other risk objectives. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies.

Fast improving digital presence

The Bank continues to invest in technology as a means of improving its customers' banking experience, offering them a range of products tailored to their financial needs. The Bank believes that these initiatives will make it easier for customers to manage their accounts, while facilitating significant cross selling opportunities for a wider range of products on its digital platform, thereby building on its existing relationship with its customers.

As of June 30, 2021, the Bank has around 7.60 million users of its internet banking services, and 4.70 million using the Bank's mobile app. Its digital and digital-enabled products also include over 42 million debit cards, 10 million users on the Unified Payments Interface ("**UPI**"), and reach through 52,000 point of sale devices. The bank also has "digi branches" geared towards tech-savvy customers. Also recently launched is a cardless cash withdrawal system using the UPI QR code, allowing our customers to withdraw cash readily without the use of cards. In line with the GoI's push for a nation less dependent on cash, the Bank is also working on other payment gateway solutions for government, public service units, and other organisations.

Over the years, the Bank has also established systems for its backend operations such as customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems that are supported by automated technologies. The Bank is continually upgrading its risk management framework and has implemented a number of technology measures to implement the standardised and advanced approaches of credit risk. We believe that the Bank's IT infrastructure and effective use of technology has enabled it to develop an effective risk control framework and improve employee productivity and operating efficiencies.

Large physical footprint across India and significant international presence

As of June 30, 2021, the Bank had 5,084 branches in India and operated (through subsidiaries and joint venture) 45 offices (including 23 branch offices), 20 subsidiary branches, one Joint Venture and one representative office outside India. As of June 30, 2021, the Bank had about 102 million customers, reflecting our large customer base. The Bank's operations covered 28 States and eight Union Territories across India, with 5,426 ATMs across major towns and cities as of June 30, 2021. Our Bank's India branch network allows us to provide banking services to a wide variety of customers, including large and mid-sized companies, institutions, state-owned enterprises, as well as corporate, agricultural, industrial and retail customers. As of March 31, 2021, the Bank's banking outlets were also well distributed across different kinds of cities, with 35.96% in rural areas, 28.58% in semi urban areas, 15.97% in urban areas, and 19.49% in metro cities. Our international banking division offers a wide range of products that cater to our NRI customer base, and to industrial enterprises engaged in import and export. We cater to our NRI and international customer base through our Subsidiaries, branches and representative office.

Extensive portfolio of products and services

We offer a full range of banking products and services including short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, credit cards, life insurance, merchant banking, agricultural and micro-finance banking products and project finance loans. As a result of its extensive network and product offerings, the Bank is able to meet the full range of its customers' banking needs throughout India.

In addition, our comprehensive product and service offerings provide us with numerous opportunities for cross-selling, allowing it to further grow all areas of its business, especially its corporate business. A special team of coaches has devised a large corporate relationship management model involving the provision of niche products to large corporates on competitive pricing terms and is implementing the model with the Bank's corporate customers. These corporates have particular financial needs and usually require a wide range of both standard and structured products in their investment portfolios. We believe that our extensive portfolio of products and services can be leveraged to further develop its relationship management model, enhance its market share in the corporate segment and increase its fee-based income.

Continuously enhanced risk management and internal control functions

The Bank continuously strengthens its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools. The Bank has adopted an independent risk management system, which addresses the risks faced in all of its banking activities. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies. The Bank has maintained adequate capital reserves in accordance with Basel II since March 31, 2008 and has implemented new credit risk assessment models, independent validation of internal ratings and plans for increased use of IT tools to improve the quality of loan data. The Bank's capital adequacy ratio is 15.07% as on June 30, 2021, which is higher than the statutory requirement of 10.88%. The Bank also conducts regular stress tests which are forward looking economic assessments of the Bank's financial health based on a number of economic scenarios and will take remedial measures, if necessary, depending on the outcome of the tests.

Experienced management team

The Bank has an experienced management team staffed with a significant concentration of career banking professionals. We are guided by our Bank's MD and CEO, Atanu Kumar Das, along with our Executive Directors Paripurnam Ramanujam Rajagopal, Monika Kalia, Swarup Das Gupta, M Karthikeyan and A.B. Vijayakumar, who bring with them extensive experience in the banking sector. Our Board is also supported by other Directors such as independent directors and Directors who are representatives of the GoI, RBI, and shareholders with experience in banking, finance, strategic management and economics. The rest of the senior management team have strengths in key areas, including retail, corporate and international banking. The management team's extensive and diverse expertise provides the Bank with a broad perspective from which it can make strategic management and operational decisions. The Bank believes that its management team has created a clear, strategic direction for the Bank which will allow it to expand and maintain its position as a leading bank in India.

Strategies

The overall strategy of the Bank is to retain and strengthen the Bank's universal character by providing superior, proactive banking services to niche markets globally and cost-effective, responsive services to others in its role as a development bank. The Bank aims to become the bank of choice for large to mid-sized corporates, SMEs and high-end retail customers and to provide a cost-effective developmental bank for small businesses, mass markets and rural markets. The Bank aims to achieve these goals by, among other things:

Sustaining targeted growth in business by continuing to focus on RAM and SME lending and a low-cost deposit base

The Bank is committed to sustaining its business growth by targeting key business opportunities. We are currently focusing on increasing our RAM lending profile by leveraging our existing customer base, and are also looking to provide additional specialised credit processing centres for RAM advances. We are also looking to improve our portfolio through increasing government-guaranteed advances. The Bank is also launching GST-based financing to our MSME customers, increasing how we can tap this key business demographic. The Bank is also continuing to focus on growing its loan book to SMEs along with expansion of services provided to SMEs by utilizing its existing relationships with key corporate customers.

The Bank is also looking to reach customers better through "doorstep banking" initiatives through various universal touchpoints, such as our website, mobile app, and call centre.

The Bank also intends to continue growing low-cost deposits such as CASA, which will allow it to contain funding costs. The Bank intends to continue to leverage our branch network to tap additional CASA accounts. We believe that by leveraging our core banking solution platform, internet and mobile banking systems, we will be able to increase our customer base, thereby increasing CASA deposits.

Focus on improving asset quality and maintaining NPA levels

The Bank will continue to work on improving the quality of its assets and limiting levels of non-performing assets. Our Bank's gross NPAs were ₹ 565.35 billion and ₹ 560.42 billion, and net NPAs were ₹122.62 billion and ₹124.24 billion as of March 31, 2021 and June 30, 2021, respectively. The Bank has been making sustained efforts to contain NPAs and written off recovery by adopting Board-approved strategies with activation of asset recovery branches and staff at grass root levels. In order to contain NPAs, our Bank has introduced several settlements scheme for quick resolution of NPAs and formed a "war Room" and "watch room" in each zone for recovery, NPA reduction, and credit monitoring or trigger management. Our Bank has migrated to daily marking of NPAs beginning April 15, 2021 to have more transparency in identification of NPAs and for compliance of regulatory guidelines. We also carry out actions such as holding-on operations in NPA accounts arising out of temporary cash flow mismatch, for up-gradation within short span of time, restructuring in accounts which need long term support, filing application with NCLT, invoke promptly the provisions of SARFAESI Act, conducting mega E-auctions on an India-wide basis to fast forward the process and facilitating online submission of OTS application by NPA borrowers with tracking option.

Digital transformation and focusing on technology

The Bank has been significantly upgrading its technology and plans to continue to do so in order to capture deposits at a lower cost, bring down costs of resources, facilitate cross selling and enhance customer service and operational efficiency, including the use of a document management service to optimize internal processes. As of the date of this Placement Document, the Bank has rolled out its Core Banking Solution in all branches.

We intend to utilize data analytics to improve lead generation and are working to fully digitize our loan processing end to end. The Bank has also partnerships with financial technology companies and is exploring digital lending through our electronic platforms. Using technology, the Bank intends to increase cross-selling opportunities, reduce costs, and enhance our customer experience.

"Anywhere Anytime" banking is now available for all of the Bank's retail and corporate customers and the Bank continues to build out its internet banking and branch networking operations.

A fast and secure internet banking platform is available for customers to, among other things, pay utility bill payments, to purchase air and rail tickets, shop online and make inter- and intra-bank transfers. The Bank has also implemented a two-factor authentication, namely the Star Token, for both retail and corporate internet banking customers, which allows the Bank's customers to make secured banking transactions from their homes and offices.

As of April 30, 2021, the Bank has associated with Hughes Communications India Pvt. Ltd. that provides satellite connectivity to three Regional Rural Banks. The Bank believes in the value of satellite connectivity in delivering services to their customers and ensuring continuous and reliable operations.

Improving our risk management to ensure the long-term sustainability of our business

The Bank is continually seeking means by which it can improve its risk profile to ensure the long-term sustainability of our business. In line with the Bank's renewed tech focus, we are looking at using a tech-driven credit monitoring system that will allow us to better analyse and study credit profiles, and which uses "early warning signals" to flag any potential issues. Another key initiative is the development of our enterprise-wide Fraud Risk Management framework that involves real-time monitoring of fraud. To improve efficiency and responsiveness, dedicated centres are being formed in each Zone for recovery, reduction of non-performing assets, and monitoring and managing credit.

Building on strong brand identity and existing customer trust and relationships

In the retail sector, by upgrading its brand image to attract the young urban affluent class, and by targeting these young customers with education loans and home loans, the Bank has had considerable success in promoting changes in its customer age profile. New products designed to appeal to this target customer segment continued to be developed by the Bank. Moreover, the Bank has set up call center in Mahape to cater to the needs of existing and potential customers for product enquiry, account information and product marketing. As of June 30, 2021, in the corporate sector, the Bank has long-standing and well-nurtured relationships with Indian corporates. The Bank intends to build upon these existing relationships to increase its cross selling efforts and fee income, including the sale of foreign exchange derivatives and structured products.

Retaining and motivating staff and succession planning

The Bank understands that at the core of its ability to deliver quality service is its strong workforce. To improve the quality of our teams, the Bank is focusing on the following key areas: managing employees' job family, using a performance management system, and engaging in programs for talent management and leadership development. Employee feedback is important, and so the Bank has also launched Star Anveshan, a special survey for employee engagement.

A highly motivated and competent workforce is essential for the Bank as a service-oriented organization. The Bank has implemented human resources ("**HR**") development strategies to provide opportunities for employees to enhance their knowledge and skills.

The Bank endeavours to develop and nurture an organizational culture in which employees are motivated to perform to the best of their ability. Competencies of employees are enhanced and they are equipped with the right skills and knowledge for meeting the ever changing business needs of customers. The Bank reviews HR policies from time to time to accommodate the aspirations of in-house employees as well as its corporate goals. The Bank organizes various training programs (including training in specialized areas such as foreign exchange and treasury operations) for in-house employees and at established training colleges as well as certain training centres abroad.

The Bank has taken various steps to motivate its staff and produce a positive working environment. In addition to traditional means of promotion, the Bank's HR policy provides a fast-track route for promotion to employees who possess the requisite qualifications, skills and an outstanding performance track record. An employee's performance is the key factor in awarding promotions, additional training and other incentives. The Bank has introduced a transparent appraisal system in accordance with Government guidelines and an appraisal form which can be accessed online, to cater to the requirements of different business units.

The Bank's succession plan is in place. Due care has been taken to fill the vacancies of the retiring top executives in key positions. The Bank has also implemented personnel retention initiatives such as well-defined career paths with fast promotions, attractive rewards and an excellent work environment. The Bank has restructured its organizational structure and its business is grouped into various units for focused segmental growth. This has helped the Bank to achieve higher business volumes and increased profitability.

Diversifying non-interest income

The Bank has diversified its sources of non-interest income through tie-ups with life insurance companies, other insurance companies and asset management companies dealing in mutual funds. The Bank intends to improve fee income from new services, including credit/debit card operations, depository services, sale of third-party products, government business, and foreign exchange derivatives as well as equity, bond and derivatives trading through its 29.26% interest in the Securities Trading Corporation of India Limited.

The Bank's earnings from its new services, the sale of insurance (life and non-life insurance) and mutual fund products was ₹1.05 billion and ₹1.07 billion for Fiscal 2020 and Fiscal 2021, respectively.

Key Milestones

Calendar Year	Major Milestones
1906	The Bank was founded
1921	Started managing the clearing house of BSE Limited
1946	Set up of branch office in London, UK
1969	The Bank was nationalised along with 13 other banks
1974	Set up of branch office in Paris, France
1989	Established a fully computerized branch and ATM facility at the Mahalaxmi Branch in Mumbai
1997	The Bank's first public issue—Equity shares listed on the National Stock Exchange of India Limited and BSE limited
2008	The Bank's first Qualified Institutions Placement
2019	Launched Employee Stock Purchase Scheme – Witnessed 94.70% employee participation

Products and Services

The Bank's core business lines are divided into five separate strategic business units ("**SBUs**"), each headed by a General Manager. The SBUs cover the following sectors: (i) large corporate; (ii) mid-corporates; (iii) SMEs; (iv) retail; and (v) agriculture. Advances to the agricultural sector, small enterprises, retail trade, education and housing sectors comprise priority sector lending and are required to constitute at least 40.0% of the Bank's net bank credit under current RBI guidelines.

The following sets out total net advances and deposits for the Bank as of March 31, 2019, 2020 and 2021 and June 30, 2020 and 2021.

	As of March 31,			As of June 30,	
	2019	2020	2021	2020	2021
			(₹ in billions)		
Gross advances	3,828.60	4,165.21	4,104.36	4,154.40	4,146.97
Total deposits	5,208.62	5,555.05	6,271.14	5,952.35	6,233.85

Deposits

Our deposits are broadly classified into current (also known as demand) deposits, savings deposits and term deposits, which are briefly discussed as under:

- *Savings accounts*: We offer savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals/institutions and trusts. Our Bank currently offers 2.90% interest on savings deposits.
- *Current Accounts*: We also offer current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.
- *Term deposits*: We accept term deposits giving a fixed return, for periods ranging from 7 days to 10 years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. We also offer overdraft facility against the term deposits to our customers.

Deposits for Non-Resident Indians

In addition to providing remittance services to NRIs, we allow NRIs to open various types of deposit account.

We offer the following deposit products to NRIs:

- *Foreign Currency Non-Resident Deposits*: We offer foreign currency deposits in ten currencies, including the U.S. dollar, the Pound Sterling, the Euro and the Japanese yen. The principal as well as the interest on these deposits are fully repatriable outside of India and interest and principal are repaid in the currency of deposit. The terms of these deposits range from a minimum of one year to a maximum of three years.
- *Non-Resident External Fixed Deposits*: These deposits are established in Rupees and are maintained for periods from a minimum of one year to a maximum of ten years. The principal and interest from these accounts are fully repatriable outside India. Loans can be granted against these deposits for up to 90% of the deposit amount.
- *Non-Resident External Savings Accounts*: Non-Resident External Savings Accounts are maintained in Rupees. The balances in these accounts are fully repatriable outside India. We also offer zero interest bearing current account for NRI customers.
- *Non-Resident Ordinary Deposits*: These products are offered primarily to NRIs who also derive income from India. These products are offered as savings bank deposits as well as fixed deposits. The interest rates and terms are structured along the same lines as domestic deposits

The Bank's primary sources of income are interest income and non-interest income, comprising fees and commissions received for exchange and brokerage services, profits on exchange transactions and profits on sales of investments. The following describes the breakdown of interest and non-interest income for the periods indicated.

	Year ended March 31,						Three months ended June 30,			
	2019		2020		2021		2020		2021	
	(₹ in billions)	*(% of total)*	*(₹ in billions)*	*(% of total)*	*(₹ in billions)*	*(% of total)*	*(₹ in billions)*	*(% of total)*	*(₹ in billions)*	*(% of total)*
Interest income....	407.68	89.75	423.53	86.32	405.99	84.51	102.34	85.70	93.21	79.68
Non-interest income................	46.58	10.25	67.13	13.68	74.41	15.49	17.07	14.30	23.77	20.32
Total	**454.26**	**100.00**	**490.66**	**100.00**	**480.40**	**100.00**	**119.41**	**100.00**	**116.98**	**100.00**

Deposits in foreign branches represented 12.12% of the Bank's global deposits as of March 31, 2021, whilst gross advances made from foreign branches represented 11.71% of the Bank's global advances as of March 31, 2021.

Deposits in foreign branches represented 11.40% of the Bank's global deposits as of June 30, 2021, while gross advances made from foreign branches represented 11.83% of the Bank's global advances as of June 30, 2021.

Foreign Exchange and Derivatives

Our foreign exchange and derivative product offering to our customers covers a range of products, including forward exchange contracts. These transactions enable our customers to transfer, modify or reduce their foreign exchange and interest rate risks.

Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest in one currency against another currency and exchange of principal amounts at maturity based on predetermined rates. Rupee interest rate swaps are commitments to exchange fixed and floating rate cash flows in rupees. A forward rate agreement gives the buyer the ability to determine the underlying rate of interest for a specified period commencing on a specified future date (the settlement date) when the settlement amount is determined being the difference between the contracted rate and the market rate on the settlement date. Currency options give the buyer, the right but not an obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

Our Bank had no exchange traded interest rate derivatives as of March 31, 2019, 2020 and 2021. As of March 31, 2019, 2020 and 2021, our Bank had notional principal amounts in respect of interest rate swaps and forward rate agreements of ₹106.31 billion, ₹109.64 billion and ₹14.87 billion, respectively.

National Banking Group

The National Banking Group provides a range of retail banking products to individuals, corporate banking products to the Bank's corporate, mid-corporate and small enterprise customers that are not serviced by the Corporate Banking Group or the Mid-Corporate Group, and banking services to the Government and state governments. Corporate banking products and services offered by the National Banking Group are largely the same as those offered by the Corporate Banking Group. The National Banking Group services customers located in urban and metropolitan areas, while customers in rural and semi-urban areas are serviced by the Rural Business Group (discussed below). Geographic areas are classified as urban, metropolitan, rural or semi-urban by the RBI, based on population.

SME Banking

SMEs are one of the Bank's core target customer segments. The SME Business Group focuses on servicing the specific credit needs of SMEs, defined by the Bank as entities with an annual turnover of up to ₹2.5 billion.

In recent years, the Bank has concentrated on building its SME customer base due to the favourable margins being generated in this sector relative to the large and mid-sized corporate segments and believes that rapidly adapting to the needs of its SME customer base is essential to the growth and success of the Bank. The Bank is focusing on not merely growing its loan book to SMEs, but also on expanding the services it provides to SMEs by utilizing its existing good relationships with key corporate customers. The Bank believes that its current and target customer base will be receptive to the cross-selling of a wide variety of products and services such as trade finance, foreign exchange, credit cards and deposit products. The services provided to SMEs are similar to those provided to corporate customers, including term lending, trade finance, working capital, letters of credit, cash management and treasury services.

The Government passed the Micro, Small & Medium Enterprises Development Act 2006 ("**MSMED Act**") in June 2006 to promote lending to micro-enterprises and SMEs and to create uniformity in the way banks classify micro-enterprises and SMEs. Under the MSMED Act, services sectors were included within the classification of SMEs. Following implementation of the MSMED Act in October 2006, certain entities that the Bank had classified as mid or large borrowers have been re-classified as SME borrowers. Advances to the micro-enterprise and SME sectors have increased from ₹560.92 billion as of March 31, 2020 to ₹634.25 billion as of March 31, 2021 and increased to ₹634.69 billion as of June 30, 2021.

The Bank has introduced a number of initiatives to promote its SME lending. These initiatives include:

- *Cluster Finance:* United Nations Industrial Development Organization has identified 386 clusters in India, of which the Bank has identified 20 for intensive development. A cluster is a sectoral and geographical concentration of enterprises which produce and sell a range of related or complementary products and are therefore faced with common challenges and opportunities. The Bank intends to develop specific schemes to target certain of these clusters and, as of the date of this Placement Document, has initiated several such schemes. These schemes involve pricing, tailoring documentation, security, maturity profiles and other terms and procedures tailored to the needs and practices of the specific clusters.

- *Channel Finance Credit:* The Bank intends to upgrade and expand its channel financing operations to increase credit flow to the SME sector. Channel financing includes both dealer finance and supplier finance. Under dealer finance, the Bank pays a manufacturer client for goods sold to the dealer either before or immediately after the client effects shipment and the dealer pays the Bank directly after selling the goods in the market. Under supplier finance, the Bank provides finance to suppliers post-shipment and is repaid by the recipient of the supplies. As many of the Bank's SME clients are dealers or suppliers for larger corporations, the Bank believes that channel financing can expand its SME lending operations and also improve relationships with corporate clients.

- *Credit Ratings*: The Bank entered into a memorandum of understanding with the SME Rating Agency of India ("**SMERA**") in November 2005 to obtain the credit rating of certain of its SME customers. The Bank also offers interest rate concessions of up to 0.50% to customers with specified credit ratings.

- *MSME Branches*: To help increase focus on MSME business, the Bank has re-designated its branches which previously specialized in small-scale industry as MSME branches. As of June 30, 2021, the Bank has 207 MSME branches.

- *Star Cash Management*: The Bank provides collection and payment solutions targeted specifically at SME customers through its Star Cash Management Services product.

- *SME Loan products*: The Bank has also customized loan products to meet activity-specific requirements and facilitate easy lending. The products include extending composite loan (both term debt and working capital finance) to small scale units, lines of credit for contractors, retail traders, small road transport operators, professionals and others. The Bank also encourages female entrepreneurs and offers an interest rate at concessional rate.

- *Collateral free lending*: For all eligible activity up to stipulated limits, loans are extended without any collateral security/third-party guarantee; however, such loans are covered under the credit guarantee scheme for micro and small enterprises ("**CGTMSE**").

To reduce turnaround time, SME City Centers have been set up to act as processing hubs for all SME customers with sanction credit limits above ₹5.00 million in some centers and above ₹10.00 million in other centers. As of June 30, 2021, 57 SME City Centers are operational. Credit origination and processing transactions are segregated in the SME City Centers, with dedicated teams for credit processing, outbound sales and lead generation. Follow up of business acquisition has been implemented. Credit processes have been revised and simplified to ensure faster disbursement. Simplified application forms have been introduced for all SME customers, regardless of credit limit. A master check list has also been formulated for one-time information collection. Tracking and performance management systems have also been introduced at the SME City Centers to increase transparency in business processes.

Retail Banking

The Bank offers retail credit products such as home loans, vehicle loans, education loans, mortgage loans, personal loans, credit cards and other loan products. The Bank markets many of these products under the "Star" brand. The Bank's domestic retail credit portfolio as of June 30, 2021 was ₹681.16 billion, which constituted 18.63% of the Bank's net domestic credit portfolio as of such date. Certain home loans up to ₹2.8 million and education loans up to ₹1 million are also classified as loans to priority sectors. The Bank provides retail loans directly through its branches and retail hubs. As of June 30, 2021, the Bank had established 88 retail business centres across major cities in India, which are branches that are dedicated to managing the entire retail loan process through appraisal teams and monitoring teams. To promote its retail loan products, the Bank cooperates with other large institutions. The Bank has partnered with universities to provide students credit cards and ATM cards that can be used both on campus and at ATMs. The Bank coordinates with manufacturers and suppliers of consumer products and services such as cars, motorcycles and travel tours.

As the Indian economy continues to improve, the Bank believes that household income and consumer credit demand will continue to increase, especially among the growing middle class. To provide customers with convenient access to its products and services, the Bank has a wide network of branches and ATMs throughout India. The Bank is focused on developing specialized credit and non-credit products that meet the needs of its vast consumer base.

The following describes the Bank's domestic retail credit portfolio for the periods indicated.

	As of March 31,			As of June 30,	
	2019	**2020**	**2021**	**2020**	**2021**
			(₹ in billions)		
Home Loan	324.17	359.94	400.94	364.65	400.74
Personal Loan[(1)]	16.81	17.57	25.57	21.84	26.92
Mortgage/Loans against property	69.47	66.93	68.83	66.48	67.63
Other[(2)]	154.47	163.90	185.24	163.08	185.87
Total	**564.92**	**608.34**	**680.58**	**616.05**	**681.16**

Notes:

(1) Includes auto loans, educational loans, credit card debit and micro credit.

(3) Comprises Staff Loans such as Staff Housing loans, Vehicle loans, Clean Overdrafts, Personal loans and other loans to staff.

Retail Deposits

The Bank's retail deposit products include the following:

- *Savings accounts*. Demand deposits for retail customers that accrue interest at a fixed rate and offer withdrawal facility through check books and debit cards.
- *Current accounts*. Non-interest bearing demand deposits.
- *Time deposits*. Tenure-based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates. Tenures range from seven days to 120 months.

The Bank has introduced a system to classify savings account customers into silver, gold and diamond, based upon the average quarterly balance of the deposits each customer maintains, with each category receiving certain benefits and privileges.

Star Home Loans

Star Home Loans are extended to those in regular employment, to professionals, to self-employed individuals and others with a regular source of income for construction or purchase of a house or flat on an ownership basis with limits of up to ₹50.00 million in metropolitan cities and of up to ₹30.00 million in other places. Star Home Loans of up to ₹5.00 million may also be used for repairs, renovations or extensions and Star Home Loans of up to ₹10.00 million may be used for the purchase of plots. The Bank also has a special scheme called the "Star Diamond Home Loan Scheme" to cater to customers in select cities with loan requirements exceeding ₹50 million. The Bank has also introduced a home loan scheme called the "Star Smart Home Loan" with an overdraft facility and two other special home loan schemes called the "Star Pravasi Home Loan", a scheme for NRIs and PIOs and the "Star Jai Jawan Home Loan", a scheme for army and navy personnels.

Star Mortgage Loan Scheme

Under the Star Mortgage Loan Scheme, the Bank provides loans and overdraft facilities against mortgage charged over existing property (maximum ₹50.00 million). The Scheme is targeted towards people engaged in trade, commerce and business, and also professionals and individuals with a high net worth, including salaried individuals.

Loans Against Securities

The Bank makes advances to some of its retail banking customers secured on collateral given by such customers in the form of pledges of government-issued securities and other investment grade instruments such as national savings certificates or Kisan Vikas Patra. Such loans are typically for terms of up to five years. Interest is charged at a spread over the interest on the underlying security and the amount advanced does not exceed the stipulated percentage of the face value of the underlying security.

Credit and Debit Cards

The Bank offers international credit and debit cards to its customers in association with Visa and MasterCard. To support its card operations, the Bank has established a wide network of merchants and has enabled advances against credit cards at all its branches. The Bank also has 5,426 ATMs as of June 30, 2021 throughout India and has tied up with various ATM networks to cater for credit and debit card holders. As of June 30, 2021, the Bank had issued approximately 42 million debit cards.

Non-Resident Products and Services

The Bank provides a variety of services to NRIs. Such products and services include foreign currency non-resident deposits, non-resident external Rupee deposits, non-resident ordinary Rupee deposits (both savings bank and fixed deposits), remittance services and portfolio management services.

Rural Banking

The Bank services customers located in rural and semi-urban areas through a large number of branches and its ATM network in India. The Rural Banking Group focuses on developing innovative and effective ways of delivering banking services to all customers located in the rural and semi-urban areas of India, as defined by the RBI. As of June 30, 2021, approximately 65% of the Bank's domestic branch network was in semi-urban and rural areas. Banking products and services provided to customers of the Rural Business Group generally include all corporate and retail products and services that are provided by the National Banking Group, and are provided to the same demographic customer groups as are served by the National Banking Group. In addition, to a much smaller extent, the Rural Business Group provides sophisticated corporate products and services to mid-corporate customers that are located outside the geographic areas served by the Mid-Corporate Group.

The Bank takes an active role in providing financial support and financing to sectors identified by the Government as "priority sectors" to promote the development of rural economies. Priority sector advances include loans to agriculture, small enterprises engaged in manufacturing or services, retail trade, education and housing. In 2012, the scope of the priority sectors was extended pursuant to an RBI directive to cover borrowers who may have experienced economic difficulties, such as individuals who were included in the Government's differential rate of interest scheme. Under this scheme, financial assistance is extended to selected low income, economically-disadvantaged groups at a concessional rate of interest or to individuals from certain minority communities (as classified by the Bank further to the RBI Directive and as notified by the Government as per Section 2(c) of the National Commission for Minorities Act, 1992, amended from time to time). Housing and education finance up to certain ceilings, lending for specific infrastructure projects and investments in instruments issued by specified eligible institutions are also classified under the priority sector. The Bank's agriculture SBU covers agriculture, micro-credit and rural habitat groups. While the Government has identified such sectors and provides lending guidelines, the Bank has full discretion in determining the commercial terms in which it enters into arrangements with priority sector entities.

Under current RBI guidelines, all banks in India, including the Bank, are required to lend (or invest in investments issued by specified eligible institutions) a minimum of 40% of their respective net bank credit to priority sectors, and at least 18% of net bank credit must be lent to or invested in the agricultural sector. Any shortfall in the amount required to be provided to the priority sectors may be required to be deposited with Government-sponsored Indian developmental banks such as National Bank for Agriculture and Rural Development ("**NABARD**") and SIDBI. These deposits have a maturity of up to seven years and carry interest rates lower than market rates. The Bank's priority sector advances are summarized below:

	As of March 31,			**As of June 30,**	
	2019	**2020**	**2021**	**2020**	**2021**
			(₹ in billions)		
Agriculture	573.02	529.18	590.07	533.58	593.01
MSME	518.66	523.02	572.67	519.68	574.43
Education	31.40	28.76	23.04	24.87	22.32
Housing	170.38	180.58	202.07	177.07	200.40
Others	11.48	2.17	1.50	2.00	1.35
Total priority sector advances	**1,304.94**	**1,263.71**	**1,389.35**	**1,257.20**	**1,391.51**

Agriculture. Agriculture is a key sector of the Indian economy and contributes significantly to its GDP. As of June 30, 2021, the Bank has established 3,281 branches in semi-urban and rural areas to, among other things, support agricultural development.

The Bank's branches support customers involved in a wide range of agricultural activities such as crop production, horticulture, plantation crops, floriculture, farm mechanization, land development and reclamation, digging of wells and irrigation projects, forestry, construction of cold storages, storage go-downs and processing of agricultural products. The Bank also supports allied activities such as dairy, poultry, fisheries, livestock and rearing of silkworms, among others. The Bank has been catering and covering all farm-based needs of the farmers. In 2015, the Bank introduced a revised "Kisan Credit Card" scheme for the farmers.

The Bank also introduced the "KisanTatkal Loan Scheme" to meet the immediate needs of farmers for up to a sum of ₹50,000.

Micro and Small (Manufacturing and Services) Enterprise. Micro and small (manufacturing and services) enterprises that qualify for priority sector lending are those in the manufacturing and service sector that have total investment in plant and machinery equipment assets of up to ₹50.00 million and ₹20.00 million, respectively.

Micro Finance. Micro finance involves the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to the poor and low income households and their micro enterprises. The Bank endeavors to make such finance available for rural areas.

Self Help Groups ("**SHGs**") play a significant role in improving the economic standards of the poor in rural areas. The Bank believes that micro financing to SHGs has significantly contributed to the credit growth in rural areas and the alleviation of rural poverty.

Corporate Banking

The Bank offers a wide spectrum of financial services to large and mid-sized corporates. Key products and services for corporate customers include medium- to long-term funding, working capital financing, syndicated loans, cash management, derivatives, corporate loans and foreign currency loans.

Large Corporate Group

The Bank provides medium-and long-term loans for large corporates. The Bank's gross domestic large corporate loan portfolio was ₹1,529.41 billion, or 38.14% of the Bank's gross domestic loans as of June 30, 2021. The Bank's policy is to limit foreign currency loans to a term of less than 10 years and to lend only at floating interest rates. Corporate finance loans are offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the borrower. The Bank also provides credit protection for foreign currency convertible bonds, project finance and buyer's credit through its foreign branches network by way of credit linked notes and external commercial borrowings

Working Capital Finance

The most common forms of working capital financing are cash credit, working capital demand loans and overdraft facilities. These loans are funded facilities usually secured by current assets such as inventories and receivables. The facilities are generally advanced for a period of one year, and reviewed and renewed, as appropriate at the end of one year. In almost all cases, facilities are subject to an annual review and are generally repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts.

Project Finance

Project financing activities cover a variety of sectors, including metal products, textiles, infrastructure and service sectors. The Bank provides corporate and project finance loans in both Rupees and foreign currencies. The Bank has developed significant syndication capabilities while structuring and arranging large corporate and project finance transactions. The Bank seeks to leverage these syndication capabilities to arrange project and corporate finance for its corporate customers and earn fee income.

The Bank believes that the current market climate in India provides opportunities to increase its infrastructure lending. The Bank provides project and infrastructure finance to both private and Government backed projects. The Bank has actively participated in the financing of infrastructure projects in port roads, power and telecommunications. As of June 30, 2021, gross loans for infrastructure finance amounted to ₹588.68 billion, constituting 16.04% of the Bank's gross domestic loan portfolio as compared to ₹552.22 billion, or 15.35% of the Bank's gross domestic loan portfolio as of June 30, 2020.

Transaction Banking

The Bank set up a separate Transaction Banking group under its Digital Banking Department to generate bulk income and float for the Bank by providing cash flow management for customers, especially large corporates, government institutions, and high net worth individuals through digital banking. The department's work comprises cheque collections, PDC collections, and direct debit mandates, as well as other services such as cash management services (doorstep banking), online share trading (three-in-one accounts, ASBA SYNDASBA), payment gateways, NACH activities on NPCI platform, and operational aspects of channel finance.

International Banking

Foreign Network

As of June 30, 2021, the Bank has a network of 45 overseas offices, comprising 23 branches, 20 subsidiary branches, one Joint Venture, and one representative office, in 19 countries covering all major time zones.

Country	**Branches**	**Total**
USA	New York, San Francisco Agency, Cayman Islands	3
Europe	London, Birmingham, Leicester, Wembley, Glasgow, Antwerp, Paris	7

Japan	Tokyo, Osaka	2
Kenya	Nairobi, Westland, Industrial Area, Mombasa, Eldoret, Johannesburg*	6
Singapore	Singapore, Phnom Penh*, Vietnam (Ho Chi Minh City)*	3
Hong Kong	Hong Kong	1
Dubai	DIFC (Dubai)	1
Total		23

**Under rationalization process*

Operating profits of foreign branches accounted for 6.00% of the Bank's global operating profits in the three months ended June 30, 2021. The Bank's foreign business makes up 24.80% of the Bank's global net profits. Deposits in foreign branches represented 11.41% of the Bank's global deposits as of June 30, 2021 while net advances made from foreign branches represented 10.79% of the Bank's global gross advances as of the same date.

The Group's operations in Europe, the U.S., Japan, Hong Kong, Singapore, Kenya and DIFC comprise, in terms of sum of total deposits and total advances, 38.85%, 21.49%, 16.43%, 10.57%, 6.66%, and 3.86% and 2.14% respectively, of the Bank's foreign business and, in terms of share of operating profit of foreign operations, comprise 26.43%, 13.04%, 12.71%, 6.69%, 1.01%, 37.93% and 2.19%, respectively, as of June 30, 2021.

Other Services

Merchant Banking

We are registered with SEBI for acting as a merchant banker. Through our Subsidiary, BOI Merchant Bankers Limited, we undertake merchant banking business including arranging of syndicated loans and debentures.

Food Credit

The Bank is a member of the consortium of banks in India that provides financing to the Food Corporation of India (the "**FCI**"). The FCI was established under the Food Corporation Act of 1964 in order to (i) provide price support to safeguard the interests of farmers; (ii) distribute grain throughout the country through a public distribution system; and (iii) maintain grain levels (including reserve levels) at appropriate levels. The FCI buys and markets wheat and rice for the Government, purchasing both domestically grown and imported grains. It keeps the stockpiles in its own warehouses. Through periodic sales, the FCI controls and manages the domestic grain supply, regulating the market prices for those commodities. It also provides some of its stores of grain to Government-subsidized food programs, and it builds up buffer stocks to meet any food crises. In order to finance these activities, the FCI borrows funds from a consortium of Indian banks, including the Bank. Loans provided to the FCI are in the form of a revolving account facility and the Bank's relative lending share compared to other members of the consortium is based on the levels determined for each bank by the FCI from time to time.

Government Banking

The Bank handles Government transactions as the agent of the Government and various state governments. The Bank collects Government revenue by ways of taxes under various categories and deposits under various Government schemes, savings and relief bonds. The Bank also handles payment functions of the Government, including salary and pension payments and expenditure payments of various ministries.

Depository Participant Services

The Bank has two Depository Participant Offices ("**DPO**") in Mumbai, one of which is affiliated with the National Securities Depository Limited ("**NSDL**") and the other affiliated with the Central Depository Services (India) Limited ("**CDSL**") at Mumbai. As of June 30, 2021, the Bank has networked most of its branches to its NSDL DPO or CDSDL DPO for extending depository participant services. In order to deliver an efficient service, the Bank also maintains sufficient personnel (who have received the National Institute of Securities Markets certification) at such branches.

Bullion Banking

The Bank undertakes sales of gold under the Bullion Loan Scheme for Jewellery Exporters and also makes outright sales of gold to jewellery exporters.

Under the Bullion Banking Scheme, the Bank imports gold on a consignment basis for sale to domestic users as well as jewellery manufacturers and exporters.

Third Party Products

Bancassurance

We provide bancassurance services through corporate agencies for distribution of (i) life insurance products; (ii) non-life / general insurance products such as motor, health, home and travel insurance as well as commercial line of products, including engineering and marine insurance. We earn commissions from the distribution of such insurance products. In order to provide a wide range of finance and investment products to its customers as a value addition, and also to augment its noninterest income, the Bank is in distribution of insurance products to its customers of which the Bank has tied up with various insurance corporations and companies. Some employees of the Bank act as "Specified Persons" and they are responsible for the sale of such insurance products in various domestic branches. The aim is to provide the Bank's customers with various insurance solutions and enhanced customer experience by leveraging technology. The Bank distributes the insurance products through its network of 5,084 branches, 88 retail business centres and 57 SME city centres across India.

In addition to the range of insurance products being offered, the Bank and Star Union Dai-ichi Life Insurance Co. Ltd. have also developed a life insurance product with the aim of offering such products to existing and new Star Home Loan borrowers and Star Education Loan borrowers on a reduced premium basis. Furthermore, the Bank has also co-developed and co-branded "floater" family medical health insurance policy for all of its customers. A floater medical policy provides that the insured, his/her spouse and two of their children are covered to the extent of the sum insured, where part of this sum can be claimed at different times by family members.

Our Bank's income from bancassurance was ₹0.95 billion, ₹1.05 billion and ₹1.07 billion for Fiscals 2019, 2020 and 2021, respectively.

Mutual Fund/Securities Sales

We also distribute various mutual fund products through our metropolitan, urban and semi urban branches who have employees registered with the Association of Mutual Funds of India. Our Bank's income from distribution of mutual fund products was ₹0.04 billion, ₹0.03 billion and ₹0.03 billion for Fiscals 2019, 2020 and 2021, respectively.

Treasury Operations

Our treasury operations are the focal point for the management of our market risk. We undertake liquidity management by seeking to maintain an optimum level of liquidity while complying with SLR and CRR. Treasury conducts its operations in accordance with the Board approved investment policy which sets limits, controls, accounting policies and general guidelines for the treasury operations, including the parameters of investments in securities. Our investment portfolio is managed with a view to capitalize on the market movements in interest rates and credit spread, to maintain a balanced portfolio, to minimise risk, to ensure deployment of surplus cash in securities at attractive yields while maintaining adequate liquidity. The overall objective of our treasury activities is to earn optimal return on deployed investments and to minimize credit risks assumed in our investment and trading activities.

The following table gives details of our Bank's domestic investment portfolio by book value as of the dates indicated:

Particulars	As of March 31			As of June 30	
	2019	2020	2021	2020	2021
	(₹ *in billions*)				
Held to Maturity	1,059.76	1,112.11	1,330.70	1,031.11	1,282.75
Available for sale	390.44	450.45	528.03	573.61	564.22
Held for Trading	5.27	0.10	0.04	0.65	(1.22)
Total	**1,455.47**	**1,562.66**	**1,858.77**	**1,605.37**	**1,845.75**

The following table sets forth the allocation of our Bank's net investment portfolio for the periods indicated therein:

Securities	As of March 31, 2019		As of March 31, 2020		As of March 31, 2021	
	Amount	%	Amount	%	Amount	%
	(₹ *in billions, except percentages*)					
SLR						
Government securities	1,066.45	73.27	1,177.45	75.35	1,411.17	75.92
Other approved Securities	0.00	0.00	0.00	0.00	0.00	0.00
Sub total	1,066.45	73.27	1,177.45	75.35	1,411.17	75.92
Non-SLR						
Subsidiaries and Joint Venture	14.43	0.99	14.78	0.95	15.35	0.83
Debentures and Bonds	**83.96**	**5.77**	**81.04**	**5.19**	**131.21**	**7.06**
Special SDL Uday Bonds	**3.51**	**0.24**	**3.51**	**0.22**	**0.28**	**0.01**
Shares	**27.76**	**1.91**	**24.74**	**1.58**	**25.37**	**1.37**
Other	**259.38**	**17.82**	**261.16**	**16.71**	**275.39**	**14.82**
Sub total	389.04	26.73	385.22	24.65	447.60	24.08
Total	**1,455.48**	**100.00**	**1,562.67**	**100.00**	**1,858.77**	**100.00**

Securities	As of June 30,			
	2020		2021	
	Amount	%	Amount	%
	(₹ *in billions, except percentages)*			
SLR				
Government securities	1,195.35	74.46	1,407.75	76.27
Other approved Securities	0.00	0.00	0.00	0.00
Sub total	1,195.35	74.46	1,407.75	76.27
Non-SLR				

	As of June 30,			
	2020		2021	
	Amount	%	Amount	%
Subsidiaries and Joint Venture	14.78	0.92	15.35	0.83
Debentures and Bonds	**108.89**	**6.78**	**125.78**	**6.81**
Special SDL Uday Bonds	**3.51**	**0.22**	**0.28**	**0.01**
Shares	**25.05**	**1.56**	**24.99**	**1.35**
Other	**257.79**	**16.06**	**271.62**	**14.72**
Sub total	410.02	25.54	438.00	23.73
Total	**1,605.37**	**100.00**	**1,845.75**	**100.00**

Asset Classification

Non-Performing Assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global marketplace, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. Our Bank has adopted several measures to refine its credit selection processes and appraisal capabilities. The management of NPAs has been one of the focus areas of the Bank. Towards this goal, the Bank has focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of Standard Assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under RBI's "Prudential framework for resolution of stressed assets" pursuant to its circular dated June 7, 2019 as well as under the Bank's own scheme for limiting NPAs; and
- upgrading the Bank's assets.

The following table sets forth, for the periods indicated, information about our Bank's NPA portfolio.

	As of March 31			As of June 30,
	2019	2020	2021	2021
	(₹ in billions, except percentages)			
Non-Performing Assets				
Gross NPAs...	606.61	615.50	565.35	577.88
Specific provisions..............................	413.10	469.98	420.74	422.89
Floating provisions	2.32	2.32	2.32	2.32
NPA net of provisions and nettable credits..	191.19	143.20	122.62	132.75
Gross customer assets	3,828.60	4,165.21	4,104.36	4,154.40
Net customer assets.............................	3,410.06	3,690.06	3,656.87	3,706.14
Gross NPAs/gross customer assets (%).	15.84%	14.78%	13.77%	13.91%

	As of March 31			As of June 30,
	2019	2020	2021	2021
	(₹ in billions, except percentages)			
Net NPAs/net customer assets (%).......	5.61%	3.88%	3.35%	3.58%
Specific provision as a percentage of gross NPAs..	68.01%	76.36%	74.42%	73.18%
Total provisions as a percentage of gross NPAs..	68.48%	73.62%	74.83%	77.20%
Provision cover (including prudential write-offs)	76.95%	83.74%	86.24%	84.87%

Restructured Assets

The RBI has issued separate guidelines for restructured assets. A standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to substandard assets. The sub-standard assets which have been subjected to restructuring as per earlier guidelines of RBI, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of one year after the date when first payment of principal or interest, whichever is earlier, falls due, subject to satisfactory performance during the period. The following table sets forth a summary of our Bank's restructured assets as of, and for the year ended, March 31, 2021.

	Standard	NPAs	Total
	(₹ in billions, except percentages)		
Restructured assets as of April 01, 2020	47.33	147.32	194.64
New restructured assets during Fiscal 2021	49.65	1.34	51.00
Assets upgraded to restructured assets during Fiscal 2021	0.39	(1.06)	(0.67))
Assets reclassified as restructure assets as of March 31, 2021	16.68	0.00	16.68
Restructured assets downgraded during Fiscal 2021	(1.03)	1.03	0.00
Write off of restructured accounts during Fiscal 2021	4.34	11.43	15.77
Restructured assets as of March 31, 2021	75.32	133.48	208.80

Branch Banking — Distribution Network

The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs and the internet.

Branch Network

As of June 30, 2021, the Bank had a network of 5,084 branches across India, including one representative office. The Bank had a branch network of 5,092 branches, 5,083 branches and 5,084 branches as at March 31, 2019, 2020 and 2021, respectively. The Bank has 82 specialized branches. The Bank has 10 banking branches dedicated exclusively to corporate borrowers. The Bank also has branches dedicated to SMEs and additional branches dedicated to recovery, capital markets, lease finance and treasury products. Domestic branches are controlled through 59 zonal offices. As of June 30, 2021, the Bank maintained six NRI branches to provide specialized services to high worth non-resident depositors.

The Bank's wide network of branches is spread across both metropolitan and rural locations. To provide banking access to rural areas efficiently, bank branches are located in rural/semi-urban areas. The lead bank functions as a co-ordinator between the banks and the relevant state government. The lead bank prepares the district credit plan based upon the Potential Linked Plan prepared by NABARD and ensures its successful implementation for the growth of the rural economy. As a lead bank, the Bank is required to implement the state-sponsored poverty alleviation programs for creating rural employment and income generation. It also ensures utilization of the resources mobilized in the district for the benefit of the local populace to avoid imbalance in growth.

The following table describes the geographic breakdown of the Bank's branches for the periods indicated:

	As of March 31,			As of June 30,	
	2019	**2020**	**2021**	**2020**	**2021**
Metropolitan	994	991	991	992	991
Urban	812	810	812	812	812
Semi-Urban	1,454	1,454	1,453	1,454	1,453
Rural	1,832	1,828	1,828	1,828	1,828
Total	5,092	5,083	5,084	5,086	5,084

The Bank's domestic branch network caters to all of India's socio-economic classes, with 19.49%, 15.97%, 28.58% and 35.96% of its domestic branches located in metropolitan, urban, semi-urban and rural areas, respectively, as of June 30, 2021.

Automated Teller Machines (ATMs)

As of June 30, 2021, the Bank had installed 5,426 ATMs and plans to continue to expand its ATM network. The Bank has joined the National Financial Switch (NFS) Network that is run by the Institute for Development and Research on Banking Technology ("**IDRBT**"). Through the Bank's ATM networks, the Bank's customers have access to all the ATMs throughout India. Customers also have access to ATMs that are compatible with VISA and MasterCard debit cards. The Bank has outsourced the management and operation of its ATMs.

Financial Inclusion

We are engaged in financial inclusion across India through our entire branch network. Financial inclusion is part of a national scheme to deliver financial services to India's disadvantaged and low-income segments at an affordable cost. The Bank believes that the rural areas of India are greatly underserved by the financial sector, and therefore views rural banking as a driver of future growth. The Bank has carved out a "Financial Inclusion" ("FI") unit as a new business unit to address the issue.

Financial inclusion grew as a result of the "Pradhan Mantri Jan Dhan Yojana Scheme" ("PMJDY") aimed at bringing India's unbanked population into the formal financial system by creating awareness about the uses and benefits of the financial services offered by banks in India. Under the PMJDY, as of March 31, 2021 and as of June 30, 2021, our Bank had opened 33.91 million and 34.21 million accounts, respectively, and the balance contained in such accounts amounted to ₹121.34 billion and ₹117.89 billion, respectively, in the same period.

Rural banking offers a particular challenge due to the low margin transactions that typically occur at rural branches. The Bank seeks to overcome this challenge through IT-based initiatives targeted specifically at the rural customer. These initiatives include a kiosk project that will allow for access to more remote areas as well as a smart card program that allows rural customers to access basic banking services through business correspondents without meeting the minimum deposit requirements for accounts with the Bank.

The Bank is developing alternative delivery channels for banking services and products through business facilitators and business correspondents. As of June 30, 2021, the Bank has established 12,067 customer service points catering to such business facilitators and business correspondents.

The Bank is committed to providing banking services through business correspondents and hand-held communications devices (micro ATMs) to a large number of villages, connecting 35.67 million people through no-frill accounts with inbuilt overdraft facilities to address their urgent consumption needs, extending entrepreneurship credit to encourage sustainable livelihoods, offering mobile-based remittance facilities for migrant labor and the self-employed to remit money home and facilitating access to the Bank's third-party products, including micro insurance. Robust operational and risk management systems and best practices have been established to ensure the proper operation of the FI units.

Technology

Using technology to efficiently provide services to clients and achieve product differentiation has long been a strategy of the Bank. The Bank believes that improving its technology base is a key driving factor in achieving growth, reducing costs and increasing security. The Bank first established a fully computerized branch in 1989 in Mumbai and all of its branches have since been computerized. The Bank was also one of the founding members of the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") in India. Leveraging its technology initiatives, the Bank has improved its employee productivity, in terms of business per employee, from ₹183.89 million in Fiscal 2019 to ₹194.02 million, ₹199.39 million and ₹202.85 million in Fiscal 2020 and 2021 and the three months ended June 30, 2021, respectively. It improved its business per branch from ₹1,766.12 million in Fiscal 2019 to ₹1,903.69 million, ₹2,031.62 million and ₹2,032.67 million in Fiscal 2020 and 2021 and the three months ended June 30, 2021, respectively.

The Bank pursues an aggressive IT policy with the objectives of achieving efficiency in internal operations and meeting customer and market expectations. The Bank commenced the development of its Core Banking Solution ("**CBS**") in 2004 and has migrated all of its branches to its CBS platform, which provides the capability of online real-time transaction processing. The Bank regards the speed and efficiency of adoption of CBS by the branches as a significant achievement. Presently the CBS operations and support is managed by M/s. EIT (novated by erstwhile M/s. HPE). Bank of India (BOI) having its Data Center (DC), Disaster Recovery (DR), Near DR (NDR) in different seismic zones, thus guaranteeing an around-the-clock banking service to the Bank's customers. Data Center (DC), Disaster Recovery (DR), Near DR (NDR) site are compliant with comprehensive business continuity requirements. We have a dedicated data centre located in Navi Mumbai in Maharashtra which has been ISO 27001:2013 and ISO 22301:2012 certified. The Bank has branch Wide Area Network links from a total of nine telecom service providers. The Bank also has a well-documented business continuity and disaster recovery policy in place, which is constantly tested with live runs and is reviewed periodically. To achieve zero data loss, a near-site data recovery unit has been set up with primary site storage replication. Further, the Bank provides internet banking facilities to both retail and corporate customers.

Further, the Bank provides internet banking facilities to both retail and corporate customers. Online services include payment of various utility services and bills, payment of direct and indirect taxes, application supported by blocked amount for initial public offering, trading of shares, payment of Directorate General of Foreign Trade license fee and booking of railway and airline tickets. Short message service alerts are also available to all customers in respect of transactions carried out through any delivery channel.

Moreover, due to CBS' interface with the Bank's Treasury Branch and RBI's payment systems such as real time gross settlement systems and the national electronic funds transfer system, customers can, among other things, transfer or remit funds online in real time to branches of other banks in other cities. SWIFT messages can also be sent and received by the Bank's major branches which are authorized to deal in foreign exchange, thereby enabling quicker and more efficient processing of transactions.

The Bank has also brought its 23 overseas branches located in various countries, such as the USA, UK, Singapore, France, Japan, Belgium, China and Cambodia, under its "Finacle-CBS" software to have uniformity of CBS software across the Bank's global network, thereby improving the Bank's management of its information systems as well as its customer service.

The Bank constantly upgrades its technological capabilities to increase efficiency, reduce costs and expand its service portfolio. Ongoing and proposed technology initiatives include:

- introducing transaction and payment through mobile banking to allow customers, particularly rural customers, easy access to their account information and information regarding the Bank's products and services;
- implementing IT systems and technologies in rural and remote areas of the country to enable such customers to also benefit from the technological advance in the banking industry, so as to promote "financial inclusion";
- reducing the types of software and networks used by the branches to introduce more consistency across the Bank's operations; and
- introducing technology to allow customers to deposit cheques anywhere in the country and allowing the processing of such cheques through its electronic imaging (as required by the RBI).

The Bank has also won two awards in recent years in recognition of its achievements in IT and technology, such as:

- Infosys Finacle Client Innovation Awards 2020 Product Innovation Runner Up
- SKOCH Award 2021, Silver Category for Document Management System

Risk Management

We are exposed to various risks that are inherent in the banking business, with the major risks being credit, market and operational risk. We have established a comprehensive risk management policy for the management of these risks as per the guidelines issued by the RBI. In order to enhance our risk management framework, our processes for risk management include identification, measurement, monitoring and control for which we have formulated various policies specifically dealing with enterprise vide risk management, credit risk management, operational risk management, market risk management, derivatives, asset liability management and foreign exchange. We have also implemented a defined internal capital adequacy and assessment process, which is submitted to the RBI.

Risk management is a board-driven function with the overall responsibility of risk management assigned to the Risk Management Committee of our Board supported by operational level committees. Our risk management involves developing and maintaining a healthy portfolio of assets and liabilities within the parameters the applicable regulatory framework. We also conduct risk profiling on a quarterly basis for the purpose of self-assessment as well as reporting to the RBI.

The Bank is covered under the Basel III framework since April 1, 2013 when it was introduced in India by the RBI and is in the process of implementing the 'Basel III Revisions' issued by the Basel Committee on Banking Supervision.

Credit Risk

We are exposed to credit risk from the possibility that a borrower or counterparty may fail to meet its obligations in accordance with agreed terms. In order to minimize this risk, we have implemented a comprehensive credit risk management policy, which analyses the financial position of each potential customer or counterparty thoroughly under certain set financial and quantitative parameters. We also analyse qualitative features such as industry trends, competitiveness and management capabilities.

Our credit risk management committee is responsible for implementation of our credit policies approved by our Board and the Risk Management Committee. We utilize various risk management tools such as prudential limits, risk rating models, credit audits, loan pricing, portfolio management and conduct self-assessments. We have also set up a stressed assets resolution department in order to monitor high value borrower accounts.

We have also established a comprehensive risk rating system for various categories of exposures which serves as a single point indicator of diverse risk factors on the counterparty to facilitate execution of proper and consistent credit decisions. We have a rating cell for assigning internal ratings for all exposures above ₹ 1.00 million. Our rating cell provides comprehensive rating coverage, integrity of rating process and proper data maintenance.

Market Risk

Market risk relates to the fluctuations in interest rates, foreign exchange rates or stock prices that can change the value of financial products held by us, leading to a potential loss. We currently follow the 'Standardised Duration Approach' for market risk. We have formulated a well-defined market risk management policy and an organizational structure for market risk management functions. Our market risk management policy is aimed at controlling financial trading risks, including those relating to derivatives and debt and equity securities. We manage market risk through our asset liability management policy, foreign exchange policy and market risk management.

We have well defined limits for managing mismatches for liquidity as well as interest rate risks. Liquidity risk is measured and managed through gap analysis for maturity mismatches based on residual maturity. Interest rate risk on our entire portfolio is monitored on a regular basis through sensitivity based measures. We manage our foreign exchange risk by hedging most of our open positions. We manage market risk and asset liability management risk by using various tools such as VaR limits and duration gap analysis.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. We have established an operational risk management framework to effectively identify, measure, manage and address operational risks. The Bank computes capital charge on operational risk under the 'Basic Indicator Approach'. Our risk standards provide guidance to business units and support units on baseline internal controls that ensure the safety and soundness of the units operating environment. These includes risk mitigation programs such as business continuity management and a rigorous risk review of newly launched products where all relevant risks are identified and assessed by departments independent of the risk-taking unit that proposed the product.

Further, in order to move towards advanced approaches, we have frameworks for risk control self-assessment and to identify key risk indicators. Our operational risk management focuses on proactive measures in order to ensure business continuity and its adherence to established rules and procedures as well as on security arrangements to protect our physical and IT infrastructure.

Risk Management Framework for Overseas Operations

We have put in place separate risk management policies for our overseas branches and Subsidiaries. These country-specific risk policies are based on the host country regulators' guidelines and in line with the practices followed for the Indian operations. The asset liability management policy and all the risk exposures for the overseas branches and subsidiaries operations are monitored centrally at the head office.

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 capital-to-risk asset ratio ("**CRAR**"). The RBI requires banks in India to maintain a minimum CRAR of 10.875% (including capital conservation buffer), which will increase to 11.50% of risk weighted average ("**RWA**") from October 1, 2021. In addition, RBI issued the RBI Basel III Capital Regulations on May 2, 2012 applicable to our Bank for International Settlement's Basel III international regulatory framework and was implemented on April 1, 2013. The RBI Basel III Capital Regulations 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 and changes in the structure of non-equity instruments eligible for inclusion in Tier I capital. The RBI Basel III Capital Regulations also set out elements of regulatory capital and the scope of the capital adequacy framework, including disclosure requirements of components of capital and risk coverage. The transitional arrangements for the implementation of Basel III capital regulations in India began on April 1, 2013 and the guidelines are required to be fully implemented by April 1, 2021. The RBI Basel III Capital Regulations were expected to be fully implemented by March 31, 2019. However, the RBI had deferred the implementation of the last tranche of 0.625% of capital conservation buffer from April 1, 2021 to October 1, 2021. Our Bank is required by the RBI to maintain a minimum capital adequacy ratio of 10.875% (including capital conservation buffer of 1.875%) in relation to our total risk weighted assets as of June 30, 2021.

The following table sets forth, for the periods indicated, our Bank's capital adequacy ratios computed as per applicable RBI guidelines:

	As of March 31			As of June 30,
	2019	**2020**	**2021**	**2021**
	(₹ in billions, except percentages)			
Common equity tier I (CET I)	336.83	290.59	346.90	345.65
Additional tier I capital	1.88	0.60	13.52	13.52
Tier I capital(1)	338.70	291.19	360.42	359.17
Tier II capital(1)	95.34	94.19	89.49	92.86
Total capital	434.04	385.38	449.90	452.03
Risk weighted assets(1)	3,059.53	2,941.89	3,013.05	2,999.31
CET I ratio (%)	11.01	9.88	11.51	11.52
Tier I capital ratio	11.07	9.90	11.96	11.98
Tier II capital ratio	3.12	3.20	2.97	3.10
Total capital ratio	14.19	13.10	14.93	15.07

Note:

(1) Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See "*Regulation and Policies*" on page 243.

The following table sets forth, for the periods indicated, our Bank's RWA pertaining to credit risk, market risk and operational risk computed as per applicable the RBI guidelines in accordance with Basel III:

	As of March 31			As of June 30,
	2019	**2020**	**2021**	**2021**
	(₹ in billions, except percentages)			
Credit risk RWA	2,580.73	2,430.37	2,538.42	2,489.91
Market risk RWA	182.79	197.90	147.57	151.77
Operational risk RWA	296.02	313.62	327.07	357.63
Total risk weighted assets	**3,059.53**	**2,941.89**	**3,013.05**	**2,999.31**

Lead Bank Scheme

The Bank has Lead Bank responsibility in 51 districts spread across five states of Jharkhand (15), Maharashtra (14), Madhya Pradesh (13), Uttar Pradesh (7) and Odisha (2) as on June 30, 2021. The Bank is convener of the State Level Bankers' Committee (SLBC) in the state of Jharkhand.

Compliance

We have a compliance function policy based on RBI guidelines. Our compliance department ensures compliance with all statutory, regulatory and internal requirements across all our businesses and operations including international operations. Further, in order to develop a strong compliance culture, we provide employee education on compliance through trainings, sessions and circulars. We have a KYC and Anti-Money Laundering policy in accordance with RBI guidelines. The compliance levels at branches are monitored periodically by the internal/concurrent auditors and reported to our KYC unit for follow-up.

Competition

Indian banking industry is highly competitive and we face strong competition in all our principal banking operations. We face competition from GoI-controlled public sector banks, private sector banks, foreign banks, co-operative banks, and for certain products, non-banking financial institutions, small finance banks, regional rural banks, payment banks and housing finance companies. The Bank faces competition in all its principal areas of business. Private sector banks, foreign banks and other public sector banks are the Bank's main competitors, followed closely by finance companies, mutual funds and investment banks. The Bank may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced. The Bank seeks to gain a competitive advantage by offering innovative products and services, maximizing the functions of its extensive branch network, in particular in rural and semi-urban areas, investing in technology and building on relationships with the Bank's key customers.

Consolidation in the Indian banking industry has increased and may continue to increase competitive pressures experienced by the Bank. For example, in one of the largest consolidations in the Indian banking industry, the five associate banks of State Bank of India and the Bharatiya Mahila Bank merged with State Bank of India, which was made effective from April 1, 2017. In Fiscal 2019, the Government announced the amalgamation of three other public sector banks, Bank of Baroda, Vijaya Bank and Dena Bank, effective from April 1, 2019. In Fiscal 2020, the Government announced several additional amalgamations of public banks, each of which became effective from April 1, 2020: amalgamation of Syndicate Bank into Canara Bank; amalgamation of United Bank of India and Oriental Bank of Commerce with Punjab National Bank; Andhra Bank and Corporation Bank's amalgamation with Union Bank of India; and Allahabad Bank's amalgamation with Indian Bank. Following these amalgamations, the number of public sector banks is 12 in Fiscal 2021, as compared to 27 in Fiscal 2017. In 2021-22 Budget speech, the Finance Minister of India announced that the government proposes to take up the privatisation of two more public sector banks and one general insurance company in the year 2021-22.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. The RBI has also released guidelines with respect to a continuous licensing policy for universal banks as compared to the earlier practice of intermittently issuing licenses, and has demonstrated an intention to allow the small finance banks to apply for universal banking license under this framework, which may result in greater competitive pressure.

The RBI has also indicated that it plans to give greater access to foreign banks in the Indian market. Because of which, we may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00% under the automatic route, and 74.00% under the government approval route, in Indian private sector banks is allowed. For public sector banks, subject to the Banking Companies (Acquisition and Transfer of Undertakings) Act, foreign direct investment of up to 20% under the government approval route is permitted.

For more information, see "Ma*nagement's Discussion and Analysis of Financial Condition and Results of Operations – Competition*" and "*Risk Factors – The Indian banking industry is very competitive and the Bank's growth strategy depends on its ability to compete effectively*" on pages 107 and 71, respectively.

Corporate Banking

Corporate banking faces competition from foreign, private banks. Private sector banks compete in the corporate banking market on the basis of efficiency, service delivery and technology. Other PSU banks also compete in this area of operation. The lower risk rating of corporate clients, as well as the higher income generating capacity due to the volume and diversity of their business, attracts foreign and private banks to this sector.

However, the Bank believes its low-cost deposit base provides it with a competitive advantage in meeting its customers' borrowing pricing expectations. The Corporate Banking Group responded to competition through building strong customer relationships, an extensive network, geographical reach and through efficient and focused delivery of products and services.

Retail Banking

In the retail banking sector, the Bank faces competition primarily from foreign and Indian commercial banks. Foreign banks typically focus on limited customer segments, such as high net worth individuals and mass affluent, and targeted geographic locations due to limitations of their smaller branch networks relative to Indian commercial banks. Indian commercial banks generally have wider distribution networks than foreign banks, but relatively weaker technology and marketing capability. The Bank also faces competition from aggressive new generation private sector banks with technology-enabled products and services.

The Bank seeks to compete in this sector by offering a wide product portfolio through its extensive branch network, by leveraging its client relationships in diverse market and geographic segments and by offering technology-enabled products and services.

In recent years, investment in mutual funds and insurance policies has become an increasingly viable alternative to traditional banking products, since they offer tax advantages and have the capacity to earn competitive returns. This has resulted in competition for the deposit base of the Bank's retail customers. The Bank has sought to address the competitive pressure by offering a wider range of mutual fund and insurance products to its customers in addition to traditional deposits. See " — *Other Services — Mutual Funds*."

International Banking

The Bank's international strategy is focused on India-linked opportunities, and the Bank also intends to expand its banking operations to serve NRI as well as local clients in its host countries. In its international operations, the Bank faces competition from other Indian banks with overseas operations, as well as foreign banks with products and services targeted at NRI and Indian businesses and other service providers. The Bank intends to leverage its strong relationships with Indian corporates in its international business. As of March 31, 2021, approximately 11.65% of the Bank's total assets were outside of India. As of June 30, 2021, the Bank had a presence in 19 countries.

Government Banking

The RBI, the Bank and other public sector banks conduct Government business in India. Other public sector banks are the Bank's principal competitors in handling Government and state government payments and receipts. Few new-generation private sector banks have also been authorized by the RBI to collect revenues on behalf of the Central Board of Excise and Customs and the Central Board of Direct Taxes of the Department of Revenue, the Ministry of Finance and the Government.

The Bank addresses this growing competition by offering online payment services and emphasizing the advantages of its branch network in providing easy access for customers.

Treasury

In its treasury advisory services for corporate clients, the Bank competes principally with foreign banks in foreign exchange and derivatives, as well as public sector banks in the foreign exchange and money markets business. Under the RBI's SLR requirement, as of March 31, 2021, we are required to maintain an amount equal to at least 18% of our demand and time liabilities in approved securities such as central and state government securities and other approved securities. As of March 31, 2021, SLR securities consisted of 23.19% of our Bank's demand and time liabilities, as compared to 22.59% as of March 31, 2020. Under the RBI's CRR requirements, as of March 31, 2021, our Bank is required to maintain a minimum of 3.50% of our Bank's eligible demand and time liabilities in a current account with the RBI. As of March 31, 2021, 4.48% of our Bank's net demand and time liabilities were maintained in current accounts with the RBI.

Employees

As of June 30, 2021, the Bank had 50,612 employees. The Bank maintains cordial industrial relations with Officers' Association/Unions of Award Staff Employees. The Bank is a member of the Indian Banks' Association ("**IBA**"), which negotiates with the banking associations/unions regarding wage revision and service conditions. All member banks provide their mandate to the IBA to negotiate on their behalf with the banking unions and the settlement arrived at by the IBA and the banking unions is binding upon the Bank. These negotiations are usually conducted in five-year cycles and the present agreement in respect of wage revision was made effective from November 1, 2012.

To enhance and upgrade skills of staff at various levels and making them flexible to meet the changing requirements, the Bank has undertaken various training programs and workshops to impart training to staff. During the Fiscal 2021, 29,229 staff members from different cadres participated in various training programmes/workshops conducted by our training centres. In addition to the regular training programmes by our training centres, the Bank is also nominating staff for training from reputed external training institutes. For capacity building, the Bank is also encouraging the staff to complete certificate courses in specialised areas by reimbursing the fees on successful completion of such certification courses. During the current financial year, training was imparted to all the staff members in Finacle 10 (core banking software) for smooth migration from Finacle 7 to Finacle 10. The bank also conducts refresher courses relating to various skills on a regular basis.

Majority of our officers and employees are members of a recognized union or officers' association. We are party to several collective bargaining agreements/negotiations, in relation to salary, performance incentives and workforce flexibility, which are entered on a regional or industry level. We have also in the past had instances of strikes and work stoppages on account of our employees' unions participating in all India strikes. See "*Risk Factors—The Banks' employees are highly unionized and any union action may adversely affect the Banks' business*" on page 78.

Corporate Social Responsibility

The Bank is committed to contribute to enrichment of environment and society on a sustainable basis through corporate social responsibility initiatives. It has introduced several corporate social responsibility initiatives which include, among others, participation under Swachh Bharat Abhiyaan benefitting various strata of society. Other activities which have been undertaken are set out below:

- financial assistance provided for construction of toilets in rural area, providing waste bins, waste processing machines, sanitary napkins with incinerator machines for girls and women of poor and underprivileged area and various initiative to preserve the environment;
- providing medical equipment, ambulances to hospitals for healthcare needs of low-income patients and underprivileged children and women;
- assistance to schools for children from low income families;
- providing vocational training for skill development for differently abled persons;
- initiatives for fuel efficiency under conservation of natural resources;
- providing scholarship under the Government's Beti Bachao Beti Padao Abhiyan for 8,888 female students of various schools located in rural areas; and
- COVID 19-related initiatives such as promotion of healthcare, including preventive healthcare, sanitation and disaster management.

The Bank has been supporting projects for imparting financial literacy and skill development for enhancing self-employability through the establishment of 51 Financial Literary Centres and 43 Rural Self Employment Training Institutes.

Further, the Bank has contributed ₹18.17 million for COVID-19 relief measures as part of its corporate social responsibility activities as of March 31, 2021.

Properties

Our branches and our offices operate on leased premises as well as on owned premises. The Bank’s head office is located at Star House, C-5, ‘G’ Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, which is owned by the Bank.

As of June 30, 2021, the Bank had a network consisting of 5,084 domestic branches, 59 zonal offices and 5,426 ATMs spread over 28 states and 8 union territories, throughout India as well as 23 overseas branches spread across 19 countries in all time zones.

For more information on our branch network, see “*Our Business – Branch Network*” on page 217.

Intellectual Property Rights

Our trade name “Bank of India” and Logo “ ” is registered with the Trademarks Registry, Mumbai and the registrations are valid till September 19, 2028 and June 04, 2022, respectively.

However, we do not own other taglines that we use for our services and have not made an application to the Trademarks Registry for registration of the same. For further details, see “*Risk Factors—Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights*” on page 82.

Insurance

The Bank maintains its own insurance policies and coverage that it deems to be appropriate. The Bank’s standard insurance policies cover for losses of or damage to property including furniture, fixtures, computer hardware, ATMs and vehicles. Cash-in-transit, cash, securities and precious metals and other valuables are covered against theft. In addition, the Bank has also obtained a fidelity policy for employees, as well as directors’ and officers’ liability insurance to cover the Bank’s directors and other key management members. The Bank carries insurance coverage commensurate with its level of operations and risk perception. We believe that we maintain all material insurance policies commonly required by a bank in India. See “*Risk Factors — Risk Relating to the Business of the Bank — Our insurance coverage may be inadequate to cover claims. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, cash flows, results of operations and financial condition*” on page 82.

Legal Proceedings

Our Bank is involved in legal proceedings, including criminal cases, which are pending before various courts and other forums in the ordinary course of the Bank’s business. Certain of these proceedings could, if adversely determined, may have a material effect on the Bank’s financial condition or results of operation. For more information see “*Legal Proceedings”* on page 312.

Subsidiaries, Joint Venture, associates and strategic investments

The following describes certain information regarding the Bank’s subsidiaries, Joint Venture, associates and strategic investments as of June 30, 2021.

	Primary operations	**Bank’s ownership**	**Investment**	**Net profit (after tax)[3]**
		(%)	*(₹ in billions)*	
Subsidiaries				
BOI Shareholding Ltd.	Manage clearing house of BSE	100.00	66.45	8.36
P.T. Bank of India Indonesia Tbk..	Banking	76.00	5,898.02	71.64
Bank of India (Tanzania) Ltd.	Banking	100.00	702.25	15.35
BOI (New Zealand) Ltd.	Banking	100.00	1,769.08	54.83
BOI (Uganda) Ltd	Banking	100.00	577.42	114.05
BOI Axa Investment Managers Pvt Ltd	Investment Managers	52.29	664.84	(81.50)
BOI AXA Trustees Services Pvt Ltd	Trustee Services	51.00	0.002	(0.001)

BOI Merchant Bankers Ltd	Merchant Banker	100.00	100	9.22
Joint Venture				
Star Union Dai Ichi Life Insurance Co. Ltd.	Life insurance	28.96	750.00	654.47
Associates(1)				
STCI Finance Limited[2]	Primary Dealer in Government Securities/ Short term debt instruments	29.96	1,300.97	2,094.90
ASREC (India) Ltd.	Acquisition of distressed assets from Indian banks	26.02	276.00	117.10
Indo Zambia Bank Ltd.................	Banking	20.00	475.87	724.52[4]
Strategic Investments (₹100 million and above)				
SIDBI..	Providing working capital facilities to SME customers	2.84	453.00	23,980.00
Metropolitan Stock Exchange Ltd.	Exchange platform for currency futures	2.03	275.00	(310.80)
National Payment Corp of India	An umbrella organization for operating retail payments and settlement systems	10.00	100.00	3,875.92[5]
Invent Assets Securitization & Reconstruction Pvt Ltd	Asset Securitisation and Reco nstruction Company	0.40	100.00	(184.49)[5]

Notes:

(1) Excludes regional rural banks, described below, and the Bank's associate company, Allied Bank of Nigeria, which is in liquidation (full provision has been made for the investment).

(2) The Bank is the largest shareholder of STCI Finance Limited (formerly known as Securities Trading Corporation of India Limited). STCI Finance Limited is a leading Indian primary dealer.

(3) Net profit (after tax) is for the fiscal year ended March 31, 2021.

(4) In the case of Indo Zambia Bank Ltd, the financial year ends on December 31 and hence the figure is for December 31, 2020.

(5) Net profit (after tax) is for the fiscal year ended March 31, 2020 since the figures for March 31, 2021 are not in the public domain.

Regional Rural Banks

The Bank, along with the Government and state governments, sponsors three regional rural banks ("**RRBs**") that are located in three states. These banks operate in 82 districts through a network of 2,554 branches. The Bank made an initial subscription of ₹2.23 billion and has contributed an additional ₹0.51 billion to the restructuring and recapitalization of these RRBs. As a result, the total capital exposure of the Bank to RRBs as of March 31, 2021 was ₹2.75 billion. The Bank is continuing to provide necessary managerial and administrative support to these RRBs. The aggregate deposits and advances of the sponsored RRBs and combined net profit for the last three years is furnished below:

	As of and for the period ended				
	March 31,			**June 30,**	
	2019	**2020**	**2021**	**2020**	**2021**
			(₹ in billions)		
Aggregate deposits...............................	260.55	474.85	511.57	486.74	503.42

	As of and for the period ended				
	March 31,			June 30,	
	2019	2020	2021	2020	2021
	(₹ in billions)				
Advances...	187.40	291.41	306.50	283.52	299.06
Combined net profit	0.75	(6.69)	(3.89)	(2.42)	(0.93)

Awards and Certifications

Calendar Year	Awards and Certifications
2021	HR Leadership Award 2021 by World HRD Congress
2021	APY Annual Award (2020-21)" for overall performance for achieving 'per APY' target
2019	Most Innovative Large Size Bank - ETBFSI Excellence Awards 2019
2019	Best Public Sector Bank – India Banking Summit & Awards 2019
2019	2nd Most Trusted Brand - Reader's Digest Trusted Brand, 2019 - Banks category

BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

Board of Directors

The composition and appointment of directors of our Board is governed by the provisions of the Banking Companies Act, the Nationalised Banks Scheme and the Bank of India (Shares and Meetings) Regulations, 2007, as amended.

As per sub-section 3 of section 9 of the Banking Companies Act, every board of directors of a corresponding new bank, constituted under any scheme made under sub-section 1 of section 9 of the Banking Companies Act is required to include:

a) not more than five whole-time directors to be appointed by the Central Government after consultation with RBI;
b) one director who is an official of the Central Government to be nominated by the Central Government; provided that no such director shall be a director of any other corresponding new bank;
c) one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks, to be nominated by the Central Government on the recommendation of RBI;
d) one director, from among such of the employees who are workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;
e) one director, from among the employees who are not workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government after consultation with RBI;
f) one director who has been a chartered accountant for not less than 15 years to be nominated by the Central Government after consultation with RBI;
g) subject to directors appointed by shareholders as provided under clause (i) of sub-section 3 of section 9 of the Banking Companies Act, not more than six directors to be nominated by the Central Government;
h) directors elected by shareholders of the bank (other than the Central Government) from amongst themselves where the capital raised by public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, of equity shares or preference shares is:

   1. not more than 16.00% of the total paid-up capital, one director;
   2. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and
   3. more than 32.00% of the total paid-up capital, three directors

As on the date of this Placement Document, we have eight (8) directors on our Board. Our Board has one (1) Managing Director and Chief Executive Officer, four (4) Executive Directors, one (1) Government of India Nominee Director, one (1) RBI Nominee Director and one (1) Shareholder Director on our Board. All Directors are appointed/nominated/elected pursuant to the Banking Companies Act, the Nationalized Banks Scheme and the Bank of India Regulations.

The Managing Director and Chief Executive Officer and the Executive Directors are appointed by the Central Government. The remaining Directors are non-executive Directors that represent the Central Government, RBI and the shareholders of the Bank. As on the date of this Placement Document, the Board does not have the full strength as prescribed in accordance with the provisions of the Banking Companies Act, as one (1) director under section 9(3)(e) of Banking Companies Act required to be nominated by the Central Government, one (1) director each under section 9(3)(f) and 9(3)(g) of Banking Companies Act required, to be nominated by the Central Government in consultation with RBI and directorships under section 9(3)(h) the Banking Companies Act, to be nominated by the Central Government on the Board of our Bank are vacant as on date of this Placement Document. For further details, see *"Risk Factors – As on the date of this Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019"* beginning on page 63.

RBI has also prescribed "fit and proper" criteria pursuant to the Master Directions ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 to be considered when appointing the directors elected by the shareholders ("Shareholder Directors"). Our Shareholder Director is required to make declarations confirming their on-going compliance with such criteria.

The following table sets forth details regarding our Board as on the date of this Placement Document:

Name, Address, Occupation, Term and Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Atanu Kumar Das **Address**: Flat No. D-007, Shanaz,90 Nepean Sea Road, Mumbai- 400006 **Occupation**: Service **Term**: For a period of three (3) with effect from date of assumption of charge i.e. January 20, 2020 till January 19, 2023, or until further orders, whichever is earlier. **Nationality**: Indian	Clause (a)	58	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal **Address**: Flat No. 201, 2nd Floor, Casa Royale Grande Balkum Saket Road, Thane, Balkum- 400608, Maharashtra **Occupation**: Service **Term**: with effect from date of assumption of charge i.e March 18, 2020 till February 28, 2022, or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	54	Executive Director
Monika Kalia **Address**: Flat no. A/24 Sterling Apartments, Peddar Road, Mumbai – 400 026 **Occupation**: Service **Term**: For a term of three (3) years with effect from date of assumption of charge i.e March 10, 2021 till March 9, 2024, or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	48	Executive Director
Swarup Das Gupta **Address**: Flat no. 319, Samudra Mahal, Dr. A. B. Road, Worli, Mumbai – 400 018 **Occupation**: Service **Term**: For a term of three (3) years with effect from date of assumption of charge i.e March 10, 2021 till March 9, 2024, or until further orders, whichever is earlier	Clause (a)	57	Executive Director

Name, Address, Occupation, Term and Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Nationality: Indian			
M Karthikeyan **Address**: Flat no. C-008 Shanaz, 90 Nepean Sea Road, Mumbai 400006 **Occupation**: Service **Term**: For a term of three (3) years with effect from date of assumption of charge i.e March 10, 2021 till March 9, 2024, or until further orders, whichever is earlier **Nationality**: Indian	Clause (a)	56	Executive Director
Vandita Kaul **Address**: 8/104, East End Apartment CHGS, Mayur Vihar, Phase-1, Extension, Vasundhra Enclave East Delhi- 110096 **Occupation**: Service **Term**: With effect from May 13, 2021 and until further orders of the GoI **Nationality**: Indian	Clause (b)	55	Government of India Nominee Director
Subrata Das **Address**: 126A, Jharapada Road, Mahavir Nagar, Bhubaneshwar (M.C.) Khorda-751006, Odisha **Occupation**: Service **Term**: With effect from August 13, 2019 and until further orders **Nationality**: Indian	Clause (c)	58	RBI Nominee Director
P N Prasad **Address**: Flat No. 401/402/403, 4th Floor, Raj Parashar CHS, 95/F, Indranarayan Road, Santacruz (West), Mumbai 400054 **Occupation**: Retired **Term**: For a period of three (3) years with effect from October 25, 2020 till October 24, 2023	Clause (i)	61	Shareholder Director

Name, Address, Occupation, Term and Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed / nominated / elected	Age (years)	Designation
Nationality: Indian			

Brief Profiles of our Directors

Atanu Kumar Das, aged 58 years, is the Managing Director and Chief Executive Officer of our Bank since January 20, 2020. Previously, he was working as an Executive Director of our Bank. He has past experience of working with nationalised bank.

Paripurnam Ramanujam Rajagopal, aged 54 years, is an Executive Director of our Bank. He has been a Director on our Board since March 18, 2020. Prior to joining our Bank, he has worked as an executive director with erstwhile Allahabad Bank and Union Bank of India. He has past experience of working with nationalised bank.

Monika Kalia, aged 48 years, is an Executive Director of our Bank. She has been a Director on our Board since March 10, 2021. Prior to joining our Bank, she has worked as chief general manager with Union Bank of India. She has past experience of working with nationalised bank.

Swarup Das Gupta, aged 57 years, is an Executive Director of our Bank. He has been a Director on our Board since March 10, 2021. Previously, he has worked as general manager of our Bank. He has past experience of working with a nationalised bank.

M Karthikeyan, aged 56 years, is the Executive Director of our Bank. He has been a Director on our Board since March 10, 2021. Prior to joining our Bank, he has worked as general manager with Indian Bank and as a director with Tamil Nadu Grama Bank. He has past experience of working with nationalised bank.

Vandita Kaul, aged 55 years, is a Government of India nominee Director of our Bank. She has been a Director on our Board since May 13, 2021. She is presently working as Additional Secretary in Department of Financial Services, Ministry of Finance, Government of India.

Subrata Das, aged 58 years, is a RBI nominee Director of our Bank. He has been a Director on our Board since August 13, 2019. He is presently working as Chief General Manager, Reserve Bank of India.

P N Prasad, aged 61 years, is the Shareholder Director of our Bank. He has been a Director on our Board since October 25, 2020.

Relationship between our Directors

None of our Directors are related to each other as on the date of this Placement Document.

Remuneration details of our Directors

(i) Remuneration details of our Executive Directors

The details of the remuneration paid by our Bank to our present Executive Directors including all allowances, provident fund contribution for the period April 1, 2021 till July 31, 2021 and for the Fiscals 2021, 2020 and 2019, respectively are set forth below:

(₹ in million)

Name of the Director	Remuneration			
	For the period from April 1, 2021 till July 31, 2021	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
Atanu Kumar Das ^	1.01	3.00	2.79	Not Applicable
Paripurnam	1.08	3.15	0.08	Not Applicable

Name of the Director	Remuneration			
	For the period from April 1, 2021 till July 31, 2021	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
Ramanujam Rajagopal *				
Monika Kalia#	0.84	0.14	Not Applicable	Not Applicable
Swarup Dasgupta#	0.84	0.14	Not Applicable	Not Applicable
M Karthikeyan #	0.84	0.14	Not Applicable	Not Applicable

^Atanu Kumar Das was appointed as Managing Director and Chief Executive Officer with effect from January 20, 2020
** Paripurnam Ramanujam Rajagopal was appointed as Executive Director with effect from March 18, 2020.*
#Monika Kalia, Swarup Dasgupta, M Karthikeyan were appointed as Executive Directors with effect from March 10, 2021.

(ii) Remuneration details of our Non-Executive Directors

As per Government of India's directive F. No. 15/1/2011-BO.I dated January 18, 2019, all the directors other than the executive directors, Government's nominee director and RBI's nominee director, are to be paid a sitting fees amounting to ₹40,000 for attending each meeting of the board, ₹20,000 for attending each meeting of the sub-committee of the board, additional ₹10,000 for chairing the meeting of the Board and ₹5,000 for chairing the meeting of sub-committee of the Board.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the period April 1, 2021 till July 31, 2021 and for the Fiscals 2021, 2020 and 2019, respectively are set forth below:

(₹ in million)

Name of the Director	Sitting fees paid*			
	For the period from April 1, 2021 till July 31, 2021	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
Vandita Kaul	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Subrata Das	Not Applicable	Not Applicable	Not Applicable	Not Applicable
P N Prasad(1)	0.65	0.88	Not Applicable	Not Applicable

(1) P N Prasad has been appointed on our Board with effect from October 25, 2020.

**the sitting fees include fees (after deducting applicable taxes) paid for attending the meetings of the Board, meetings of the sub-committee of the Board and additional fees for chairing the meeting of the Board and sub-committees, if any.*

Bonus or profit-sharing plan for our Directors

Government of India, Ministry of Finance, Department of Financial Services vide notification number F.No.12/1/2014-BOA dated August 18, 2015 has set out broad parameters for payment of performance linked incentives to executive directors on the boards of public sector banks. Such performance linked incentives are given in accordance with scores obtained as per the performance evaluation matrix prescribed in the notification. The performance evaluation matrix consists of qualitative and quantitative parameters. Further, in accordance with the action point 16 of banking reforms set out in the Reforms Agenda for Responsive and Responsible PSBs ("**PSB Reforms Agenda**"), the board of directors of a public sector bank shall evaluate the performance of the bank's whole-time directors in terms of its implementation of the six-point action plan stated in the PSB Reforms Agenda. Further, in terms of 11th Bipartite Settlement/8th Joint Note dated November 11, 2020, as amended from time to time, the employees of the Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank

Shareholding details of our Directors in our Bank

The directors elected under section 9(3)(i) of the Banking Companies Act by the shareholders (other than the Government), are required to hold a minimum of 100 shares of our Bank in terms of regulation 65 (i) (a) of the Bank of India (Shares and Meetings) Regulations, 2007, as amended.

The following table sets forth details of shareholding of our Directors in our Bank, as on the date of this Placement Document:

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Atanu Kumar Das	4,750	Negligible
Paripurnam Ramanujam Rajagopal	Nil	-
Monika Kalia	Nil	-
Swarup Dasgupta	4,395	Negligible
M Karthikeyan	Nil	-
Vandita Kaul	Nil	-
Subrata Das	Nil	-
P N Prasad	500	Negligible

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business. For details of remuneration paid to our executive Directors, see "- *Remuneration details of our Executive Directors*" above.

Further, our Non-Executive Directors other than the Government's Nominee Director and RBI's Nominee Director, are entitled to receive sitting fees for attending each meeting of our Board and Committee thereof and are also entitled to reimbursement of expenses to attend such meeting as may be applicable, details of which have been provided under the heading "*-Remuneration details of our Non-Executive Directors*" above.

Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Bank and dividend payable to them, if any. For details of Equity Shares held by our Directors in our Bank, see "*Shareholding details of our Directors in our Bank*" above.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Bank, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as otherwise stated in this Placement Document, as on date or in the last three years immediately preceding this Placement Document, none of our Directors or any of their relatives have entered into any contract, arrangement or agreement with regard to loans or advances, guarantees or securities provided by or to the Bank .

Except as stated in "*Related Party Transactions*" in *"Financial Statements"* on page 319, our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Neither our Bank, nor any of our Directors have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI, the Stock Exchanges or any other regulatory or supervisory authority.

None of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Corporate Governance

Our Board has one (1) Managing Director and Chief Executive Officer, four (4) Executive Directors, one (1) Government of India Nominee Director, one (1) RBI Nominee Director and one (1) Shareholder Director on our Board. The Board of the Bank and certain of its committees does not have prescribed strength with regard to its composition in terms of the Banking Companies Act and the Nationalised Bank Scheme and the SEBI Listing Regulations. For further details, see "*Risk Factors – As on the date of this Placement Document, the composition of our Board and the composition of certain committees does not have the full strength as prescribed in the Banking Companies Act, SEBI Listing Regulations and Master RBI (Fit and Proper Criteria for Elected Directors* *on the Boards of PSBs) Directions, 2019 dated August 2, 2019"* beginning on page 63. The Bank is in compliance with other corporate governance requirements under the SEBI Listing Regulations to the extent it does not violate statutes or guidelines or directives issued by the relevant authorities applicable to the Bank.

RBI has issued a circular RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021 pertaining to instructions with regard to the chairman and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors ("**RBI Circular**"). Our Bank is yet to comply with the instructions as mentioned in the RBI Circular.

Committees of our Board

Our Board has constituted the following key Committees, as may be applicable on the Bank:

1. Management Committee of the Board;
2. Credit Approval Committee of the Board;
3. Audit Committee of the Board;
4. Stakeholders' Relationship Committee;
5. Share Transfer Committee;
6. Committee of Directors for Risk Management;
7. Committee of Directors for Customer Services;
8. Nomination and Remuneration Committee;
9. Investment Approval Committee;
10. Committee for Monitoring on Large Value Frauds;
11. IT Strategy and Digital Payment Promotion Committee;
12. Directors Promotion Committee;
13. Steering Committee of the Board on HR;
14. Committee for Monitoring High Value NPAs and Loss Assets;
15. Review Committee for Wilful Defaulters;
16. Independent Directors' Committee of the Board;
17. Disciplinary Proceeding Committee;
18. Corporate Social Responsibility Committee;
19. Committee for Performance Evaluation of MD&CEO, Executive Directors and General Managers;
20. Review Committee for declaration of Non Co-operative Borrower; and
21. Group Governance Committee.

Details of each of these key Committees are as follows:

1. Management Committee of the Board

The Management Committee of the Board has been constituted in pursuance of Clause 13 of Nationalized Banks Scheme read with the directives of the MoF, Government of India. The composition of Management Committee of the Board has been advised by Department of Financial Services, Ministry of Finance, Government of India vide communication F. No. 13/1/2006-BO.1/80061042 dated August 24, 2015, as may be amended by further communications. Our Management Committee comprises the following member:

Name of Director	Designation	Nature of Directorship
Atanu Kumar Das	Chairman	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Monika Kalia	Member	Executive Director
Swarup Dasgupta	Member	Executive Director
M Karthikeyan	Member	Executive Director
Subrata Das	Member	RBI Nominee Director
P N Prasad	Member	Shareholder Director

2. Audit Committee of the Board

Our Audit Committee has been constituted in terms of RBI circular bearing No. DOS.NO.BC.14/Admn./919/16.13.100/95 dated September 26, 1995 and RBI circular bearing No. DOS No. BC/3/08.91.020/97 dated January 20, 1997 and such other circulars issued by RBI. Our Audit Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Monika Kalia	Member	Executive Director
Vandita Kaul	Member	Government of India Nominee Director
Subrata Das	Member	RBI Nominee Director

The post of the non-executive chartered accountant director (to be appointed in terms of Section 9(3)(g) of the Banking Companies Act) in the Audit Committee of the Board is vacant as on the date of this Placement Document as such director has not been nominated to our Board by GOI.

Further, the SEBI Listing Regulations require two/third of the Audit Committee of the Board to comprise independent directors. As on the date of this Placement Document, the Audit Committee of the Board does not include any independent director.

3. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee has been constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI Listing Regulations as amended and Indian Bank Regulations, with the objective of specifically looking into the redressal mechanism of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends among other things. Our Stakeholders' Relationship Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
P N Prasad	Chairman	Shareholder Director
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Monika Kalia	Member	Executive Director
Swarup Dasgupta	Member	Executive Director
M Karthikeyan	Member	Executive Director

4. Committee of Directors for Risk Management

Our Committee of Directors for Risk Management has been constituted in accordance with the RBI note DBOD No. BP-520/21.04.103/2002-03 dated October 12, 2002, as may be amended by further notifications on risk management and Regulation 21 of the SEBI Listing Regulations, as may be amended. It has been formed for successful implementation of proper risk management systems in our Bank and devises the policies and strategies for integrated risk management containing various risk exposures of our Bank. Our Committee of Directors for Risk Management comprises the following members:

Name of Director	Designation	Nature of Directorship
Atanu Kumar Das	Chairman	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Monika Kalia	Member	Executive Director
P N Prasad	Member	Shareholder Director
Swarup Dasgupta	Member	Executive Director
M Karthikeyan	Member	Executive Director

5. Nomination and Remuneration Committee

Our Nomination & Remuneration Committee was constituted in terms of the Master RBI (Fit and Proper Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 dated August 2, 2019, as may be amended, to undertake the process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors clause (i) of sub-section (3) of Section 9 of the Banking Companies Act. Further, the Government of India vide its notification dated August 30, 2019 directed the Bank to constitute a single Nomination and Remuneration Committee for carrying out the functions of both the Nomination Committee and the Remuneration Committee. Our Nomination & Remuneration Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
P N Prasad	Chairman	Shareholder Director

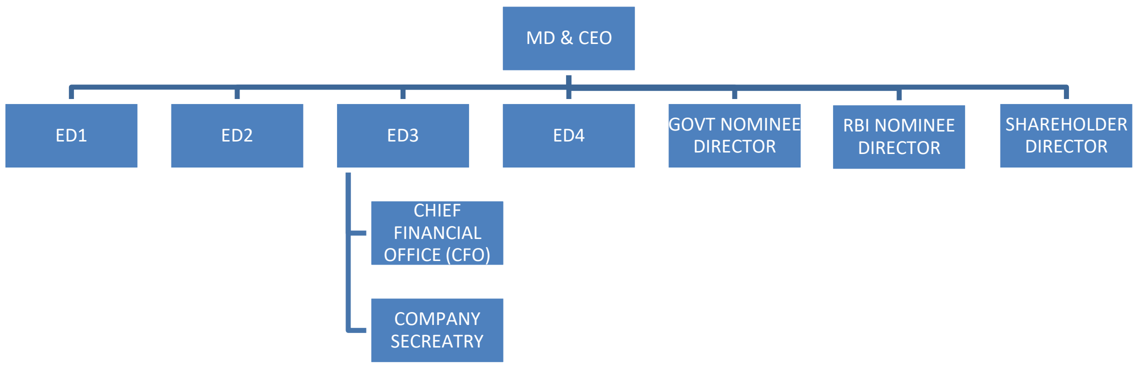
Name of Director	Designation	Nature of Directorship
Vandita Kaul	Member	Government of India Nominee Director

** Due to the vacancy in the Board, only two directors who are eligible to be inducted as member of this committee as per applicable guidelines has been appointed to this committee. This committee is non-functional. Accordingly, the quorum requirement for this committee is not being met presently.*

Further, pursuant to gazette notification CG-DL-E-27012021-224708 dated January 25, 2021, the Board of the Bank is authorised do any act or thing and in order to do so the recommendations or determination of, or resolution of grievances of security holders by, or in respect of any appointment, approval or review by any committee of the Board of the bank is required, if the Board is satisfied that quorum for meeting of such committee cannot be met on account of either existence of any vacancy in such Committee or recusal by member thereof.

Management Organization Structure

Set forth is the organization structure of our Bank:



Our Senior Managerial Personnel

The details of the Senior Managerial Personnel of our Bank are as follows:

Sankar Sen, aged 47 years, is the Chief Financial Officer of our Bank with effect from July 17, 2020. He has been associated with our Bank since February 25, 2008.

Rajesh Upadhya, aged 52 years, is the Company Secretary of our Bank with effect from December 11, 2020. He holds a bachelor's degree in Commerce from Bangalore University. He is a member of Institute of Company Secretaries of India. He has been associated with our Bank since March 30, 1990.

All our above mentioned Senior Managerial Personnel are permanent employees of our Bank

Relationships between Senior Managerial Personnel and with Directors

None of our Senior Managerial Personnel are related to each other or with our Directors.

Bonus or a profit sharing plan to our Senior Managerial Personnel

In terms of 11th Bipartite Settlement/8th Joint Note dated November 11, 2020, as amended from time to time, the employees of the Bank are eligible for performance linked incentives which is payable to all eligible staff members annually over and above the normal salary payable to the employees depending on the annual performance of the Bank.

Shareholding of our Senior Managerial Personnel

The following table sets forth details of shareholding of our Senior Managerial Personnel's in our Bank, as on the date of this Placement Document:

Name of the Senior Managerial Personnel	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Sankar Sen	5,063	Negligible
Rajesh Upadhya	3,500	Negligible

Interests of our Senior Managerial Personnel

None of our Senior Managerial Personnel have any interest in our Bank except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Bank, their shareholding in our Bank, if any, and loans availed from our Bank, if any.

Our Senior Managerial Personnel may also be deemed to be interested to the extent of Equity Shares held by them in our Bank and any dividend or other distributions payable to them in respect of the said Equity Shares (if any). For details of Equity Shares held by our Senior Managerial Personnel in our Bank, see "*Shareholding details of our Senior Managerial Personnel*" above.

None of our Senior Managerial Personnel have any financial or other material interest in the Issue and there is no effect of an interest by virtue of having shareholding in the Bank, so far as it is different from the interests of other persons.

Other than as disclosed in this Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Bank in which the Senior Managerial Personnel were the interested parties.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 8(1) and 9(1) of the SEBI Prohibition of Insider Trading Regulations, 2015 as amended (the "**SEBI Insider Trading Regulations")** applies to the Bank and its employees and requires the Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the SEBI Insider Trading Regulations. The Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, as amended.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Placement Documents, our Bank does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of June 30, 2021:

Summary statement holding of Equity Shares

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
(A) Promoter & Promoter Group	1	3,34,08,61,720	3,34,08,61,720	90.34	3,34,08,61,720	90.34	3,34,08,61,720	100.00	3,34,08,61,720
(B) Public	4,19,716	35,72,32,484	35,72,32,484	9.66	35,72,32,484	9.66		0.00	34,35,64,470
(C1) Shares underlying DRs				0.00		0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00		0.00	
Grand Total	4,19,717	3,69,80,94,204	3,69,80,94,204	100.00	3,69,80,94,204	100.00	3,34,08,61,720	90.34	3,68,44,26,190

Shareholding Pattern of Promoters and Promoter Group of our Bank as on June 30, 2021

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Locked in shares		No. of equity shares held in dematerialized form
					No. (a)	As a % of total Shares held (b)	
A1) Indian				0.00		0.00	
Central Government/ State Government(s)	1	3,34,08,61,720	3,34,08,61,720	90.34	3,34,08,61,720	100.00	3,34,08,61,720
President of India	1	3,34,08,61,720	3,34,08,61,720	90.34	3,34,08,61,720	100.00	3,34,08,61,720
Sub Total A1	1	3,34,08,61,720	3,34,08,61,720	90.34	3,34,08,61,720	100.00	3,34,08,61,720
A2) Foreign				0.00		0.00	
A=A1+A2	1	3,34,08,61,720	3,34,08,61,720	90.34	3,34,08,61,720	100.00	3,34,08,61,720

Shareholding Pattern of Public Shareholders as on June 30, 2021

Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting Right	No. of Locked in shares		No. of equity shares held in dematerialized form
							No. (a)	As a % of total Shares held (b)	
B1) Institutions	0	0		0.00		0.00		0.00	
Mutual Funds/	11	1,11,30,091	1,11,30,091	0.30	1,11,30,091	0.30		0.00	1,11,30,091
Foreign Portfolio Investors	32	1,40,64,942	1,40,64,942	0.38	1,40,64,942	0.38		0.00	1,40,64,942
Financial Institutions/ Banks	19	1,22,68,272	1,22,68,272	0.33	1,22,68,272	0.33		0.00	1,22,67,472
Insurance Companies	3	14,22,79,533	14,22,79,533	3.85	14,22,79,533	3.85		0.00	14,22,79,533
Life Insurance Corporation of India and P & GS Fund	1	13,02,79,533	13,02,79,533	3.52	13,02,79,533	3.52		0.00	13,02,79,533
Any Other (specify)	15	56,63,784	56,63,784	0.15	56,63,784	0.15		0.00	56,58,784
Sub Total B1	80	18,54,06,622	18,54,06,622	5.01	18,54,06,622	5.01		0.00	18,54,00,822
B2) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		0.00	
B3) Non-Institutions	0	0		0.00		0.00		0.00	
Individual share capital up to ₹ 2 Lacs	4,08,332	13,96,39,321	13,96,39,321	3.78	13,96,39,321	3.78		0.00	12,83,19,207
Individual share capital in excess of ₹2 Lacs	264	1,47,79,011	1,47,79,011	0.40	1,47,79,011	0.40		0.00	1,47,79,011
NBFCs registered with RBI	2	1,475	1,475	0.00	1,475	0.00		0.00	1,475
Any Other (specify)	11,038	1,74,06,055	1,74,06,055	0.47	1,74,06,055	0.47		0.00	1,50,63,955
Bodies Corporate	1,016	62,54,972	62,54,972	0.17	62,54,972	0.17		0.00	59,77,972
Clearing Members	252	27,85,684	27,85,684	0.08	27,85,684	0.08		0.00	27,85,684
Employees	3,995	12,68,900	12,68,900	0.03	12,68,900	0.03		0.00	
HUF	3,372	31,37,584	31,37,584	0.08	31,37,584	0.08		0.00	31,37,584
Non-Resident Indian (NRI)	2,389	34,50,800	34,50,800	0.09	34,50,800	0.09		0.00	28,10,300
Overseas Corporate Bodies	2	1,55,700	1,55,700	0.00	1,55,700	0.00		0.00	
Trusts	12	3,52,415	3,52,415	0.01	3,52,415	0.01		0.00	3,52,415
Sub Total B3	4,19,636	17,18,25,862	17,18,25,862	4.65	17,18,25,862	4.65		0.00	15,81,63,648
B=B1+B2+B3	4,19,716	35,72,32,484	35,72,32,484	9.66	35,72,32,484	9.66		0.00	34,35,64,470

Shareholding Pattern of the Non Promoter – Non Public shareholder as on June 30, 2021

Category & Name of Shareholder (I)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	Total no. of shares held (VII = IV + V + VI)	Shareholding as a % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	No. of Locked in shares		No. of equity shares held in dematerialized form (XIV) (Not Applicable)
					No.	As a % of total Shares held	
C1) Custodian/ DR Holder	0	0	0	0	0	0	
C2) Employee Benefit Trust	0	0	0	0	0	0	

Details of disclosure made by the Trading Members holding 1% or more of the Total Number of shares of our Bank as on June 30, 2021.

S. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	Nil	Nil	Nil	Nil	Nil

REGULATIONS AND POLICIES

The following description is a summary of some of the relevant statutes, regulations and policies as prescribed by the central, state, and regulatory bodies in India that are applicable to our Bank and its Subsidiary. The following description is not meant to be exhaustive, and is only intended to provide general information to the investors on some of the key statutes, regulations and policies applicable to us 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 banking companies in India is the Banking Regulation Act, 1949 (the "**Banking Regulation Act**") which applies to public sector banks such as our Bank, only to a limited extent. Sections 34A, 35AA, 35AB, 36AD, and section 51 of the Banking Regulation Act are applicable to corresponding new banks constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 ("**Banking Companies Act**"). In turn, section 51 of the Banking Regulation Act makes some of its sections applicable to corresponding new banks. Our Bank, as a corresponding new bank, is governed primarily by the provisions of the Banking Companies Act. The Nationalised Bank (Management and Miscellaneous Provisions) Scheme, 1970 and the Bank of India (Shares and Meetings) Regulations, 2007 ("**Bank of India Regulations**") also governs our operations. Other important laws governing banking companies include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881 the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") the Recovery of Debts and Bankruptcy Act, 1993, Foreign Exchange Management Act, 1999 and, Bankers' Books Evidence Act,1891. Taxation statutes such as the Income Tax Act, labour laws and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, also apply to us as they do to any other Indian bank. Additionally, the RBI, from time to time, issues guidelines, regulations, policies, notifications, press releases, circulars, etc. to be followed by us and supervises our compliance with these guidelines. Our Bank is listed on a Stock Exchanges in India and therefore, our Bank will be governed by various regulations of the SEBI.*

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 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

Our Bank is a 'corresponding new bank' as defined under the Banking Regulation Act, only certain provisions of the Banking Regulations Act is applicable thereto, including in respect of inspection by the RBI, penalties and restrictions on commission and brokerage payable on sale of shares. The RBI can direct a special audit in the interest of the depositors or in public interest. The Banking Regulation Act also prescribes certain requirements in relation to financial statements of banks including our Bank.

Commercial banks in India are required to obtain a license from RBI to carry on banking business in India as per Section 22 of the Banking Regulation Act. Such license is granted to a bank subject to compliance with certain conditions including (i) that the bank has the ability to pay its present and future depositors in full as their claims accrue; (ii) that the 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) that public interest will be served if such license is granted to the bank; (v) that having regard to the banking facilities available in the proposed principal area of operations of the company, the potential scope for expansion of banks already in existence in the area and other relevant factors the grant of the license would not be prejudicial to the operation and consolidation of the banking system consistent with monetary stability and economic growth; (vi) that the general character of the proposed management of the company will not be prejudicial to the public interest or the interest of its depositors; and (vii) any other condition, the fulfilment of which would, in the opinion of 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 interest of its depositors. RBI may cancel the license if the bank fails to meet the qualifications/ conditions imposed on it or if the bank ceases to carry on banking operations in India.

Additionally, 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 RBI.

The Banking Regulation Act confers power on 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, to pass orders to supersede the board of directors of a banking company for a period of up to six months, which period shall not exceed up to 12 months.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The Banking Regulation (Amendment) Act, 2017 had been enacted by the Parliament, the amendment introduced two new sections to the Banking Regulation Act, Section 35AA and Section 35AB which enables RBI to direct banks to commence the insolvency resolution process against the defaulting company under the Insolvency and Bankruptcy Code, 2016 ("**IBC**") and also authorizes RBI to issue directions to any banking company or banking companies for resolution of stressed assets. RBI has also been granted the discretion to set up one or more advisory committees to advise banks on resolution of stressed assets.

Section 23 of the Banking Regulation Act requires bank to observe, except as otherwise required by law, the practices, and usages customary among bankers, and, in particular, it shall not divulge any information relating to or to the affairs of its constituents except in circumstances in which it is, in accordance with law or practices and usages customary among bankers, necessary or appropriate for the corresponding new bank to divulge such information

Section 23 of the Banking Regulation Act requires banks to obtain prior permission of the RBI to open new branches, in or outside India. 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. With effect from September 19, 2013, domestic scheduled commercial banks (other than regional rural banks) may open branches in Tier 1 to Tier 6 centres without prior permission from RBI, subject to the conditions laid down by RBI. 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.

In terms of the Rationalisation of Branch Authorisation Policy-Revision of Guidelines released by the RBI dated May 18, 2017, the RBI has further stipulated that the banks are required to open at least 25 percent of the total number of branches opened during a financial year in 'unbanked rural centres' i.e. Tier 5 and Tier 6 centres that does not have a CBS-enabled 'Banking Outlet' of a Scheduled Commercial Bank, a Small Finance Bank, a Payment Bank or a Regional Rural Bank nor a branch of Local Area Bank or licensed Co-operative Bank for carrying out customer based banking transactions, failing which appropriate penal measures, including restrictions on opening of Tier 1 branches, may be imposed.

Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("Nationalised Banks Scheme")

In terms of the powers conferred under the Banking Companies Act, the Central Government, in consultation with the RBI framed the Nationalised Banks Scheme which governs the management of corresponding new banks incorporated under the Banking Companies Act, defined as the nationalised banks under the Nationalised Banks Scheme. The Nationalised Banks Scheme confers power on the Central Government to constitute the board of directors and designate the chairman and managing director of the board, in consultation with the RBI from a panel of names recommended by the bureau. Further, the Central Government has the right to decide the term and remuneration of the directors of the nationalised banks. The Nationalised Banks Scheme confers terms of office and remuneration of a whole-time directors including managing director, term of office for other directors, disqualification of directors, vacation of office of directors and removal from office of an elected director etc. The scheme also provides for constitution of different committees of the board including, inter alia, the management committee of the board, credit approval committee and advisory committees.

Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 ("**Banking Companies Act**")

Our Bank was constituted as a corresponding new bank pursuant to the provisions of the Banking Companies Act which provides the operational framework for the Bank to operate and conduct its business. The Banking Companies Act, provides for, amongst others, operational and management framework; mode and number of directors to be appointed along with the grounds of qualification, manner for preparation and closure of accounts, holding meetings and other procedural aspects. The Banking Companies Act provides that a corresponding new bank shall be governed by the directions provided by the Central Government in consultation with the RBI. Further, the board of directors after consultation with the RBI and with prior consultation of the Central Government may make regulations for, amongst others, (a) power, functions and duties of committees of the board; (b) nature and manner in which the shares maybe held, transferred and all other activities in relation to the rights and duties of the shareholders; (c) procedure and manner in which meetings are to be held; and (d) other procedural aspects as maybe required for the operations of a bank.

The entire paid-up capital of a corresponding new bank, except the paid-up capital raised from public by public issue or preferential allotment or private placement, should stand vested in and allotted to the Central Government. No shareholder of the corresponding new bank, other than the Central Government is entitled to exercise voting rights in respect of any shares held by him in excess of 10% of the total voting rights of all the shareholders of the corresponding new bank. However, the shareholder holding any preference share capital in the corresponding new bank will have, in respect of such capital, a right to vote only on resolutions placed before such corresponding new bank, which directly affects the rights attached to his preference shares and no preference shareholder is entitled to exercise voting rights in respect of preference shares held by him in excess of 10% of the total voting rights of all the shareholders holding preference share capital only. The Banking Companies Act also clarifies that no provision of law relating to winding up of corporations shall apply to a corresponding new bank and no corresponding new bank shall be placed in liquidation save by order of the Central Government. The Central Government is, on recommendation of RBI, also empowered to supersede the board of the corresponding new bank in the public interest or for preventing the affairs of any corresponding new bank being conducted in a manner detrimental to the interest of the depositors or the corresponding new bank or for securing the proper management of any corresponding new bank.

The Banking Companies Act requires the shareholding of GoI in all corresponding new banks, including the Bank, at all times be a minimum of 51%. Further, not more than 20% of the shareholding of all corresponding new banks, including the Bank, can be held by foreign entities or an individual. Raising of further capital is permitted under the Banking Companies Act subject to prior consultation with the RBI and obtaining the prior approval of the GoI.

Bank of India (Shares and Meetings) Regulations, 2007 ("Bank of India Regulations")

Our Bank is governed by Bank of India Regulations which regulates matters including, inter alia, the transfer of shares, issuance of share certificates, voting rights and manner of voting of the shareholders of the Bank. Every shareholder registered on the register of shareholders prior to a general meeting has one vote on show of hand and in case of a poll has one vote for every share held by him. Further, the Bank of India Regulations also govern the manner of elections of the Directors on the Board of the Bank. Every shareholder on the register of shareholders, except the Central Government, has the right to elect the Directors from amongst themselves.

Master Direction - Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019 ("Master Direction RBI Fit and Proper")

In exercise of the powers conferred by sub-sections (3AA) & (3AB) of Section 9 of the Banking Companies Act, the RBI notified and specified the authority, manner, procedure and criteria for determining the 'fit and proper' status of a person to be eligible to be elected as a shareholder director on the board of public sector banks. Pursuant to the Master Direction RBI Fit and Proper, the Bank is required to constitute a nomination and remuneration committee (hereinafter referred to as the "**Committee**") consisting of a minimum of three non-executive directors from amongst the board of directors of the Bank (hereinafter referred to as "**Board**"), out of which not less than one-half shall be independent directors and should include at least one member from the risk management committee of the Board, for undertaking a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under clause (i) of sub-section (3) of Section 9 of the Banking Companies Act. The Government of India nominee director and the director nominated under section 9(3)(c) of the Banking Companies Act shall not be part of the Committee. The non-executive chairperson of the Bank may be appointed as a member of the Committee but shall not chair such Committee. The Board is also required to nominate one among them as chairperson of the Committee. The quorum required is three, including the chairperson. In case the absence of any nominated member results in want of quorum, the Board may nominate any other non-executive director in his place for the meeting. At the time of constituting the Committee, the Board can decide on its tenure.

Regulatory reporting and examination procedures

RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. RBI monitors prudential parameters at periodic basis. RBI has introduced a system of off-site monitoring and surveillance, with the primary objective of monitoring the financial condition of banks in between two on-site examinations. To this end and to enable off-site monitoring and surveillance by RBI, banks are required to report to RBI on various aspects of their business. This system of off- site monitoring and surveillance has been migrated to a secured Online Returns Filing System ("**ORFS**") in which data collection and consolidation has been streamlined. RBI also conducts on-site supervision of selected branches with respect of their general operations and foreign exchange related transactions.

RBI also conducts periodical on-site inspections on matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years.

Maintenance of records

The "Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 issued by RBI dated February 25, 2016 as updated from time to time, provide for certain records (identification of the customers and their addresses) to be maintained for a minimum period of five years from the date on which the transaction/ business relationships have ended and maintain all necessary records of transactions between the bank and the customer, both domestic and international, for at least five years from the date of transaction.

Storage of payment system data

RBI on April 6, 2018 issued a notification on storage of information relating to the payment ecosystem as not all system providers store the payments data in India. In accordance with the notification, all system providers shall ensure that data relating to payment systems operated by them are stored in a system only in India. Data should include the full end-to-end transaction details, information collected, carried, processed as part of the message or payment instruction. For the foreign leg of the transaction, if any, the data can also be stored in the foreign country, if required. The notification further required compliance within a period of 6 months and reporting of the same to RBI latest by October 15, 2018.

Capital adequacy requirements

RBI has issued guidelines based on the Basel III reforms on capital regulation on May 2, 2012, to the extent applicable to banks operating in India. The Basel III capital regulation has been implemented from April 1, 2013 in India in a phased manner and was scheduled to be fully implemented by April 1, 2021, and the last tranche of such implementation has been further deferred until October 1, 2021, as specified below. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations on an ongoing basis. The table below summarizes the capital requirements under Basel III guidelines for banks in India:

Sr. No.	Regulatory Capital	As % of Risk Weighted Assets
1.	Minimum Common Equity Tier I Ratio	5.50%
2.	Capital Conservation Buffer (comprised of Common Equity)	2.50%
3.	Minimum Common Equity Tier I Ratio plus Capital Conservation Buffer (1)+(2)	8.00%
4.	Additional Tier I Capital	1.50%
5.	Minimum Tier I Capital Ratio (1) +(4)	7.00%
6.	Tier II Capital	2.00%
7.	Minimum Total Capital Ratio (MTC) (5)+(6)	9.00%
8.	Minimum Total Capital Ratio plus Capital Conservation Buffer (7)+(2)	11.50%

To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, in accordance with the master circular on "Basel III Capital Regulations" dated July 1, 2015, capital ratios and deductions from common equity will be fully phased-in and implemented as on March 31, 2019. In view of the gradual phase-in of regulatory adjustments to the common equity component of Tier I Capital under Basel III, certain specific prescriptions of Basel II capital adequacy framework (e.g. rules relating to deductions from regulatory capital, risk weighting of investments in other financial entities etc.) continued to apply to the remainder of regulatory adjustments not treated in terms of Basel III rules, till March 31, 2017.

However, RBI, *vide* its notification dated January 10, 2019, has deferred the implementation of the last tranche of 0.625% of Capital Conservation Buffer ("**CCB**") from March 31, 2019 to March 31, 2020. Accordingly, minimum capital conservation ratios as applicable from March 31, 2018 (1.875%) will also apply from March 31, 2019 till the CCB attains the level of 2.50% on March 31, 2020. Further, RBI, *vide* its notification dated March 27, 2020, had further deferred the implementation of the last tranche of 0.625% of the CCB from March 31, 2020 to September 30, 2020. RBI, *vide* its notification dated September 29, 2020, has again deferred the implementation of the last tranche of 0.625% of the CCB from September 30, 2020 to April 1, 2021. Further, by way of circular dated February 5, 2021 (bearing number RBI/2020-21/93 DOR.CAP.BC.No.34/21.06.201/2020-21), in view of the continuing stress on account of COVID-19 and in order to aid in the recovery process, RBI has been decided to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from April 1, 2021 to October 1, 2021. Accordingly, the minimum capital conservation ratios in para 15.2.2 of Part D 'Capital Conservation Buffer Framework' of Master Circular, dated July 1, 2015 on 'Basel III Capital Regulations', shall continue to apply till the CCB attains the level of 2.5 per cent on October 1, 2021. Further, the pre-specified trigger for loss absorption through conversion/write-down of Additional Tier 1 instruments (PNCPS and PDI) shall remain at 5.5% of RWAs and will rise to 6.125% of RWAs from October 1, 2021.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations dated July 1, 2015 *vide* its notifications, namely, (i) Master Circular – Basel III Capital Regulations – Clarification dated January 14, 2016 (bearing number RBI/2015-16/285 DBR.No.BP.BC.71/21.06.201/2015-16) in relation to payment of coupons under criteria for inclusion of perpetual debt instruments in additional tier 1 capital; (ii) Master Circular – Basel III Capital Regulations – Revision dated March 1, 2016 (bearing number RBI/2015-16/331 DBR.No.BP.BC.83/21.06.201/2015-16) in relation to treatment of revaluation reserves, treatment of foreign currency translation reserves, treatment of deferred tax assets, etc.; (iii) Basel III Capital Regulations - Additional Tier 1 Capital dated February 2, 2017 (bearing number RBI/2016-17/222 DBR.BP.BC.No.50/21.06.201/2016-17) in relation to coupon discretion under the criteria for inclusion of perpetual debt instruments in additional tier 1 capital and (iv) Basel III Capital Regulations – Implementation of Leverage Ratio dated June 28, 2019 (bearing number RBI/2018-19/225 DBR.BP.BC.No.49/21.06.201/2018-19) in relation to minimum leverage ratio requirements; and (v) Basel III Capital Regulations – Treatment of Debt Mutual Funds/ETFs dated August 6, 2020 (bearing number RBI/2020-21/18 DOR.No.BP.BC/5/21.04.201/2020-21) in relation to capital charge for market risk for banks investing in debt mutual funds or exchange traded funds.

Liquidity coverage ratio

On June 9, 2014, RBI issued guidelines in relation to Liquidity Coverage Ratio ("**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' on January 7, 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' on January 12, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for the calendar year 2015 with effect from January 1, 2015 and were expected to make a transition to an LCR of 100% on January 1, 2019. In order to accommodate the burden on banks' cash flows on account of the Covid-19 pandemic, RBI *vide* notification dated April 17, 2020, permitted banks to maintain 100% of LCR from April 1, 2021 onwards

The LCR measures a bank's ability to manage and survive for 30 days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. At least 60% of the net cash outflows in the next 30 days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets ("**HQLA**"). Banks were required to maintain LCR of minimum 90% with effect from January 1, 2018, and the same was increased to 100% with effect from January 1, 2019.

Further, banks shall prepare LCR restoration plans upon breach of the aforesaid prescribed LCR requirement, for scrutiny by the RBI's Department of Supervision.

Further, the Basel Committee on Banking Supervision issued the final rules on ‘Net Stable Funding Ratio’ on October 31, 2014 and 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. RBI has vide circular dated November 29, 2018 notified that the NSFR guidelines shall come into effect from April 1, 2020. RBI had vide circular dated March 27, 2020, deferred the implementation of NSFR guidelines by six months i.e. till October 1, 2020 and *vide* notification dated September 29, 2020, has decided to defer the implementation of NSFR guidelines by a further period of six months i.e till April 1, 2021. The NSFR guidelines has been further deferred to October 1, 2021 pursuant to notification dated February 5, 2021.

Prudential framework for resolution of stressed assets

RBI has, pursuant to its circular dated June 7, 2019 established a new regulatory framework for resolution of stressed assets (“**Revised Framework**”). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long-term project loans, strategic debt restructuring (“**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 have 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, RBI has introduced a revised framework for resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets, including the timelines for resolution. Upon the occurrence of a default in payment of debt (as defined under IBC), 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 or insolvency. 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% by value of the total outstanding facilities (fund based and non-fund based) and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is to be implemented within 180 days from the end of the Review Period in respect of accounts with aggregate exposure above a threshold (as listed below) with the lenders. 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:

1. ₹2,000 crore and above– June 7, 2019;
2. ₹1,500 crore and above but less than ₹2,000 crore– January 1, 2020; and
3. Less than ₹1,500 crore– 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 (180 days from the end of the Review Period), all lenders with exposure to the Borrower are required to make additional provisions as set out below:

Timeline for implementation of viable resolution plan	**Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline**
180 days from the end of Review Period	20%
365 days from the commencement of Review Period	15% (i.e. total additional provisioning of 35%)

As per the Revised Framework, the additional provisions shall also be required to be made in cases where the lenders have initiated recovery proceedings, unless the recovery proceedings are fully completed. The Revised Framework shall not be available for borrower entities in respect of which specific instructions have already been issued or are issued by the RBI to the banks for initiation of insolvency proceedings under the IBC. It may be noted that the certain sections of the Revised Framework (Implementation of Resolution Plan, Implementation Conditions of Resolution Plan, Delayed Implementation of Resolution Plan) is not applicable to MSMEs whose revival and rehabilitation is already mentioned RBI Circular on ‘Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises (MSMEs)’ dated March 17, 2016.

As part of the regulatory measures aimed at alleviating the lingering impact of Covid-19 pandemic, the RBI through its circulars dated April 17, 2020 and May 23, 2020 each titled “COVID19 Regulatory Package - Review of Resolution Timelines Under the Prudential Framework on Resolution of Stressed Assets" extended the resolution timeline under the Revised Framework as follows:

i. within the Review Period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the Review Period. In respect of all such accounts, the residual Review Period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution; and

ii. in respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

Consequently, the requirement of making additional provisions as specified above shall be triggered as and when the extended resolution timeline expires. Further, the RBI directed that the lending institutions shall make relevant disclosures in respect of accounts where the resolution period was extended in the 'Notes to Accounts' while preparing their financial statements for the half year ending September 30, 2020 as well as the financial years 2020 and 2021.

The Insolvency and Bankruptcy Code, 2016

The IBC was enacted and notified in the Gazette of India on May 28, 2016. The IBC covers individuals, companies, limited liability partnerships, partnership firms, proprietorship firms and other legal entities. The IBC has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The IBC prescribes a time limit of 180 days (extendable by up to a maximum of 90 days) from the insolvency commencement date (date of admission of an application for initiating corporate insolvency resolution process by the National Company Law Tribunal) for the insolvency resolution process to be completed ("**Moratorium Period**").

The Insolvency and Bankruptcy (Amendment) Act, 2019, which came into force and effect from August 6, 2019, has provided a relief to the creditors wherein it has been stipulated that the corporate insolvency resolution process has to be mandatorily completed within 330 days from the insolvency commencement date, including the time taken in legal proceedings in relation to such resolution process or any extension of time granted earlier as per provisions of the IBC. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by National Company Law Tribunal ("**NCLT**"); (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited. The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter, a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then approved by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor.

The Central Government vide notification dated November 15, 2019 has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 relating to insolvency proceedings for personal guarantors to corporate debtors, under the IBC. This will enable initiation of insolvency proceedings against the corporate debtor and the personal guarantor simultaneously thus resulting in better recovery for creditors from insolvency proceedings.

Further, pursuant to the notification dated March 24, 2020 by the Ministry of Corporate Affairs (MCA), the threshold of ₹ 1 lakh has been increased to ₹ 1 crore as minimum amount of default for initiation of insolvency proceedings against a corporate debtor (includes a company and a limited liability partnership) under the IBC. Pursuant to MCA Notification dated December 22, 2020, suspension of initiation of corporate insolvency resolution process was extended further by period of three months from December 25, 2020.

The IBC was also amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2020, which is deemed be effective from December 28, 2019. The Amendment has inter alia prescribed minimum thresholds for filing of the application in certain cases i.e. in terms of number, for instance, in case of homebuyers / allottees, at least 100 homebuyers/allottees under the same project or at least 10% of the total numbers of such allottees whichever is less. The amendment also clarifies that the effect of the approval of a resolution plan by the NCLT should result in (i) the extinguishment of all liabilities of the corporate debtor existing at or pertaining to the period prior to the insolvency commencement date; and (ii) no action being taken against the property of the corporate debtor, in relation to the offences committed in the period prior to the insolvency commencement date. However, this immunity is only available in cases where the resolution plan specifically provides for a change in the management control of the corporate debtor to a person not being a promoter managing or controlling the corporate debtor / any related party or a person against whom a complaint has been made before the relevant authority in relation to the aforementioned offence.

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 and The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021

In terms of the Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) (the "**2020 Act**") Section 10 A was inserted in the IBC through of which an embargo was imposed on initiation of corporate insolvency resolution proceedings ("**CIRP**") against corporate debtors for any default arising on or after March 25, 2020 for a period of period of six months or such further period not exceeding one year ("**Embargo Period**"). Further, the Act also provided that initiation of CIRP, for defaults arising during the Embargo Period shall be barred in perpetuity. Subsequently, the Embargo Period was initially extended up till December 24, 2020 and thereafter up till March 24, 2021. Additionally, the 2020 Act also amended Section 66 of the IBC in terms of a resolution professional was authorised to apply to the National Company Law Tribunal against persons who were knowingly party to transactions undertaken to defraud the creditors of a Corporate Debtor or for any fraudulent purposes. In terms of the 2020 Act, Section 66 was amended to restrict resolution professionals from initiating actions under such persons provided the CIRP of the relevant corporate debtor is covered under the Embargo Period.

Subsequently, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 was introduced on April 4, 2021 in terms of which, the pre-packaged insolvency framework was introduced, and the Embargo Period ended with effect from March 24, 2021.

The Recovery of Debts and Bankruptcy Act, 1993 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("RDB Act")

The RDB Act was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding ₹20 lakhs or such other amount exceeding ₹ 1 lakh, as may be specified by the Central Government. The Ministry of Finance on September 6, 2018, revised the pecuniary limit of ₹ 10 lakhs to ₹ 20 lakhs. 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 of India 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 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.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("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 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 the 60-days' 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. The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know-how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹100,000, agricultural land and any case where the amount due is less than 20% of the principal amount and interest are not enforceable under the SARFAESI Act. 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 a debt recovery tribunal 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 a debt recovery tribunal.

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default. The Prudential Norms issued by RBI on Income Recognition, Asset Classification and Provisioning pertaining to Advances, as amended from time to time, describe the process to be followed for sales of financial assets to asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. Consideration for the sale of such financial assets may be in the form of cash, bonds or debentures or security receipts or pass through certificates issued by the asset reconstruction company or trusts set up by it to acquire the financial assets.

The Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme, 2006 (the "**Scheme**") provides the extent and scope of the authority and functions of the Banking Ombudsman (RBI's officers in the rank of Chief General Manager or General Manager) for redressal of grievances against deficiency in banking services, including internet banking, loans and advances and other services as specified in clause 8 of the Scheme. The Scheme was last amended on July 1, 2017 by the RBI to include within the scope of Banking Ombudsman, inter alia, deficiencies arising out of sale of insurance/ mutual fund/ other third party investment products by banks and deficiencies in mobile/electronic banking services. The pecuniary jurisdiction of the Banking Ombudsman to pass an award has been increased from existing rupees one million to rupees two million. Compensation not exceeding rupees hundred thousand can also be awarded by the Banking Ombudsman to the complainant for loss of time, expenses incurred as also, harassment and mental anguish suffered by the complainant. The Banking Ombudsman receives and considers complaints relating to the deficiency in banking services filed on the grounds mentioned in the Scheme and facilitates their satisfaction or settlement by agreement or through conciliation and mediation between the bank concerned and the aggrieved parties or by passing an award in accordance with the Scheme.

Classification and Reporting of Fraud Cases

The RBI issued Master Direction on July 1, 2016 (as updated up to July 3, 2017) on the classification and reporting of fraud cases by commercial banks and select FIs. The fraud cases have been classified 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, irregularities in foreign exchange and any other type of fraud not coming under the specific heads as above. The banks are required to submit fraud related data to the RBI through various returns/ reports.

Information relating to frauds for the quarters ending June, September and December may be placed before the audit committee of the board of directors during the month following the quarter to which it pertains. Banks are also required to conduct an annual review of the frauds and place a note before the board of directors for information. Additionally, banks have to constitute a special committee for monitoring and follow up of cases of frauds involving amounts of ₹10 million and above exclusively. Such committee is required to meet and review as and when a fraud involving an amount of ₹10 million and above comes to light. Pursuant to the RBI notification dated January 21, 2016, the RBI, has inter alia, increased the limits in relation to flash reporting to RBI of fraud cases to ₹ 50 million as against the earlier limit of ₹10 million and above.

Priority sector lending

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 ("**Master Direction**") dated September 4, 2020 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 (viii) others (loans to distressed farmers indebted to non-institutional lenders, to individual members of SHG/JLG for activities other than agriculture, to State Sponsored Organisations for Scheduled Castes/ Scheduled Tribes etc) and (ix) weaker sections. Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the Master Direction, the priority sector lending targets are linked to adjusted net bank credit ("**ANBC**") or credit equivalent amount of off-balance sheet exposure (CEOBE), whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic scheduled commercial banks is 40% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. 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 RBI via circular reference FIDD.CO.Plan.BC.7/04.09.01/2019-20 dated August 13, 2019, decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories, subject to the conditions laid out therein. This was to be applicable till March 31, 2020, and was subject to review thereafter. Therefore, RBI via FIDD.CO.Plan.BC.No.19/04.09.01/2019-20 dated March 23, 2020 decided to extend the priority sector classification for bank loans to NBFCs for on-lending for FY 2020-21. Further, existing loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity. Also, Bank's credit to Housing Finance Companies (HFCs), approved by NHB for their refinance, for on-lending for the purpose of purchase/construction/ reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, will be eligible for classification as priority sector.

Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, 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 venture capital funds ("**VCFs**").

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 to the credit exposure (for single borrower as well as the group) are permitted in exceptional circumstances, with the approval of their boards or for lending to infrastructure sector or for lending to oil companies who have been issued oil bonds by Government of India. The total exposure (both lending and investment, including off-balance sheet exposures) to a single NBFC, NBFC-AFC (Asset Financing Companies) 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.

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% of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19 of the Banking Regulation 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.

On August 25, 2016, 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 the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On December 1, 2016, RBI released guidelines on Large Exposures Framework to align the exposure norms for Indian banks with the Basel Committee on Banking Supervision standards. From April 1, 2019, the sum of all the exposure values of a bank to single counterparties and a group of connected counterparties, will be 20% and 25% of our eligible capital base at all times, as against the previous norm of 15% and 40% of the Total Capital funds Limits. Eligible capital base represents the Bank's Tier I capital as per the last audited balance sheet. Banks may, in exceptional circumstances, with the approval of their boards, consider enhancement of the exposure to a single counterparty further by 5.0% (i.e., 25.00% of the Tier I capital fund). The limit is applicable to total exposure, including off-balance sheet exposures. Off-balance sheet items are required to be converted into credit exposure equivalents through the use of credit conversion factors as per the standardized approach for credit risk for risk based capital requirements, with a floor of 10%. On June 3, 2019, the RBI released the Guidelines on Large Exposure Framework applicable to all scheduled commercial banks (other than regional rural banks) with a view to capture exposures and concentration risks more accurately and to align the previous guidelines and instructions on Large Exposures Framework with international norms, which superseded the previous circulars on large exposure framework. 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% 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 single and group borrowers will be 20% and 25% of our Tier 1 Capital funds, respectively. Exposure limits to single and group NBFC's will be 15% and 25% of our Tier 1 Capital funds, respectively. However, by way of a circular dated September 12, 2019, RBI mandated that banks' exposure to a single NBFC (excluding gold loan companies) will be restricted to 20% of that banks' eligible capital base. Banks' finance to NBFCs predominantly engaged in lending against gold will continue to be governed by limits prescribed in circular dated May 18, 2012. On account of Covid-19 pandemic, RBI *vide* its notification dated May 23, 2020, as a one-time measure, increased bank's exposure to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank. This notification was applicable till June 30, 2021.

Prevention of Money Laundering Act, 2002 ("PMLA")

In order to prevent money laundering activities, the Government enacted the PMLA which 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 regard to preservation and reporting of customer account information.

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.

Revised Prompt Corrective Action (PCA) framework for banks

The RBI vide its circular dated April 13, 2017 has reviewed and revised the Prompt Corrective Action (PCA) framework for banks, which is effective from April 1, 2017. The 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.

Regulations relating to Know Your Customer ("KYC") and anti-money laundering

RBI issued the Reserve Bank of India (Know Your Customer (KYC) Directions, 2016 on February 25, 2016 ("M**aster Direction on KYC**"), (updated on May 10, 2021), prescribing the guidelines for KYC and anti-money laundering procedures. Banks are required to formulate a KYC policy which shall include (i) customer acceptance policy, (ii) customer identification procedures, (iii) monitoring of transactions and (iv) risk management. In relation to each of the above, the master direction also specifies minimum procedures required to be followed by banks. Banks are not permitted to make payment of cheques/drafts/pay orders/banker's cheques, if they are presented beyond the period of three months from the date of such instrument. 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 Anti Money Laundering. The Master Direction on KYC was further updated by RBI *vide* its notification dated January 9, 2020 due to amendments to Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

On April 20, 2020, the RBI amended the Master Direction on KYC, requiring banks and financial institutions regulated by the RBI to periodically carry out money laundering and terrorist financing risk assessments to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels. The banks and financial institutions shall apply a risk-based approach for mitigation and management of the identified risk and should have board approved policies, controls and procedures which take into consideration sector-specific vulnerabilities which are shared by the regulators.

Regulations relating to maintenance of Cash Reserve Ratio ("CRR") and Statutory Liquidity Ratio ("SLR")

A bank is required to maintain, on a daily basis, CRR, which is a specified percentage of its Net Demand and Time Liabilities ("**NDTL**"), excluding interbank deposits, by way of a balance in a current account with RBI. 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. 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 light of the COVID 19 pandemic, the RBI has *vide* circular issued on May 22, 2020 to all scheduled and non-scheduled banks, revised the bank rate downwards by 40 basis points from 4.65% to 4.25% with effect from May 22, 2020. 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. Further, RBI *vide* its circular dated February 5, 2021, has decided to gradually restore the CRR in two phases in a non-disruptive manner. Accordingly, banks are required to maintain the CRR at 3.50 per cent of their NDTL effective from the reporting fortnight beginning March 27, 2021 and 4.00 per cent of their NDTL effective from fortnight beginning May 22, 2021.

In light of the recent COVID-19 pandemic, the RBI *vide* its circular dated March 27, 2020 has reduced the CRR of all banks by 100 basis points from 4.00% to 3.00% of their NDTL with effect from the reporting fortnight beginning March 28, 2020 for a period of one year, ending on March 26, 2021.

In addition to the CRR, a bank is required to maintain SLR, a specified percentage of its NDTL, by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%.

Further, on December 21, 2011, RBI had permitted banks to avail funds from RBI on an overnight basis, under the Marginal Standing Facility, against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 1% of their respective NDTL outstanding at the end of the second preceding fortnight. Further RBI *vide* circular dated March 27, 2020 read with February 5, 2021 raised the borrowing limit of scheduled banks (excluding Regional Rural Bank) under the MSF scheme from 2% to 3% of their NDTL outstanding at the end of the second preceding fortnight with immediate effect until June 30, 2020. The period was extended till September 30, 2020 by circular dated June 26, 2020 and subsequently till March 31, 2021 through press release dated September 28, 2020. On February 5, 2021, RBI has further extended such period till September 30, 2021.

On September 1, 2020, the RBI increased the limits under the held-to-maturity category ("**HTM**") from 19.5% to 22% of NDTL in respect of SLR-eligible securities acquired on or after September 1, 2020 and on or before March 31, 2021. This dispensation was made available up to March 31, 2022. In order to provide certainty to market participants in the context of the borrowing programme of the centre and states for Fiscal 2022, it has now been decided to extend the dispensation of the enhanced HTM limit of 22% up to March 31, 2023 to include securities acquired between April 1, 2021 and March 31, 2022. The HTM limit will be restored from 22% to 19.5% in a phased manner starting from the quarter ending June 30, 2023. It is expected that banks will be able to plan their investments in SLR securities in an optimal manner with a clear glide path for the restoration of HTM limits.

Further, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund to which it must transfer not less than 20% of the profits of each year before declaring dividends. If there is an appropriation from this account, the bank is required to report the same to RBI within 21 days, explaining the circumstances leading to such appropriation.

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 comprise 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 is 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 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 (as amended from time to time) mandated that all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans extended by banks to Micro and Small Enterprises from October 01, 2019 and floating rate loans to Medium Enterprises from April 01, 2020 extended by banks shall be linked to external benchmarks. Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

In furtherance of the same, the said new floating rate shall be benchmarked to one of the following: (1) RBI's policy 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.

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 ₹ 5 crores 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 (Prudential Framework for Resolution of Stressed Assets), all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 5 crores. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹ 5 crores. In addition, banks are required to report to CRILC the classification of an account to 'special mention account' in respect of borrower entities having aggregate exposure of more than ₹ 5 crores. Any non-submission of or incorrect reporting in these returns attracts penalties as specified in the Banking Regulation Act

Master Regulations and Guidelines of the SEBI

SEBI was established in 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market including all related matters. The SEBI Act also provides for the registration and regulation of the function of various market intermediaries including stock brokers, depository participants, merchant bankers, portfolio managers, investment advisers, and research analysts. Pursuant to the SEBI Act, SEBI has formulated various rules and regulations to govern the functions and working of these intermediaries. SEBI also issues various circulars, notifications and guidelines from time to time in accordance with the powers vested with it under the SEBI Act. SEBI has the power to impose (i) monetary penalty under the SEBI Act and the regulations made thereunder, and (ii) penalties prescribed under the SEBI Intermediaries Regulations including suspending or cancelling the certificate of registration of an intermediary and to initiate prosecution under the SEBI Act. Further, SEBI has the power to conduct inspection of all intermediaries in the securities market, including, stock brokers, sub brokers, investment advisers, merchant bankers, underwriters, research analysts, to ensure, amongst others, that the books of account are maintained in the manner required in accordance with applicable law.

We are subject to regulations prescribed by SEBI in respect of capital issuances as well as some of our activities, including acting as agent for collecting subscriptions to public offerings of securities made by other Indian companies, underwriting, custodial, depositary participant, and investment banking and because our Equity Shares are listed on Indian stock exchanges. These regulations provide for registering with SEBI the functions, responsibilities and the code of conduct applicable for each of these activities.

Regulatory measures on account of COVID-19

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

i. restriction from declaring any further dividend payouts from the profits pertaining to the Financial Year ended March 31, 2020 until further instructions;

ii. pursuant to the RBI notification bearing reference no. RBI/2020-21/95DOR.No.LRG.BC.40/21.04.098/2020-21 dated February 5, 2021, the implementation of the Net Stable Funding Ratio (NSFR) guidelines was deferred by six months from April 1, 2021. The NSFR guidelines will be effective from October 1, 2021;

iii. modifying the Prudential Framework for Resolution of Stressed Assets to provide that all accounts which were within the review period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 is to be excluded from the calculation of the 30-day timeline for the review period and accordingly, for all such accounts, the residual review period shall resume from September 1, 2020, upon the expiry of which, the lenders shall have the usual 180 days for resolution. The accounts for which the 180 days resolution period has not expired as on March 31, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

iv. The RBI vide its circular dated March 27, 2020, announced certain regulatory measures inter alia to mitigate the burden of debt servicing due to the pandemic and to ensure the continuity of viable businesses. In furtherance of the same, a moratorium of three months was granted on payment of all instalments (including all (i) principal and/or interest components; (ii) bullet repayments; (iii) Equated Monthly instalments; (iv) credit card dues) falling due between March 1, 2020 and May 31, 2020 in respect of all term loans (including agricultural term loans, retail and crop loans) ("Moratorium Period"). The RBI vide DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 further permitted the lending institutions to extend the Moratorium Period on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans) by another three months i.e. from June 1, 2020 to August 31, 2020;

v. Pursuant to notification dated August 6, 2020, RBI permitted, *inter alia*, the resolution of eligible corporate exposures /accounts without change in ownership and personal loans sanctioned to individual borrowers by lending institutions to become eligible for resolution under the Revised Framework while classifying such exposures as standard (as set out under the Prudential Framework) subject to specified conditions. However, only those borrower accounts shall be eligible for resolution under Prudential Framework which were classified as standard, but not in default for more than 30 days with the lending institution as on March 1, 2020 and resolution under this framework may be invoked not later than December 31, 2020 and must be implemented within 90 days from the date of invocation. However, the lending institutions should strive for early invocation. Under the Revised Framework, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the Revised Framework and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic;

vi. RBI through its circular dated September 7, 2020 on 'Resolution Framework for COVID-19 related Stress –Financial Parameters' directed each of the lending institutions to mandatorily consider the key ratios prescribed therein, while finalizing the resolution plans in respect of all eligible borrowers;

vii. permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("**CC/OD**"), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

viii. permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

ix. permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

x. deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

xi. permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021). Such changes will not be treated as concessions granted due to 'financial difficulty' of the borrower under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 and consequently, will not result in asset classification downgrade;

xii. permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (iv) above, from the number of days past-due for the purpose of asset classification under the Prudential Norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

xiii. permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (vii) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including SMA, as on February 29, 2020; and

xiv. requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

xv. RBI issued circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, pertaining to requirements specific to resolution of advances to individuals and small businesses and working capital support for: (i) individuals who have availed of loans for business purposes and to whom the lending institutions have aggregate exposure of not more than ₹25 crore as on March 31, 2021, and (ii) small businesses including those engaged in retail and wholesale trade, other than those classified as micro, small and medium enterprises as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than ₹25 crore as on March 31, 2021, where resolution plans were implemented previously. Further lists the disclosure requirements for the lending institutions with respect to the resolution plans implemented under the window. Further, the RBI vide its circular no. RBI/2021-22/46/ DOR.STR.REC.20/21.04.048/2021-22 dated June 4, 2021, enhanced the aforementioned limits from ₹ 25 crores to ₹ 50 crores.

xvi. RBI vide its circular dated August 6, 2021 revised the timeliness for compliance under the Resolution Framework for COVID-19-related Stress (i) in view of the resurgence of the Covid-19 pandemic in 2021 and recognising the difficulties it may pose for the borrowers in meeting the operational parameters, it has been decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters, viz. Total Debt / EBIDTA, Current Ratio, DSCR and ADSCR, to October 1, 2022 and (ii) the target date for achieving the ratio TOL/ATNW, as crystallised in terms of the resolution plan, shall remain unchanged as March 31, 2022.

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 may pay any dividend on its shares until all its capitalized expenses (including preliminary expenses, organisation expenses, share-selling commissions, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, Section 17(1) of the Banking Regulation Act and RBI circular dated September 20, 2006 requires every banking company to create a reserve fund and, out of the balance of the profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 25% of such profit to the reserve fund before declaring any dividend. 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, on May 4, 2005, the RBI issued guidelines on 'Declaration of Dividends by Banks', which prescribed certain conditions for declaration of dividends by banks.

In light of the recent COVID-19 situation, the RBI has mandated on December 4, 2020, that the banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions. RBI has further vide circular dated December 4, 2020 has stated In view of the ongoing stress and heightened uncertainty on account of COVID-19, it is imperative that banks continue to conserve capital to support the economy and absorb losses. In order to further strengthen the banks' balance sheets, while at the same time support lending to the real economy, it has been decided that Banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. Further, RBI vide its circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, partially modified the instructions contained in the RBI circular dated May 4, 2005, allowed the banks to pay dividend on equity shares from the profits for the financial year ended March 31, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in the RBI circular dated May 4, 2005.

Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure

The 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, the 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.

Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances dated July 1, 2015 ("Prudential Norms")

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. The Prudential Norms further, specify the timeline within which specific assets are to be considered non-performing. 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 in cash. The Prudential Norms require banks to further classify NPAs into the following three categories based on the period for which the asset has remained non- performing and the realisability of the dues (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. These norms also specify provisioning requirements specific to the classification of the assets. Further, the RBI pursuant to the circular on Prudential Norms has decided that banks should maintain provisioning coverage ratio, including floating provisions, of at least 70.00%. The RBI issued revised "Prudential Guidelines on Restructuring of Advances by Banks and Financial Institutions" on May 30, 2013. Pursuant to those guidelines, from April 1, 2015 advances that are restructured (other than change in date of commencement of commercial operation ("DCCO") of Infrastructure and non-Infrastructure project) would be immediately classified as sub-standard on restructuring and the nonperforming assets, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per the extant asset classification norms with reference to the pre-restructuring repayment schedule. The "Review of Prudential Guidelines on

Restructuring of Advances by Banks and Financial Institutions" dated May 30, 2013 have been repealed under the Revised Framework, with an exception of paragraph 2 on change in DCCO. On February 7, 2020, the RBI published the Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances ("IRACP") - Projects under Implementation to harmonise the guidelines for DCCO for projects in non-infrastructure and commercial real estate ("CRE") sectors. It revised guidelines for deferment of DCCO for projects in non-infrastructure and CRE sectors. The revised guidelines, inter alia, permitted extension of such DCCO for CRE loans, delayed for reasons beyond the control of promoters, by another one year without downgrading the 'standard' asset classification, subject to conditions provided therein. Such extension however, requires banks' board to be satisfied about the viability of the project and the restructuring plan.

Other applicable laws

In addition to the above, we are required to comply with the labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

ISSUE PROCEDURE

Below is a summary, intended to provide a general outline of the procedures for the Bidding, payment of Bid amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and prospective Bidders are presumed to have apprised themselves of the same from our Bank or the Book Running Lead Managers.

Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates, shareholders, employees, counsel and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Book Running Lead Managers and their respective directors, officers, agents, affiliates shareholders, employees, counsel and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see the sections titled, "Selling Restrictions" and "Transfer Restrictions" beginning on pages 275 and 284.

Qualified institutions placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the SEBI/RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations, our Bank, being a listed entity in India may issue Equity Shares to Eligible QIBs, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must *inter alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- approval from the Ministry of Finance, GoI has been obtained on the basis of the recommendation from RBI specifying that the allotment of Equity Shares is proposed to be made pursuant to the QIP;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Bank, which are proposed to be allotted through the Issue, are listed on the recognized Stock Exchanges that has nation-wide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- our Bank shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue; and

- the Directors are not fugitive economic offenders.

At least 10% of the equity shares issued to Eligible QIBs must be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

The above approval is subject to the following conditions as provided in the approval letter dated April 26, 2021 from the Ministry of Finance, GoI (**"GoI Approval Letter"**):

i. FDI Policy conditionalities (including, inter alia, paragraph 5.2(a) of the Policy, which provides that the FDI allowed is subject to applicable laws/ regulations) and other Sectoral Regulations/ Guidelines.

ii. Claim of any tax relief under the Income-Tax Act, 1961 or the relevant Double Taxation Avoidance Agreement (DTAA) will be examined independently by the tax authorities to determine the eligibility and extent of such relief and the approval of the Department of Financial Services by itself will not amount to any recognition of eligibility for giving such relief.

iii. Department of Financial Services approval by itself does not provide any immunity from tax investigations to determine whether specific or general anti-avoidance rules apply.

iv. The fair market value of various payments, services, assets, shares etc., determined in accordance with extent guidelines shall be examined by the tax authorities under the tax laws and rules in force and may be varied accordingly for tax purposes; and

v. The taxation of dividend, future capital gains on alienation of shares by the foreign investor, interest income and income of any other nature shall be examined by the field formation in accordance with the provision of Income-Tax Act, 1961 and DTAA applicable to the facts of the case.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued pursuant to this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of 4.99% of the Floor Price was offered by our Bank in accordance with the provisions of the SEBI ICDR Regulations and pursuant to a resolution of the Shareholders passed in the AGM held on July 20, 2021.

The "Relevant Date" referred to above means the date of the meeting in which the Board or the Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being July 20, 2021 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 271.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document that contains all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Bank with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document or this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Bank for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by the Board on April 30, 2021 and approved by the Shareholders in the

AGM held on July 20, 2021. The minimum number of Allottees with respect to a QIP shall at least be:

a. two, where the issue size is less than or equal to ₹2,500 million; and

b. five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "—*Bid Process—Application Form*" on page 266.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a floor recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in the Issue.

We have applied for and received the in-principle approvals from both BSE and NSE on August 25, 2021, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and a copy of this Placement Document with the Stock Exchanges.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of 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 only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Placement Document as "U.S. QIBs", which, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Placement Document as "QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act) and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For a description of certain restrictions on transfer of the Equity Shares see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 275 and 284, respectively.

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.

Issue procedure

1. On the Bid / Issue Opening Date, our Bank in consultation with the Book Running Lead Managers have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form have been specifically addressed to each such Eligible QIB. Our Bank shall maintain records of the Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched.

2. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered have been determined by our Bank in consultation with the Book Running Lead Managers, at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount was deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid and shall be rejected. The Application Form was required to be signed physically or

digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit a duly completed Application Form, including any revisions thereof along with the Bid Amount (which is to be transferred to the Escrow Account specified in the Application Form) and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Managers and their Bid Amount were deposited into the Escrow Account.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details, phone number and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

- details of the beneficiary account maintained with the Depository Participant to which the Equity Shares should be credited;

- that it had agreed to certain other representations set forth in the Application Form;

- a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a "qualified institutional buyer" as defined in Rule 144A, and it has agreed to certain other representations set forth under the "*Representations by Investors*" on page 5 and "*Transfer Restrictions*" on page 284 and certain other representations set forth in the Application Form; and

- an undertaking that they will deliver an offshore transaction letter to the Issuer prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act.

Note: *Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund were treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of **"*Bank of India QIP Escrow Account*"** with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares should have been made from the bank accounts of the relevant Bidders and our Bank shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders should have been paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and receipt of final listing and trading approvals from the Stock Exchanges, Bid Amount received for subscription of the Equity Shares shall be kept by the Bank

in a separate bank account with a scheduled bank. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 271.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Issue Closing Date, our Bank, in consultation with the Book Running Lead Managers, determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation of Equity Shares to be issued pursuant to the Issue. The Book Running Lead Managers will send the serially numbered CANs, along with serially numbered Placement Document, in electronic form only, to the successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Bank and will be in consultation with the Book Running Lead Managers.**

8. Upon dispatch of the serially numbered Placement Document and CAN, our Bank shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Bank will inform the Stock Exchanges of the details of the Allotment.

9. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Bank shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

10. After receipt of the listing approvals of the Stock Exchanges, our Bank shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

11. Our Bank will then apply for the final trading approvals from the Stock Exchanges.

12. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

13. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Bank may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Bank and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Bank.

Eligible Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable laws, including the SEBI Regulations and are residents of India or are Eligible FPI participating through Schedule II of the FEMA rules are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs and are eligible to invest in this Issue, in accordance with the GoI Approval Letters. AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

Currently, the definition of a QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations includes:

- Mutual funds, venture capital funds and alternate investment funds (except AIFs and VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules) registered with SEBI;
- Eligible FPIs other than individuals, corporate bodies and family offices;
- Public financial institutions;
- Scheduled commercial banks;
- State industrial development corporations;
- Insurance companies registered with IRDAI;
- Provident funds with minimum corpus of ₹250 million;
- Pension funds with minimum corpus of ₹250 million;
- National Investment Fund set up by Government of India, set up by resolution no. F. No. 2/3/2005-DDII, dated November 23, 2005 of the Government published in the Gazette 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
- Systemically important non-banking financial companies.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DOES NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Please note that participation by non-residents in the Issue is restricted to participation by Eligible FPIs through the portfolio investment scheme under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules. Further, AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Bank, and the total holding of all FPIs, collectively, shall not exceed 20% of the paid-up equity share capital of our Bank. Further, if any FPI holds 10% or more of the Equity Share capital of our Bank, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

In terms of the approval of the GoI Approval Letters, prior approval of the GoI for the issuance of equity shares up to 20% of paid-up capital to FIIs/FPIs in the Issue, subject to provisions of the Banking Companies Act and other provisions of the Consolidated FDI Policy.

Allotments made to Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all FPIs shall be included. In accordance with the Consolidated FDI Policy, the total foreign ownership in a public sector bank, subject to Banking Companies Act, cannot exceed 20% of the paid-up capital. In accordance with Section 3(2D) of the Banking Companies Act, shareholding of non-residents in a corresponding new bank cannot exceed 20.00% of its paid up capital and in accordance with Section 3(2E) of the Banking Companies Act, no shareholder, other than the Government shall be entitled to exercise voting rights in excess of 10.00% of the total voting rights of all the shareholders of the corresponding new bank;

As of June 30, 2021, the aggregate FPI shareholding in our Bank is 0.38% of our Bank's paid up Equity Share capital (on a fully diluted basis). For further details, see "*Principal Shareholders and Other Information*" beginning on page 239.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a promoter, or any person related to, the promoter. Eligible QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on our Board

Provided, however, that an Eligible QIB which does not hold any equity shares in our Bank and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Bank, the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors, associates or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid process

Application Form

Eligible QIBs were only to use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Bank and the Book Running Lead Managers in electronic form only for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB was deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1,5, 275 and 284, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;

2. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or promoter group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

3. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder and not an FVCI or a multilateral or bilateral development financial institution. Each Eligible QIB confirms that it is not an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. Each Eligible QIB confirms that they have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges. Additionally, this will be subject to the Selling and Transfer Restrictions under the applicable laws;

6. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the Takeover Regulations;

8. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period, our Bank reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

9. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

10. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

11. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

12. The Eligible QIB confirms that:

    a. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of an U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; or

    b. It it is outside the United States it is subscribing to the Equity Shares in an offshore transaction in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document and this Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections titled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 1, 5, 275 and 284, respectively.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Bank (by itself or by the Book Running Lead Managers) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount were required to deposited in the Escrow Account as is specified in the Application Form and the Application Form were required to be submitted to the Book Running Lead Managers through electronic form at either of the following addresses:

Name of BRLM	Address	Contact person	Email	Phone
IDBI Capital Markets & Securities Limited	6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	Subodh Gandhi	project.star@idbicapital.com	**Tel:** +91 22 2217 1700
ICICI Securities Limited	ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020	Rupesh Khant	project.star1@icicisecurities.com	**Tel:** +91 22 2288 2460
IIFL Securities Limited	IIFL Center, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India	Dhruv Bhagwat	project.star2021@iiflcap.com	**Tel**: +91 22 4646 4600
JM Financial	7th Floor, Cnergy,	Prachee Dhuri	prachee.dhuri@jmfl.com	**Tel:** +91 22 6630

Name of BRLM	Address	Contact person	Email	Phone
Limited	Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025			3030; +91 22 6630 3262
ITI Capital Limited	ITI House 36, Dr. R. K. Shirodkar Marg, Parel Mumbai 400012	Pallavi Shinde	projectstar@iticapital.in	**Tel:** +91 98207 31142
Systematix Corporate Services Limited	The Capital, A-Wing, No. 603-606, 6th Floor, Plot No. C-70, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	Amit Kumar	projectstar@systematixgroup.in	**Tel:** +91 22 6704 8000
BOI Merchant Bankers Limited*	"G" BLK, C/5 Bank of India Star House Bandra Kurla Complex Bandra (E) Mumbai 400051	Mr. Sanjay Phadke	capitalmarket@boimb.com	**Tel:** +91 22 6131 2906

**BOI Merchant Bankers Limited is one of the BRLMs, and shall be involved only in the marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Banker Regulations and Regulation 174(2) of the SEBI ICDR Regulations*

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Bank has opened the Escrow Account in the name of "***Bank of India QIP Escrow Account***" with the Escrow Agent, in terms of the arrangement among our Bank, the Book Running Lead Managers and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Bank undertakes to utilise the amount deposited in "***Bank of India QIP Escrow Account***" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Bank is not able to Allot Equity Shares in the Issue. In case of cancellations or default by the Bidders, our Bank and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 271.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Bank offered a discount of 4.99% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at AGM held on July 20, 2021.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board or the Committee of the Board decided to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price discovery and Allocation

Our Bank, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Bank offered a discount of 4.99% of the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to resolution passed at AGM held on July 20, 2021.

After finalisation of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Bank has determined the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR BANK IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR BANK NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Bank, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Successful Bidder ("**Designated Date**").

The Successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document in the electronic form, to the Eligible

QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board or the Committee of the Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Bank will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Bank, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Bank shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Bank shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Bank will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank.

7. After finalization of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document. Pursuant to a circular SEBI/CFD/DIL/LA/1/2010/05/03 dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Bank along with this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price, or Equity Shares are not Allocated to a Bidder for any reasons, is cancelled prior to Allocation, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that our Bank is unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled from the date of receipt of application monies, our Bank shall repay the application monies. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Depositories Act and other applicable laws

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Release of Funds to our Bank

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Bank. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other instructions

Permanent account number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR Number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to reject applications

Our Bank, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Bank, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "*Bid Process" – "Refund*".

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Bank and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with the Bank dated August 25, 2021 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis pursuant to Chapter VI of SEBI ICDR Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from the Bank and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with RoC and, no Equity Shares issued pursuant to the Issue will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may subscribe to Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "*Offshore Derivative Instruments*" on page 11.

The Equity Shares have not been registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an effective registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered or sold only (i) outside the United States to non-U.S. persons in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur and (ii) to certain U.S. "qualified institutional buyers" as defined in Rule 144A of the Securities Act.

The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank and/or its Subsidiaries and/or Joint Venture and/or Associate in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Bank and/or Subsidiaries and/or Joint Venture and/or Associate, for which they have received compensation and may in the future receive compensation.

Lock-up

Under the Placement Agreement, the Bank will not, for a period commencing the date hereof and ending 90 days from the Closing Date, without the prior written consent of the Book Running Lead Managers, directly or indirectly:

(a) issue, offer, lend, sell, pledge, 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 or dispose of any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares;

(c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe to or purchase Equity Shares or which carry the right to subscribe to or purchase Equity Shares in depository receipt facilities or enter into any such transactions (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise,

provided however that the foregoing restrictions shall not apply to: (i) the issuance of any Equity Shares; and (ii) any issue or offer of Equity Shares by the Bank, to the extent such issue or offer is: (a) required to be undertaken pursuant to Applicable Law; or (b) required to be undertaken pursuant to the instructions, orders or guidelines as may be issued by the Government of India or an undertaking of the Government of India or such other authority acting on its behalf, in each case with the requisite authority to issue such instructions, orders or guidelines, as the case may be.

The Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of this Placement Document or any Issue material and the offering, sale or delivery of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. No action has been taken or will be taken that would permit a public offering of the Equity Shares to be issued pursuant to the Issue to occur in any jurisdiction, except India, or the possession, circulation or distribution of this Placement Document or any other material relating to the Bank or the Equity Shares offered in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Bank or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Transfer Restrictions*" on page 284.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosuredocument under the Australian Corporations Act. This document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwisepursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian CorporationsAct.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Bank, or within 12 months after their sale by a selling security holder (or a Book Running Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. The Preliminary Placement Document and this Placement Document have been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and the Preliminary Placement Document and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Preliminary Placement Document and this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI company entirely outside of the British Virgin Islands.

Canada

The Equity Shares will not be qualified for sale under the securities laws of any province or territory of Canada. The Equity Shares may only be offered, sold or distributed, directly or indirectly, in or to or for the benefit of a resident of, the Provinces of British Columbia, Alberta, Ontario or Québec, which is purchasing, or deemed to be purchasing, as a principal that is: (i) an accredited investor, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI 45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and (ii) a permitted client, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and only through a dealer duly registered under the applicable securities laws of such provinces in circumstances where no exemption from the applicable registered dealer requirement is available. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

The Preliminary Placement Document and this Placement Document or any other offering material in connection with the offer of the Equity Shares has not been and will not be distributed or delivered in Canada other than to a resident of the Provinces of British Columbia, Alberta, Ontario or Québec in compliance with applicable securities laws. Prospective Canadian investors are advised that the information contained within the Preliminary Placement Document and this Placement Document in relation to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within the Preliminary Placement Document and this Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Preliminary Placement Document and this Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the parties to this offering, including the Issuer and the BRLMs, as the case may be, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Equity Shares.

Upon receipt of the Preliminary Placement Document and this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Shares described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de la document d'offre, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

The Preliminary Placement Document and this Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

People's Republic of China

The Preliminary Placement Document and this Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "PRC"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Relevant State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require us or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Book Running Lead Managers and the Bank that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Book Running Lead Managers have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "QII Equity Shares") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Preliminary Placement Document and this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of the Preliminary Placement Document and this Placement Document is subject to Malaysian laws. The Preliminary Placement Document and this Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

New Zealand

The Preliminary Placement Document and this Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). The Preliminary Placement Document and this Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting the Preliminary Placement Document and this Placement Document, each investor represents and warrants that if they receive the Preliminary Placement Document and this Placement Document in New Zealand they are a Habitual Investor and you will not disclose the Preliminary Placement Document and this Placement Document to any person who is not also a Habitual Investor.

Sultanate of Oman

The Preliminary Placement Document and this Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Preliminary Placement Document and this Placement Document will not take place inside Oman. The Preliminary Placement Document and this Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Preliminary Placement Document and this Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of the Preliminary Placement Document and this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

The Preliminary Placement Document and this Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

The Preliminary Placement Document and this Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Bank has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal

1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

The Preliminary Placement Document and this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Preliminary Placement Document and this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole businessof which is to hold investments and the entire share capital of which is owned by one or more individuals,each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and eachbeneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Africa

The Equity Shares may not be offered or sold and will not be offered or sold to the public (as such term is used in Chapter 4 of the Companies Act 71 of 2008 ("**SA Companies Act**")) in the Republic of South Africa save in the circumstances where it is lawful to do so without a registered prospectus being made available before the offer is made. This document does not constitute a registered prospectus for the purposes of and as defined in chapter 4 of the SA Companies Act, and has not been prepared in accordance with the provisions of the SA Companies Act applicable to the content of a prospectus.

This document is not to be distributed, delivered or passed on to any person resident in the Republic of South Africa, unless it is being made only to, or directed only at any person who does not fall within the definition of the public as contemplated in chapter 4 of the South African Companies Act or any other person to whom an offer of the Equity Shares in South Africa may lawfully be made (all such persons together being referred to as "permitted South African offerees"). This document must not be acted on or relied on by persons who are not permitted South African offerees. If the recipient of this document is in any doubt about the investment to which this document relates, the recipient should obtain independent professional advice.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. The Preliminary Placement Document and this Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or the Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotio**n") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural person "Qualified Investors" (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

In relation to its use in the UAE, the Preliminary Placement Document and this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorised financial adviser.

Dubai International Financial Centre

The Preliminary Placement Document and this Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. The Preliminary Placement Document and this Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved the Preliminary Placement Document and this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for t the Preliminary Placement Document and this Placement Document. The securities to which the Preliminary Placement Document and this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Preliminary Placement Document and this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, the Preliminary Placement Document and this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Notice to Prospective Investors in the document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act 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 state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Transfer Restrictions*" on page 284.

Other Jurisdictions

The distribution of the Preliminary Placement Document and this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession the Preliminary Placement Document and this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 275.

Purchaser Representations and Transfer Restrictions for Purchasers within the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States pursuant to Section 4(a)(2) of the U.S. Securities Act, in reliance upon Rule 144A or another available exemption from the registration requirements of the Securities Act, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Placement Agent as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A) (a "U.S. QIB", (B) are aware that the sale of the Equity Shares to you is being made pursuant to Section 4(a)(2) or another available exemption from the registration requirements of the Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a U.S. QIB.
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance upon Regulation S, as applicable, (iii) pursuant to and in accordance with Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made.
- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts.
- The Equity Shares offered and sold in the United States as part of the Issue are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares.
- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.
- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Bank, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Bank, the Issue or the Equity Shares, other than (in the case of our Bank only) the information contained in this Placement Document, as it may be supplemented.
- You are a sophisticated investor and possess such knowledge and experience in financial, business and

investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Bank or any of the Placement Agent or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.
- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Bank's request.
- You have been provided access to this Placement Document which you have read in its entirety.
- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above stated restrictions will not be recognized by us.

Purchaser Representations and Transfer Restrictions for Purchasers outside the United States

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Placement Agent and their respective affiliates shall have any responsibility in this regard.
- You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to and in accordance with Rule 144 under the Securities Act

(if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.
- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Bank, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Bank, the Issue or the Equity Shares, other than (in the case of our Bank) the information contained in this Placement Document, as may be supplemented.
- You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Bank or the Book Running Lead Managers or any of their affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SECC Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to an amendment to SCRR in June 2010 and Regulation 38 of SEBI Listing Regulations, all listed companies are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Further, pursuant to Securities Contracts (Regulation) (Second Amendment) Rules, 2021 the Central Government may, in the public interest, exempt any listed public sector company from compliance with the minimum public shareholding requirement in accordance with Regulation 19A of the SCRR. Also, pursuant to the budget 2019-2020, SEBI has been authorised to consider increase in minimum public shareholding to 35%.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005, BSE was incorporated as a company under the Companies Act, 1956 in 2005. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("UPSI").

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, *inter alia,* impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below are some of the relevant regulations applicable and with respect to the Equity Shares of our Bank. Our Bank was constituted as a "corresponding new bank" in 1969 under the provisions of our Banking Companies Act. The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 was made by S.O. 3793 dated November 16, 1970 by the Central Government in consultation with the Reserve Bank of India in exercise of the powers conferred by section 9 of the Banking Companies Act. The Banking Companies Act amended section 34A, 35AA, 35AB, 36AD and section 51 of the Banking Regulation Act, 1949 and made these sections applicable to corresponding new banks constituted under the Banking Companies Act. Our Bank follows the RBI Dividend Circular in relation to declaration of dividends.

General

The authorized share capital of our Bank is ₹ 60,000 million consisting 6,000 million equity shares of ₹ 10 each.

As on the date of the Preliminary Placement Document, the issued, subscribed and paid-up share capital of our Bank is ₹ 36,980.94 million divided into 3,69,80,94,204 Equity Shares. The Equity Shares are listed on NSE and BSE.

Capital

The shares of our Bank are movable property, transferable in the manner provided under the Bank of India Regulations. Our Bank is permitted to raise capital by public issue or preferential allotment or private placement of equity shares or preference shares in accordance with provisions of the Banking Companies Act. Our Bank is required to formulate a proposal to raise capital in accordance with the guidelines, rules or regulations of the SEBI, relating to raising of such capital. In accordance with the Bank of India Regulations, our Bank is required to submit the proposal to the RBI and consider the views of the RBI before finalizing the proposal. Further, the final proposal is required to be submitted to the Government for its sanction and the Government may grant sanction subject to such terms and conditions as it may deem fit.

Register of Shareholders

Our Bank is required to keep, maintain and update share register of its shareholders, the particulars required to be entered in the share register shall be maintained in the form of data stored in magnetic/optical/magneto-optical media by way of diskettes, floppies, cartridges or otherwise (hereinafter referred to as the "media") in computers to be maintained at the Head Office and the back up at such location as may be decided from time to time by the Chairman and Managing Director or any other official not below the rank of a General Manager designated in this behalf by the Chairman and Managing Director. The register of the beneficial owners is maintained by a depository under Section 11 of the Depositories Act, 1996 and will be deemed to be the register for, such shareholders. Our Bank is required to maintain the register in electronic format subject to safeguards stipulated in the Information Technology Act, 2000, as amended.

Any share which stands in the names of two or more persons, the person first named in the register will, as regards voting, receipt of dividends, service of notices and all or any other matters connected with our Bank except the transfer of shares, be deemed to be the sole holder thereof. After ensuring compliance of the applicable law, and after giving not less than seven days previous notice by advertisement in at least two newspapers circulating in India, our Bank can close the register of shareholders for any period or periods not exceeding in the aggregate 45 days in each year, but not exceeding 30 days at any one time as may in the option, be necessary.

Share Certificate

Each share certificate in respect of shares of the Bank is required to bear share certificate number, a distinctive number, the number of shares in respect of which it is issued and the name of the shareholder to whom it is issued should be in such form as may be specified by the Board. Every share certificate should be issued under the common seal of the Bank in pursuance of a resolution of the Board and it should be signed by two directors and some other officer not below the rank of scale II or the company secretary authorised by the Bank. The signature of the authorised persons may be printed, engraved, lithographed or impressed by such other mechanical process as the Board may direct. No share certificate is valid unless and until it is so signed. Share certificate so signed will be valid and binding notwithstanding that, before the issue thereof, any person whose signature appears thereon may have ceased to be a person authorised to sign share certificates on the behalf of the Bank. The shares are also held in demat form.

Issue of Share Certificates

Under the provisions of the Bank of India Regulations, a shareholder who has been registered as a shareholder shall be entitled to one certificate for each hundred shares or multiples thereof registered in his name on any one occasion and one additional share certificate for the number of shares in excess thereof but less than hundred. Further, if the number of shares to be registered is less than hundred, one certificate shall be issued for all the shares. Further, in the case of shares held jointly by several persons, delivery of such certificate to one of several joint holders shall be sufficient delivery to all such holders. Further, if any share certificate is worn out or defaced, the Board or committee designated by it on production of such certificate may order the same to be cancelled and have new certificate issued in lieu thereof. Further, if any share certificate is alleged to be lost or destroyed, the Board or the committee designated by it on such indemnity with or without surety as the Board or the committee think fit, and on publication in two newspapers and on payment to our Bank of its costs, charges expenses a duplicate in lieu thereof may be given to the person entitled to such lost or destroyed certificate.

Consolidation and sub-division of shares

Under the provisions of the Bank of India Regulations, on a written application made by the shareholder(s), the Board or the committee designated by it may consolidate or sub-divide the shares submitted to it for consolidation/sub-division as the case may be and issue a new certificate(s) in lieu thereof on payment to our Bank or its costs, charges and expenses of and incidental to the matter.

Transfer of Shares

Upon receipt by the Bank of an instrument of transfer along with a share certificate with a request to register the transfer, the Board or the Committee designated by the Board shall forward the said instrument of transfer along with share certificate to the Registrar or Share Transfer Agent for the purposes of verification that the technical requirements are complied within their entirety. The Registrar or Share Transfer Agent shall return the instrument of transfer along with the share certificate, if any, to the transferee for resubmission unless the instrument of transfer is presented to the bank, duly stamped and properly executed for registration and is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may require to show the title of the transferor to make such transfer.

Transmission of shares in the event of death, insolvency, etc.

- The executors or administrators of a deceased shareholder in respect of a share, or the holder of letter of probate or letters of administration with or without the will annexed or a succession certificate issued under Part X of the Indian Succession Act, 1925, or the holder of any legal representation or a person in whose favour a valid, instrument of transfer was executed by the deceased sole holder during the latter's lifetime shall be the only person who may be recognised by our Bank as having any title to such share.

- In the case of shares registered in the name of two or more Shareholders, the survivor or survivors and on the death of the last survivor, his executors or administrators or any person who is the holder of letters of probate or letters of administration with or without will annexed or a succession certificate or any other legal representation in respect of such survivor's interest in the share or a person in whose favour a valid instrument of transfer of share was executed by such person and such last survivor during the latter's lifetime, shall be the only person who may be recognised by our Bank as having any title to such share.

- Our Bank shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or succession certificate, as the case may be, from a court of competent jurisdiction.

- Any such person becoming entitled to share/s in consequence of death of a shareholder and any person becoming entitled to share/s in consequence of the insolvency, bankruptcy or liquidation of a shareholder shall upon production of such evidence, as the Board may require, have the right: (a) to be registered as shareholder in respect of such share/s; (b) to make such transfer of share/s as the person from whom the derives title could have made.

Forfeiture of shares

The notice of forfeiture shall name a day not being less than fourteen days from the date of notice and the place or places on and at which such call or instalment or such part or other monies and such interest and expenses are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

Call on shares

The Board may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all monies remaining unpaid on the shares held by them, which are by the conditions of allotment not made payable at fixed times, and each shareholder shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be payable by the installments.

Further, a call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be made payable by the shareholders on the register on such date or at the discretion of the Board on such subsequent date as may be fixed by the Board. A notice of not less than thirty days of every call must be given specifying the time of payment provided that before the time for payment of such call our Board may by notice in writing to the shareholders revoke the same. Further, our Board may, from time to time and at its discretion, extend the time fixed for the payment of any call to all or any of the shareholders having regard to distance of their residence or some other sufficient cause, but no shareholder shall be entitled to such extension as a matter of right.

Meeting of Shareholders

There are two types of general meetings of shareholders: annual general meetings and extra ordinary general meetings. For convening an annual general meeting, a notice signed by the chairman and the managing director or the executive director or any officer not the below scale VII or the company secretary of the Bank, should be published at least 21 (twenty-one) clear days before the meeting in not less than two daily newspapers having wide circulation in India. Every such notice is required to state the time, date and place of such meeting, and also the business that should be transacted at that meeting.

An extraordinary general meeting of shareholders can be convened by the chairman and managing director or in their absence by the Executive Director or in their absence by any one of the other Directors, if so directed by the Board, or on a requisition for such a meeting having been received either from the Government or from other shareholders holding an aggregate of shares carrying not less than 10.00% of the total voting rights of all the shareholders. The requisition should state the purpose for which such extraordinary general meeting is required to be convened. The time, date and place of an extraordinary general meeting shall be decided by the Board, provided that an extraordinary general meeting convened on requisition by other shareholders will be convened not later than forty five days of the receipt of the requisition.

No business can be transacted at any meeting of the shareholders unless a quorum of at least five shareholders entitled to vote at such meeting in person are present at the commencement of such business. If within half an hour from the time appointed for holding the meeting, a quorum is not present, in the case of a meeting called by a requisition of shareholders other than the Central Government, the meeting shall stand dissolved. In any other case, if a quorum is not present within half an hour from the time of meeting was scheduled to be conducted, the meeting shall stand adjourned to the same day in the next week, at the same time and the place or to such other day and such other time and place as the chairman may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the shareholders who are present in person or by proxy or by duly authorized representative at such adjourned meeting shall be quorum and may transact the business for which the meeting was called.

Voting rights of shareholders

At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded be decided on a show of hands. Every matter submitted to a general meeting shall be decided by a majority of votes. Unless a poll is demanded, a declaration by the Chairman of the meeting that a resolution on show of hands has or has, not been carried, either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of, or against, such resolution. The decision of the chairmen of the meeting as to the qualification of any person to vote, and also in the case of poll, as to the number of votes any person is competent to exercise shall be final.

No person is permitted to attend or vote at any meeting of the shareholders of our Bank as the duly authorised representative of a company unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the Chairman of the meeting at which it was passed has been deposited at the head office of our Bank not less loan four days before the date fixed for the meeting. Also, no instrument of proxy is considered valid unless, in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the register or his attorney duly authorised in writing or in the case of the body corporate signed, by its officer or an attorney duly authorised in writing.

Right to elect Directors

A director, under Regulation 63 of the Bank of India Regulations, is to be elected by the shareholders on the register, other than the Government, from amongst themselves in a general meeting of our Bank. Where an election of a director is to be held at any general meeting, the notice thereof should be included in the notice convening the meeting. Every such notice should specify the number of directors to be elected and the particulars of vacancies in respect of which the election is to be held.

Declaration of Dividend

As per the RBI Dividend Circular, our Bank can declare dividends only if our Bank has a (i) CRAR of at least 9.00% for the preceding two completed years and the accounting year for which it proposes to declare a dividend; and (ii) net NPA less than 7.00%. In case our Bank does not meet the said CRAR norm, but has a CRAR of at least 9.00% for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its net NPA ratio is less than 5.00%.

As per the letter dated April 13, 2010, the MoF has directed all public sector banks, including our Bank, to pay a minimum of 20.00% of their equity or 20.00% of their post-tax profits, whichever is higher for the fiscal year 2010.

Our Bank is required to comply with certain provisions of the Banking Regulation Act including Section 15; Section 10(7) of the Banking Companies Act and the prevailing regulations / guidelines issued by the RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to statutory reserves. See, "*Dividend Policy*" on page 106. The proposed dividend should be paid out of the current year's profit. Also, the RBI should not have placed any explicit restrictions on our Bank for declaration of dividends. The rate of dividend shall be determined by the Board.

TAXATION

To,

A) The Board of Directors
Bank of India
Head Office
Star House, C-5, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051,
Maharashtra, India.
("**Bank**")

B) IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower,
World Trade Centre
Cuffe Parade, Mumbai – 400 005,
Maharashtra, India

C) ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra, India

D) JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025,
Maharashtra, India

E) IIFL Securities Limited
IIFL Centre Kamala City,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013,
Maharashtra, India.

F) ITI Capital Limited
ITI House 36,
Dr. R. K. Shirodkar Marg,
Parel, Mumbai City 400 012
Maharashtra, India

G) Systematix Corporate Services Limited
The Capital, A Wing,
6th floor no. 603-606, Plot no. C-70,
G Block, Bandra Kurla Complex,
Bandra (E) Mumbai- 400 051,
Maharashtra, India.

H) BOI Merchant Bankers Limited
"G" Block, C/5 Bank of India Star House,
Bandra Kurla Complex Bandra (East),
Mumbai – 400051,
Maharashtra, India.

(B to H together appointed for the issue, collectively referred to as the "**Book Running Lead Managers" or BRLMs**")

Dear Sirs,

Re.: **Certificate on Tax Benefits**

Sub: **Proposed Qualified Institutions Placement of equity shares of face value of ₹ 10 each (the "Equity Shares") of the Bank under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") (the proposed qualified institutions placement to be referred to as the "Issue").**

1) We, M/s Chaturvedi & Co, Chartered Accountants (Firm Registration No.302137E), M/s V Sankar Aiyar & Co., Chartered Accountants (Firm Registration No.-109208W) and M/s Laxmi Tripti & Associates, Chartered Accountants (Firm Registration No.-009189C) (hereinafter collectively referred to as "**Statutory Auditors"**) of the Bank, hereby report the possible tax benefits available to the Bank and the shareholders of the Bank, under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications), as amended (the "**IT Act**") applicable for the financial year 2021-2022 relevant to the assessment year 2022-2023 and to the shareholders of the Bank under the IT Act, presently in force in India, in the enclosed statement at **Annexure A**. This certificate is issued in terms of our appointment letter issued by the Bank dated 28th July 2021 and arrangement letter dated 25th August, 2021.

Bank's Management Responsibility

2) The management of the Bank is responsible for ensuring that the Bank complies with the requirements of the SEBI ICDR Regulations and provides all relevant information to National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") (together, the "**Stock Exchanges**") as may be required under the applicable law.

3) The Bank's management is also responsible for reviewing the tax law and applicable regulations prevailing as on the date of this certificate, compute possible tax benefits available to the Bank and its shareholders under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) and under Indirect Tax laws as amended by the Finance Act, 2021. Several of these stated tax benefits/consequences are dependent on the Bank or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Bank or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

Auditors' Responsibility

4) It is our responsibility to provide a statement on possible tax benefits available to the Bank and its shareholders under direct and indirect tax laws as certified by the Bank's management.

5) We do not express any opinion or provide any assurance as to whether:
   (i) the Bank or 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; or
   (iii) the revenue authorities / courts will concur with the views expressed herein.

6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements".

7) We hereby report that our certificate is based on the understanding of the law and applicable regulations prevailing as on the date of this certificate. Any change or amendment in the law would necessitate a review of our certificate based on Bank's request. Unless specifically requested, we have no responsibility to carry out any review of our certificate for change in law occurring after the date of issue of the certificate.

Opinion

8) Based on our engagement procedure performed as mentioned above,:-

   a) We hereby enclosed **Annexure A**, on possible tax benefits which as per the Bank is available to the Bank as a whole and its shareholders under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, and notifications) and under Indirect Tax laws as amended. 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 Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

b) We also consent to the references to us as "**Experts**" to the extent of the certification provided hereunder and included in the Placement Documents of the Bank or in any other documents in connection with the Issue.

c) The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information and we consent its inclusion in the Preliminary Placement Document and Placement Document, as amended or supplemented thereto (together the "**Placement Documents**") to be filed by the Bank with the Stock Exchanges, the Securities and Exchange Board of India ("**SEBI**"), and any other authority and such other documents as may be prepared in connection with the Issue.

d) Nothing contained herein shall be construed to (i) limit our responsibility for or liability in respect of, the reports we have issued, covered by our consent and included in the Placement Documents or (ii) limit our liability with respect to the reports we have issued to any person which (a) cannot be lawfully limited or excluded under applicable laws or regulations or guidelines issued by applicable regulatory authorities or (b) has been assumed by us contractually in connection with the Issue; or (iii) limit our liability in respect of comfort letters provided to the BRLMs in connection with the Issue.

Restriction on use

9) The aforesaid information contained herein and in **Annexure A** can be relied upon by the BRLMs and Legal Counsels appointed pursuant to the Issue and can be submitted to the Stock Exchanges, Securities and Exchange Board of India, and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue. We undertake to immediately inform in writing to the BRLMs and Legal Counsels in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges comes to our notice by the Bank. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

10) Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

Signed by the Statutory Auditors of the Bank

For Chaturvedi & Co. **Chartered Accountants** **(FRN: 302137E)** **R.K. Nanda** **Partner** **M. No. 510574** **Place: Mumbai** **Dated: August 25, 2021** **UDIN:21510574AAAACY1325**	**For V Sankar Aiyar & Co.** **Chartered Accountants** **(FRN:109208W)** **S. Nagabushanam** **Partner** **M. No.107022** **Place: Mumbai** **Dated: August 25, 2021** **UDIN: 21107022AAAAAU1952**	**For Laxmi Tripti & Associates** **Chartered Accountants** **(FRN:009189C)** **Rajesh Kumar Gupta** **Partner** **M. No.077204** **Place: Mumbai** **Dated: August 25, 2021** **UDIN: 21077204AAAADV7195**

Annexure A

THE STATEMENT OF TAX BENEFITS AVAILABLE TO THE BANK AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below summarizes the possible direct tax benefits available to the Bank and its Shareholders and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares under the Income-tax Act, 1961 (hereinafter referred to as the "Act") presently in force in India. This statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Several of these benefits are dependent on the equity shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the equity shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Bank or its shareholders will continue to obtain these benefits in future. Shareholders are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

I. INCOME-TAX ACT, 1961 (the "Act")

A. TAX BENEFIT TO THE BANK:

1. **Applicable Income Tax Rate:** Currently, the Bank is subject to income-tax rate of 30% (plus 12% Surcharge and 4% Health & Education Cess) under the normal provisions of the Act. A new Section 115BAA was introduced in the Act vide the Taxation Laws (Amendment) Act, 2019 which provides for an option to domestic companies to opt for a reduced income-tax rate of 22% (plus 10% Surcharge and 4% Health & Education Cess) subject to the condition that they will not avail specified tax exemptions/ deductions or incentives under the Act. The Bank is eligible to exercise the option for concessional income-tax rate u/s. 115BAA of the Act. The Bank has evaluated the options available under section 115BAA of Tax Act and opted to continue to recognise the taxes on income for the FY 2019-20 and also for the FY 2020-21 as per the earlier provision of Income Tax Act.

   However, once the Bank opts for paying income-tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other year. It may be noted that the provisions relating to Minimum Alternate Tax (MAT) u/s. 115JB of the Act shall not be applicable to the Bank if it decides to exercise the option of paying income-tax as per Section 115BAA of the Act. The Taxation Laws (Amendment) Act, 2019 has reduced the rate of MAT on book profits u/s. 115JB of the Act to 15% w.e.f. FY 2019-20 as against the earlier rate of 18.50%. Accordingly, even if the MAT provisions continue to apply to the Bank on account of not exercising the option provided u/s. 115BAA of the Act, the reduced rate of MAT u/s. 115JB of the Act of 15% will be applicable to the Bank.

2. **Benefits available while computing Profits and Gains of Business or Profession:** The income of the Bank under the head Profit and gain of Business or Profession is computed in accordance with applicable provisions of the Act read with Income Computation and Disclosure Standards (ICDS) notified under Section 145(2) of the Act.

3. **As per Section 94(7) of the Act**, losses arising from the sale/ transfer/redemption of units or securities purchased within three months prior to the record date (for entitlement to receive income) and sold the securities within three months or sold the units within a period of nine month from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt. Under Section 94(8) of the Act, losses arising from sale/ transfer of units of mutual funds, where such units are purchased within three months prior to the record date, additional units are allotted without payment based on holdings on such date and all or any units initially purchased are sold within nine months from the record date while continuing to hold all or any additional units, will be ignored for computing chargeable income. Such loss ignored will be considered as the cost of acquisition of the additional units held on the date of sale/transfer.

4. **Section 36(1)(vii) of the Act– Allowance of bad debts written off:** Under Section 36(1)(vii)of the Act, any bad debt or part thereof written off as irrecoverable in the accounts of the Bank is allowable as a deduction, subject to the provisions of section 36(2)of the Act. The deduction of bad debts is limited to the amount, by which such bad debts or part thereof, exceeds the credit balance in the provision for bad and doubtful debts

account made under Section 36(1)(viia)of the Act. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 1 above. If the amount subsequently recovered on such debt or part thereof, written off is greater than the difference between the debt or the part of debt, so written off and the amount so allowed, the excess shall be deemed to be profit and gain of business or profession and accordingly chargeable to tax in accordance with Section 41(4) of the Act in the year in which it is recovered.

5. **Section 36(1)(viia) of the Act – Allowance of Provision for bad & doubtful:** Under Section 36(1)(viia)of the Act, a deduction is allowable in respect of any provision made for bad and doubtful debts, by an amount not exceeding 8.5% of total income (computed before making any deduction under this Clause and Chapter VIA) and an amount not exceeding 10% of the aggregate average advances made by rural branches of the Bank computed in the prescribed manner. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 1 above.

6. **Section 36(1)(viii) of the Act – Deduction in respect of Special Reserve:** In terms of Section 36(1) (viii) of the Act, the bank is allowed deduction in respect of any special reserve created and maintained by the Bank for an amount not exceeding 20% of the profits (before making any deduction under this clause) derived from the business of long term finance for industrial or agricultural development or development of infrastructure facility in India or development of housing in India. Further, if the aggregate amount carried to the Special Reserve account from time to time exceeds twice the paid-up capital and general reserves, no deduction shall be allowed on the excess amount under the Section. 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. The Bank shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para 1 above.

7. **Under Section 36(1)(xv)of the Act**, securities transaction tax paid by a taxpayer in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the Income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

8. **Section 43D of the Act – Interest on bad & doubtful debts:** Interest income on certain categories of bad and doubtful debts, as specified in Rule 6EA of the Income tax Rules, 1962, is chargeable to tax only in the year of receipt or credit to the Profit & Loss Account of the Bank whichever is earlier, in accordance with the provisions of Section 43D of the Act.

9. **As per provisions of Section 72 of the Act**, the Bank is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off.

10. **Under Section 74 of the Act**, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for up to eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for up to eight consecutive assessment years immediately succeeding the assessment year when the losses were first computed for claiming set-off against subsequent years' long-term capital gains.

B. STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE RESIDENT SHAREHOLDERS:

1. The gains/losses, arising from sale of shares will assume the character of Capital Gains or Business Income depending on the nature of holding in the hands of the shareholder and various other factors. Taxability of income on regular trading of securities will depend on facts and circumstances of each case.

Dividend:

2. Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders under section 10(34) of the Act. Such dividend income was also to be excluded while computing the MAT liability u/s 115JB of the Act where the recipient is a company.

From the FY 2020-21 onwards, the provisions relating to taxability of dividend are as under:

a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/ distributing / paying such dividends is no longer required to pay any DDT u/s 115O of the Act.

b) A deduction of expenses u/s 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.

c) Section 115BBDA of the Act, providing for taxation of dividend income of more than Rs 10 lakh for specified assessee, has been omitted w.e.f. FY 2020-21 (AY 2021-22).

d) The domestic company declaring/ distributing/ paying dividends shall be liable to withhold taxes at 10% on dividend income paid to resident shareholders (TDS at the rate of 7.50% for the period from May 14, 2020 to March 31, 2021 as per CBDT press release dated May 13, 2020) in terms of section 194 of the Act. The aggregate threshold of Rs 5,000/- in a financial year applies in case of dividend income payable to a resident individual shareholder.

3. If the resident shareholder is a domestic company and its gross total income in any tax year includes any income by way of dividends from any other domestic company (which includes the Bank) or foreign company or a business trust, it shall be allowed a deduction u/s 80 M of the Act in computation of its total income, of an amount equal to so much of the amount of income by way of dividends received from Domestic / foreign companies or business trust as does not exceed the amount of dividend distributed by it up to a date not exceeding one month prior to the due date of filing its return of income. This benefit would be available even if such resident shareholder being a domestic company opts for the benefit of lower rate of income-tax u/s. 115BAA of the Act.

Capital Gain:

4. Income arising from transfer of shares held for more than 12 months and subject to Securities Transaction Tax (STT) shall be considered as long-term capital assets. The shares which are not considered as long term capital assets shall be considered as short-term capital assets. The characterization of gains/ losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

5. Taxability u/s 112A: Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains exceeding Rs 1,00,000 arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre where the consideration for such transaction is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of STT:

a) Share acquisitions under taken prior to October 1, 2004
b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second provision to the Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of :-

a) Cost of acquisition ; and
b) Lower of :-

i. The fair market value of asset (As defined in Explanation to Section 55(2)(ac)of the Act; and
ii. The full value of consideration received or accruing as a result of transfer of the capital assets
For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognized stock exchange on January 31, 2018.

6. Under section 112 of the Act, long-term capital gains are subject to tax at a rate of 20% (plus applicable surcharge and cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities (other than units), the amount of such tax could be limited to 10% (plus applicable surcharge and cess), without indexation, at the option of the shareholder in cases where securities transaction tax is not levied.

A base year for indexation purposes is shifted from 1 April 1981 to 1 April 2001, cost of acquisition of shares acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

7. In case of an individual or Hindu Undivided Family (HUF), being a resident, where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the provision to Section 112A (1) of the Act or provision to Section 112(1) of the Act as the case may be.

8. Short-term capital gains arising on transfer of shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability of STT is not applicable to transaction undertaken on a recognized stock exchange located in International Financial Service Centre and where the consideration for such transactions is payable in foreign currency.

In case of an individual or HUF, being a resident, where the total taxable income as reduced by short term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the provision to Section 111A (1) of the Act.

9. The rate of surcharge on capital gains u/s 111A and u/s 112A of the Act arising on sale of equity shares for all taxpayers will not exceed 15% on the income-tax.

10. In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in Section 54F of the Act, long term capital gains arising on transfer of the shares shall be exempt from capital gains u/s 54F, if the net sale consideration is utilized within a period of one year before or two years after the date of transfer, for the purchase of a new residential house, or is utilized for construction of a residential house within three years. If the whole of the net sale consideration is not so utilized, the exemption shall be allowed on a pro rata basis.

11. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be se-off against short term capital gains as well as long term capital gains. Balance loss, if any shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other head for the same year.

12. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head "Profit and Gains from Business or Profession" and on which STT has been charged, such STT shall be a deductible expense from the business income as per the provisions of Section 36(1)(xv) of the Act.

<u>Income from other sources:</u>

13. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from

any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of recipient :

a) Where the shares are received without consideration, aggregate Fair Market Value (FMV) exceeds Rs 50,000/- the whole FMV
b) Where the shares are received for a consideration less than FMV but exceeding Rs 50,000/- the aggregate FMV in excess of the consideration paid Rule 11UA of the Income tax Rules, 1962 ("the Rules") provides for the method for determination of FMV of various properties

14. 14. In case of income arising to a shareholder on account of buyback of shares (listed or unlisted) by a Company will be exempt u/s 10(34A) of the Act if the company buying back the shares has paid additional income tax at the rate of 20% (plus applicable surcharge and cess) on distributed income u/s 115QA of the Act.

C. *STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE NON RESIDENT* SHAREHOLDERS INCLUDING FOREIGN PORTFOLIO INVESTORS ("FPI") / FOREIGN INSTITUTIONAL INVESTORS ("FII"):

1. Under the provisions of Section 90(2) of the Act a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ("DTAA") between India and the country of tax residence of the non-resident [as modified by the Multilateral convention to implement Tax treaty related measures to prevent Base Erosion and Profit Shifting (MLI)] or the provisions of the Act to the extent they are more beneficial to the non-resident.

2. Up to and including FY 2019-20, dividend income earned on shares of a domestic company (which includes the Bank) was exempt in the hands of shareholders u/s. 10(34) of the Act. From the FY 2020-21, the provisions relating to taxability of dividend are as under:

a) Dividend income from equity shares has been made taxable in the hands of shareholders at the applicable tax rates and the domestic company declaring/distributing/paying such dividends is no longer required to pay any DDT u/s. 115-O of the Act.
b) A deduction of expenses u/s. 57 of the Act shall be allowed against such dividend income only in respect of interest expense up to a maximum of 20% of such dividend.
c) The domestic company declaring/distributing/paying dividends shall be liable to withhold taxes at the rates in force on dividend income paid to non-resident shareholders. Thus, the non-resident shareholders are liable to tax on dividend income received from domestic company u/s. 115A of the Act at 20% of gross dividend income (plus applicable surcharge and cess) subject to the provisions of the relevant DTAA read with the MLI (wherever applicable).

3. Income arising from transfer of shares held for more than 12 months and subject to STT, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (CBDT) in a circular has clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

4. Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs.1,00,000) arising on transfer of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated October 1, 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

a) Share acquisitions undertaken prior to October 1, 2004
b) Share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to Section 48 of the Act shall not be applicable for computing long term capital gains taxable u/s. 112A of the Act. As per section 55(2)(ac) of the Act cost of acquisition of equity shares (referred in aforesaid Section 112A of the Act) acquired prior to February 1, 2018, shall be higher of –

a) Cost of acquisition of asset; and
b) Lower of –
(I) The fair market value of the asset [as defined in Explanation to Section 55(2)(ac)of the Act; and
(II) The full value of consideration received or accruing as a result of transfer of the capital asset.
For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on January 31, 2018.

5. The long-term capital gains arising to the shareholders from the transfer of equity shares held as investments, not covered under point 4 above shall be taxable as follows:

Where the equity shares are acquired in convertible foreign exchange, the same shall be taxable at the rate of 10% on the amount of capital gains computed as per point 6 below;

Where the equity shares are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to Section 48 of the Act or at the rate of 10% on the amount of capital gains computed without indexing the cost of acquisition, whichever is lower.

6. In accordance with, and subject to Section 48 of the Act read with Rule 115A of the Rules, capital gains arising on transfer of shares which are acquired in convertible foreign exchange and not covered under point 4 above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/ arising from every reinvestment thereafter.

7. Short-term capital gains arising on transfer of the shares will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of Section 111A of the Act if such transaction is chargeable to STT. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

8. The rate of surcharge on capital gains u/s. 111A and u/s. 112Aof the Act arising on sale of equity shares for all taxpayers and capital gains on securities u/s. 115AD(1)(b) of the Act for FIIs will not exceed 15% on the income tax.

9. As per Section 70 read with Section 74 of the Act short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long-term capital gains) arising during subsequent eight assessment years. As per Section 70 read with Section 74 of the Act of the Act long term capital loss arising during a year is allowed to be set- off only against long term capital gains.

   Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during Subsequent eight assessment years. As per Section 71 of the Act short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

10. Where the gains arising on the transfer of shares are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which STT has been charged, such STT shall be a deductible expense from business income as per the provisions of Section 36(1)(xv) of the Act.

11. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

(i) Where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs.50, 000/-, the whole FMV;
(ii) Where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, the aggregate FMV in excess of the consideration paid.
Rule 11UA of the Rules provides for the method for determination of the FMV of various properties.

12. As per Explanation 4 to Section 115JB(2), the provisions of Section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a Permanent Establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration u/s. 592 of the Companies Act 1956 or u/s. 380 of the Companies Act 2013.

13. In respect of foreign companies which are not exempt from MAT provisions as per point 12 above, capital gains (whether long term or short term) arising on transactions in securities will need to be adjusted / reduced (if such income is credited to Profit and Loss account and tax payable on such capital gains income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT u/s. 115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

14. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country of residence of the non-resident. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, the non-residents shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of their being a resident in any country outside India, is obtained by them from the government of that country or any specified territory. As per section 90(5) of the Act, the non-residents shall be required to provide such other document and information, as has been notified.

D. SPECIFIC PROVISIONS APPLICABLE TO FPIs AND FIIs:

1. As per Section 2(14) of the Act transfer of any shares/securities by FPIs/FIIs being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital Assets.

2. As per the amended provisions of Section 115AD of the Act:

   (i) Income by way of short term capital gains arising to a FPI/FII on transfer of shares shall be chargeable at a rate of 30% (plus applicable surcharge and cess) where such transactions are not subjected to STT and at the rate of 15% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognized stock exchange in India and is chargeable to STT;

   (ii) Income by way of long-term capital gains arising to a FPI/FII from transfer of long term capital asset referred to in Section 112A of the Act shall be liable to tax at the rate of 10% (plus applicable surcharge and cess) on such income exceeding Rs.1,00,000;

   (iii) Income by way of long term capital gains arising to a FPI/FII from the transfer of shares held in the Company (other than that taxable u/s.112A of the Act) shall be taxable at the rate of 10% (plus applicable surcharge and cess).

The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to Section 48 of the Act are not available to FPIs/FIIs.

3. As per Section 196D (2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares, payable to FIIs. Further, TDS on dividend shall be withheld at the rate of 20% u/s. 196D of the Act. The Finance Act 2021 has included a provision to deduct tax at the rate of 20% or at the rate prescribed in DTAA, whichever is lower.

E. SPECIFIC PROVISIONS APPLICABLE TO NON RESIDENT SHAREHOLDER BEING NON RESIDENT INDIANS (NRIs):

1. Besides the above benefits available to non-residents, NRIs have the option of being governed by the

provisions of Chapter XII-A of the Act which, inter alia, entitles them to the **following benefits** in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

a. Section 115E of the Act interallia provides that NRIs will be taxed at 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.

b. Section 115F of the Act provides that, subject to the conditions and to the extent specified therein, long term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in Section 10(4B) of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.

c. In accordance with the provisions of Section 115G of the Act, NRIs are not obliged to file a return of income u/s. 139(1) of the Act if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

d. In accordance with the provisions of Section 115H of the Act when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year u/s. 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

e. As per the provisions of Section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year u/s. 139 of the Act declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly, their total income for that assessment year will be computed in accordance with the other provisions of the Act.

F. SPECIFIC PROVISIONS APPLICABLE TO MUTUAL FUNDS:

Section 10(23D) of the Act provides that any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

As per Section 196 of the Act no tax is to be deducted from any income payable to a Mutual Fund specified u/s. 10(23D) of the Act.

G. SPECIFIC PROVISIONS APPLICABLE TO VENTURE CAPITAL COMPANIES/ FUNDS:

Section 10(23FB) of the Act provides that any income of Venture Capital Company or Venture Capital Fund, to whom the certificate of registration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before May 21, 2012 or has been granted a certificate of registration as Venture Capital Fund as a sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking (VCU) would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

H. SPECIFIC PROVISIONS APPLICABLE TO INVESTMENT FUNDS:

1. Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head 'profits and gains of business and profession', shall be exempt from tax u/s. 10(23FBA) of the

Act.

2. Section 115UB of the Act provides that the income chargeable under the head 'profits and gains of business and profession' shall be taxed in the hands of the Investment Fund depending on the legal status (i.e. a company, a limited liability partnership, body corporate or a Trust) of the Fund and at the rate or rates as specified in the Finance Act of the relevant year. However income (other than income chargeable under the head "Profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him. Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

3. As regards income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as Category III Alternate Investment Fund, and is regulated under SEBI (Alternative Investment Funds) Regulations, 2012 will be taxed in India depending on the legal status of the Fund. In case the Fund is set-up as a 'Trust', the principles of trust taxation should apply.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

No Special Tax benefits are available to the shareholders.

J. REQUIREMENT TO FURNISH PAN UNDER THE ACT:

1. Section 139A(5A) of the Act requires every person receiving any sum or income or amount from which tax is required to be deducted under Chapter XVII-B of the Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVII- B ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the I. T. Act; or
(ii) at the rate or rates in force; or
(iii) at the rate of 20%

Accordingly, in case the shareholders do not intimate PAN to the company (which includes the Bank) paying dividends, then TDS shall be deducted at 20% on the amount of dividend.

3. As per amended provisions of Rule 37BC, w.e.f. July 24, 2020, the higher rate u/s. 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect, of payment of dividend, if the non-resident deductee furnishes the prescribed details including, inter alia, Tax Residency Certificate (TRC) and Tax Identification Number (TIN) of the deductee in the country of his residence.

K. DEDUCTION OF TAX AT SOURCE FOR NON FILERS OF INCOME TAX RETURNS:

Section 206AB of the Act requires deduction of tax at higher of the following rates in respect of "specified person" as defined in the section:

i. at twice the rate specified in the relevant provision of the Act; or
ii. at twice the rate or rates in force; or
iii. at the rate of 5%

L. TAXATION LAW AMENDMENT BILL 2021

Taxation Law Amendment Bill 2021 has received the assent of the President of India on 13th August 2021. The said amendment bill provides that no tax demand shall be raised in future on the basis of the retrospective amendment for any indirect transfer of Indian assets if the transaction was undertaken before 28th May, 2012.

Notes:

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for AY 2022- 2023. Several of these benefits are dependent on the company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

4. This Statement is prepared on the basis of information available with the management of the Bank and there is no assurance that:

   (i) The Bank or its shareholders or material subsidiaries will continue to obtain these benefits in future;
   (ii) The conditions prescribed for availing the benefits have been/ would be met with; and
   (iii) The revenue authorities/courts will concur with the view expressed herein. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

   Our views are based on the existing provisions of the Act and its interpretation, which are subject to change from time to time. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do no assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement. This statement has been prepared solely in connection with the Issue under the Regulations as amended.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares that are U.S. Holders and that will hold the Equity Shares as capital assets. This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the shares of the Bank by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE EQUITY SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

Subject to the PFIC rules discussed below, distributions paid by the Bank out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid by the Bank with respect thereto, generally will be taxable to a U.S. Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. However, the Bank does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Bank with respect to Equity Shares will be reported as ordinary dividend income. Dividends paid by the Bank generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Bank qualifies for the benefits of the Treaty, and certain other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Bank if the Bank is treated as a PFIC in the taxable year in which the dividends are received or in the preceding taxable year. See "*Passive Foreign Investment Company Considerations*" below.

U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Bank.

Dividends paid in Indian rupee will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the Indian rupees are converted into U.S. dollars at that time. If dividends received in Indian rupee are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder generally will be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Indian income taxes withheld by the Bank. Dividends generally will constitute "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Indian withholding taxes.

Sale or Other Taxable Disposition

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Equity Shares that are not paid in U.S. dollars.

Any gain or loss generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any Indian withholding tax imposed on a sale or other taxable disposition of Equity Shares. Prospective purchasers should consult their tax advisers as to the availability of and limitations on any foreign tax credit attributable to this Indian withholding tax.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends and gains from non-dealer securities and transactions. However, under certain proposed U.S. Treasury regulations, gross income derived from the active conduct of certain banking activities is treated as non-passive income. In determining the value and composition of the Bank's assets, cash is generally considered to be held for the production of passive income and thus is considered a passive asset.

There is a significant risk that the Bank was a PFIC in its most recent taxable year even under the proposed U.S. Treasury regulations described above, and based on estimates of the Bank's income and assets and expectations of active banking activity, there is a significant risk that the Bank may be a PFIC for the current taxable year. Because the Bank's possible status as a PFIC must be determined annually and, as the composition of the Bank's income and assets will vary over time, there can be no assurance that the Bank will not be a PFIC for any year in which a U.S. Holder holds Equity Shares.

If the Bank is a PFIC in any year during which a U.S. Holder owns Equity Shares, the U.S. Holder will generally be subject to special rules (regardless of whether the Bank continues to be a PFIC) with respect to (i) any "excess distribution" (generally, any distribution during a taxable year in which distributions received by the U.S. Holder on the Equity Shares are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Equity Shares) and (ii) any gain realised on the sale or other taxable disposition of Equity Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Bank is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, dividends paid by the Bank will not be eligible for the special reduced rate of tax described above under "*Dividends*".

U.S. Holders can avoid the interest charge by making a mark to market election with respect to the Equity Shares, provided that the Equity Shares are "marketable". Equity Shares will be marketable if they are regularly traded on certain U.S. stock exchanges, or on a foreign stock exchange if: (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open, fair and orderly, market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange ensure active trading of listed stocks. For these purposes, the Equity Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as one of their principal purposes the meeting of this requirement will be disregarded. A U.S. Holder that makes a mark to market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Equity Shares at the close of the taxable year over the U.S. Holder's adjusted basis in the Equity Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the Equity Shares over the fair market value of the Equity Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. Gains from an actual sale or other taxable disposition of the Equity Shares will be treated as ordinary income, and any losses incurred on a sale or other taxable disposition of the Equity Shares will be treated as an ordinary loss to the extent of any net mark to market gains for prior years. Once made, the election cannot be revoked without the consent of the U.S. Internal Revenue Service ("**IRS**") unless the Equity Shares cease to be marketable.

To mitigate the application of the PFIC rules discussed above, in some cases a U.S. Holder may make a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, the Bank must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Bank currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Bank is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends on Equity Shares and proceeds from the sale or other taxable disposition of Equity Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the acquisition, ownership or disposition of Equity Shares, including requirements related to the holding of certain "specified foreign financial assets".

STATUTORY AUDITORS

Our Bank's financial statements are prepared in accordance with Indian GAAP under the guidelines issued by the ICAI, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The Bank's financial statements included in this Placement Document were audited, as the case may be, by a rotation of auditors appointed by RBI.

As on the date of this Placement Document, M/s. Chaturvedi & Co., Chartered Accountants, M/s. V Sankar Aiyar & Co., Chartered Accountants and M/s. Laxmi Tripti & Associates, Chartered Accountants are the statutory central auditors of our Bank (the "**Statutory Auditors**").

Our Statutory Auditors have performed a limited review of the unaudited standalone and consolidated financial results as at and for the three months ended June 30, 2021 in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India.

Our audited consolidated financial statements and standalone financial statements as at and for Fiscal 2021, included in this Placement Document were jointly audited by our Statutory Auditors.

Our audited consolidated financial statements and standalone financial statements as at and for Fiscal 2020, included in this Placement Document were jointly audited by M/s. Chaturvedi & Co., Chartered Accountants, M/s. Banshi Jain & Associates, Chartered Accountants and M/s. NBS & Co., Chartered Accountants.

Our audited consolidated financial statements and standalone financial statements as at and for Fiscal 2019, included in this Placement Document were jointly audited by M/s. Chaturvedi & Co., Chartered Accountants, M/s. Banshi Jain & Associates, Chartered Accountants and M/s. NBS & Co., Chartered Accountants.

LEGAL PROCEEDINGS

Our Bank and its Subsidiaries are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. Our Bank believes that the number of proceedings and disputes in which the Bank or its Subsidiaries are involved is not unusual for a bank of our size doing business in India and in international markets. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory and statutory proceedings, criminal complaints and other civil proceedings, pending before various adjudicating forums. Further, certain regulatory and statutory authorities such as the Reserve Bank of India, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against our Bank and its Subsidiaries, including those during routine inspections undertaken in the ordinary course of business.

*Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Bank's periodically published disclosure policies framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Policy of Materiality**").*

*Additionally, solely for the purpose of the Issue, our Bank has also disclosed in this section, to the extent applicable, (i) all outstanding criminal proceedings involving our Bank, its Directors and its Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank, its Directors and its Subsidiaries; (iii) any other outstanding civil litigation involving our Bank, its Directors and its Subsidiaries, where the amount involved in such proceeding is exceeding ₹ 9,670 million (being 2% of the consolidated total income of the Bank aggregating to ₹ 4,83,500 million for the financial year ended March 31, 2021) ("**Materiality Threshold**"); and (iv) any other outstanding litigation involving our Bank, its Directors and its Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of the Bank, as on the date of this Placement Document. Additionally, the outstanding direct and indirect taxes proceeding involving our Bank, its Subsidiaries and its Directors above the Materiality Threshold is disclosed. There are no penalties imposed by the banking ombudsman on our Bank, during the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019, and the three months period ended June 30, 2021.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank, its Directors and its Subsidiaries from third parties (excluding those notices issued by statutory/regulatory authorities) have not been disclosed in this Placement Document unless the above-mentioned entities have been impleaded as a defendant or respondent in a litigation proceeding before any judicial forum or arbitral tribunal. In the ordinary course of business, especially in relation to recovery of loans, the Bank initiates criminal proceedings under applicable laws, which have not been disclosed in this Placement Document separately unless the amount involved therein is more than the Materiality Threshold. A consolidated disclosure for dishonour of cheques (under Section 138 of the Negotiable Instruments Act, 1881), cases under the Banking Ombudsman Scheme and fraud reporting has been made in this Placement Document. In the ordinary course of business, our Bank is also involved in litigation instituted by its employees, including in relation to retrenchment, gratuity etc. and cases instituted by its customers before the designated banking ombudsman.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

1. Litigation against our Bank

A. Criminal case against the Bank

1. The State of Maharashtra ("**Petitioner**") has filed Regular Criminal Case 214/2017 against certain employees of our Bank and 29 other persons ("R**espondents**") before Civil Court Junior Division, Karad. Yashwant Ramchandra Patil has lodged a First Information Report ("**FIR**") 413/2016 against Respondents for opening loan account in his name by forging his signature and opened 273 loan accounts by preparing false documents. The case is pending as on the date of Placement Document.

2. A First Information Report 527/2020 dated November 2, 2020 was lodged by Satish Kumar Singh, director of Maa Gayatri Ice and Cold Storage Private Limited against our Bank's executives and officers ("**Accused**") under sections 420, 467, 468 and 471 of Indian Penal Code, 1860 alleging that fraudulent cheque transactions were done by a customer of Model Town Branch Amritsar Zone from his account maintained with Aligarh branch of our Bank. The FIR is pending as on the date of Placement Document.

3. A First Information Report 0060/2021 dated February 2, 2021 was lodged by Alisher Malik ("**Complainant**") against the branch officials of our Bank ("**Accused**") under sections 406 and 420 of Indian Penal Code, 1860 alleging that the Accused have defrauded the Complainant and are threatening him. The Complainant withdrew ₹ 0.06 million from Bank's ATM on October 7, 2020 but ₹ 0.08 million has been debited from his bank account. The Complainant lodged the claim for reversal of difference amount but same was not credited to his bank account with the reason "claim rejected." The FIR is pending as on the date of this Placement Document.

4. Nitin Tukaram Mane and Yogesh Tukaram Mane have filed Regular Criminal Case 25/2018 against the Bank and its employees and other ("**Respondents**") before Civil and Criminal Court, Panhala, praying for handover of possession of the goods and documents that were missing when the Respondents released the hypothecated goods and have alleged that Respondents have stolen their goods. The case is pending as on the date of this Placement Document.

5. A First Information Report 0603/2020 dated July 30, 2020 was lodged by Shreyash Shrikant Kulkarni against branch officials of our Bank under sections 34, 420, 464, 465, 466, 468 and 471 of Indian Penal Code, 1860 alleging that loans under the Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

6. A First Information Report 0613/2020 dated August 1, 2020 was lodged by Pravin Laxman Janjal against branch officials of our Bank under sections 34, 420, 464, 465, 466, 468 and 471 of Indian Penal Code, 1860 alleging that loans under the Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

7. A First Information Report 0617/2020 dated August 6, 2020 was lodged by Pravin Laxman Janjal against branch officials of our Bank under sections 34, 420, 464, 465, 466, 468 and 471 of Indian Penal Code, 1860 alleging that loans under the Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

8. A First Information Report 0252/2020 dated August 4, 2020 was lodged by Mahesh Kalamkar Bhingardive against branch officials of our Bank under sections 34, 408, 420 and 465 of Indian Penal Code, 1860 alleging that loans under the Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

9. A First Information Report 0319/2020 dated August 6, 2020 was lodged by Vishwas Babaso Yadav against branch officials of our Bank under sections 34 and 420 of Indian Penal Code, 1860 alleging that the loans under Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

10. A First Information Report 0255/2020 dated August 5, 2020 was lodged by Dilip Yashwant Yedake against branch officials of our Bank under sections 34 and 420 of Indian Penal Code, 1860 alleging that loans under Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

11. A First Information Report 0283/2020 dated August 15, 2020 was lodged by Pravin Laxman Janjal against branch officials of our Bank under sections 34, 420, 464, 465, 466, 468 and 471 of Indian Penal Code, 1860 alleging that loans under Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by

Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

12. A First Information Report 0147/2020 dated August 8, 2020 was lodged by Pravin Laxman Janjal against branch officials of our Bank under sections 34, 420, 464, 465, 466, 468 and 471 of Indian Penal Code, 1860 alleging that loans under Mahatma Jotirao Phule Shetkari Karjmukti Yojana, which was announced by Government of Maharashtra in December 2019 to support distressed and debt-ridden farmers in the state of Maharashtra, was fraudulently sanctioned by submission of fake 7/12 extracts and uploading of ineligible accounts in some of the branches of our Bank.

B. Outstanding action against the Bank by statutory or regulatory authorities

As on the date of this Placement Document, there are no outstanding proceedings against the Bank by statutory or regulatory authorities.

C. *Civil cases above the materiality threshold against the Bank*

As on the date of this Placement Document, there are no civil cases exceeding the Materiality Threshold that have been filed against the Bank.

D. Cases filed against the Bank under SARFAESI action taken by our Bank

As on June 30, 2021 certain borrowers whose accounts have been declared NPA have challenged our Bank's actions, under the SARFAESI Act for recovery of dues in 661 cases.

E. Banking Ombudsman Complaints

There are no penalties imposed by the banking ombudsman for Fiscals 2019, 2020, 2021 and for three months ended June 30, 2021.

F. Taxation cases above the materiality threshold involving the Bank

Direct Tax Cases

1. Our Bank ("**Appellant**") filed return of income declaring total income for the assessment year 2014- 2015 claiming deduction of amortized amount of lease premium. The Deputy Commissioner of Income Tax ("**DCIT**") vide its order dated March 29, 2016, disallowed the lease premium deduction claimed of ₹ 40.87 million and directed that the provisions of section 115JB of the Income Tax Act,1961 ("**Act**") are applicable on the Bank. Being aggrieved by the order dated March 29, 2016 passed by DCIT, the Appellant filed an appeal before the Commissioner of Income Tax- Appeals ("**CIT(A)**"). The CIT(A) vide it order dated June 21, 2017 upheld the order passed by DCIT. Further, being aggrieved by the order passed by CIT(A), the Appellant filed an appeal before the Income Tax Appellate Tribunal ("**ITAT**"). The ITAT vide its order dated February 28, 2019 upheld the order passed by CIT(A). Consequently, the Appellant has filed Income Tax Appeal (ITXAL) no. 1983 of 2019 ("**Appeal**") before High Court of Bombay ("**Court**") under Section 260A of the Act against the order dated February 28, 2019 passed by ITAT. The Appeal is pending before the Court as on the date of this Placement Document.

2. Our Bank ("**Appellant**") filed return of income declaring total income for the assessment year 2015- 2016. The Deputy Commissioner of Income Tax ("**DCIT**") vide its order dated March 28, 2018, directed that the provisions of section 115JB of the Income Tax Act, 1961 ("**Act**") are applicable on the Bank. Being aggrieved by the order passed by DCIT, the Appellant filed an appeal before the Commissioner of Income Tax- Appeals ("**CIT(A)**"). The CIT(A) vide it order dated January 31, 2019 allowed the appeal partially. Further, being aggrieved by the order passed by CIT(A), the Appellant filed an appeal before the Income Tax Appellate Tribunal ("**ITAT**"). The ITAT vide its order dated December 11, 2020 allowed the appeal partially. Thereafter, the Appellant has filed Income Tax Appeal (ITXAL) no. 10604 of 2019 ("**Appeal**") before High Court of Bombay ("**Court**") under Section 260A of Income Tax Act,1961 ("**Act**") against the order dated December 11, 2020 passed by ("**ITAT**") wherein ITAT held that (i) Appellant cannot claim double taxation relief of ₹ 14,083.28 million by way of exclusion of profits of its branches located in UK, France, Belgium, Kenya, Japan, USA, Singapore, China and South Africa; (ii) provisions of 115JB of the

Act are applicable on the Appellant and (iii) Appellant was not eligible to claim a deduction for ₹ 40.87 million as proportionate part of the amount paid by it as "lease premium". The Appeal is pending before the Court as on the date of this Placement Document.

3. Our Bank has filed an appeal before Commissioner of Income Tax ("**CIT-A**") under Section 246A of Income Tax Act, 1961 ("**Act**") against the order dated March 14, 2019 passed by Assistant Commissioner of Income Tax ("**ACIT**") for assessment year 2016-17, wherein ACIT disallowed certain deductions claimed by the Bank amounting to ₹ 1,23,421.64 million and added back to income. Aggrieved by the order passed by ACIT, our Bank has filed an appeal before CIT-A. The appeal is pending before CIT-A as on the date of this Placement Document.

Indirect Tax Cases

As on the date of this Placement Document, there are no indirect tax cases that have been filed involving the Bank which exceed the Materiality Threshold.

2. Litigation by our Bank

A. *Criminal cases filed by our Bank*

i. Cases filed under Section 138 of Negotiable Instruments Act, 1881

A total of 147 legal proceedings filed by our Bank are pending as on date of this Placement Document, against accused persons under section 138 of the Negotiable Instruments Act, 1881 and the amount involved in such cases aggregate to a sum of ₹ 2681.90 million.

ii. *Fraud Complaints*

Our Bank has a Fraud Risk Management Cell ("**FRMC**") created under Inspection & Audit departments ("**IAD**") in each circle / zonal office of the Bank. The FRMC head at the circle / zonal offices submits the Fraud Monitoring Returns ("**FMR**") to the Fraud Risk Management Division, Head Office bank to when requisitioned. The FRMC head ensures compliance with regulatory guidelines on fraud classification and reporting. Thereafter, in terms of the guidelines issued by the RBI, our Bank files the complaint in fraud cases, with the respective authority assigned as per the following criteria set up:

AMOUNT INVOLVED IN THE FRAUD	AGENCY TO WHOM COMPLAINT SHOULD BE LODGED
Below ₹ 1.00 lac	Local Police Station
₹ 1 lac and above but below ₹ 3.00 crore	State CID / Economic Offences Wing of the State concerned
₹ 3.00 crore and above but below ₹ 50.00 crore	Central Bureau of Investigation
₹ 50.00 crore and above	Central Bureau of Investigation

Details of aggregate complaints made by our Bank on account of fraud in the Financial Years ended March 31, 2019, March 31, 2020, March 31, 2021 and three months period ended June 30, 2021 are tabulated below:

Period	Number of complaints	Amount involved *(₹ in million)*	Number of complaints above materiality threshold	Amount involved in complaints above the Materiality Threshold *(₹ in million)*
Financial year ended March 31, 2019	199	41,720.90	1	9,761.5
Financial year ended March 31, 2020	182	80,711.10	1	22,914.90
Financial year ended March 31, 2021	166	121,842.50	2	57,495.10
three months period ended June 30, 2021	33	29,702.80	0	0

Period	Number of complaints	Amount involved *(₹ in million)*	Number of complaints above materiality threshold	Amount involved in complaints above the Materiality Threshold *(₹ in million)*
TOTAL	**580**	**273,977.30**	**4**	**90,171.50**

There are a total of 580 cases filed by our Bank in relation to fraud matters before various police stations and the CBI, in accordance with the RBI circulars and guidelines on fraud classification and reporting in the financial years ended March 31, 2019, March 31, 2020, March 31, 2021 and three months period ended June 30, 2021. These cases are pending at various stages of adjudication.

iii. *Other criminal Matters*

As on the date of this Placement Document, there are no criminal cases by our Bank.

A. Debt Recovery Proceedings

As on June 30, 2021, our Bank is involved in 14,680 debt recovery proceedings with the aggregate amount involved being ₹ 6,41,570 million, of which there are 2 cases which meet the Materiality Threshold with the aggregate amount involved being to ₹ 19,939.50 million which are currently pending before the debt recovery tribunal, state high courts and the Supreme Court of India.

B. Insolvency Proceedings

As on June 30, 2021, our Bank is involved in 295 insolvency proceedings with the aggregate amount involved being ₹ 382,005.00 million, of which there are 5 cases which meet the Materiality Threshold with the aggregate amount involved being to ₹ 84,949.40 million which are currently pending before various benches of the National Company Law Tribunal / National Company Appellate Law Tribunal.

3. Litigation involving the Subsidiaries and Joint Venture

A. Criminal case involving the Subsidiaries and Joint Venture

As on the date of this Placement Document, there are no criminal cases involving the Subsidiaries and Joint Venture.

B. Civil cases above the materiality threshold involving the Subsidiaries and Joint Venture

As on the date of this Placement Document, there are no civil cases exceeding the Materiality Threshold involving the Subsidiaries and Joint Venture.

C. Taxation cases above the materiality threshold involving the Subsidiaries and Joint Venture

As on the date of this Placement Document, there are no tax matters exceeding the Materiality Threshold involving the Subsidiaries and Joint Venture.

D. *Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against the Subsidiaries and Joint Venture*

As on the date of this Placement Document, there are no regulatory actions involving the Subsidiaries and Joint Venture.

4. Litigation Involving our Directors

A. Criminal cases involving our Directors

As on the date of this Placement Document, there are no criminal cases involving any our Directors.

B. Civil cases involving our Directors

As on the date of this Placement Document, there are no civil cases above the Materiality Threshold, involving any our Directors.

C. Material Tax Proceedings involving our Directors

As on the date of this Placement Document, there are no tax proceedings above the Materiality Threshold, involving any of our Directors.

D. Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Directors

As on the date of this Placement Document, there are no regulatory actions against our Directors.

GENERAL INFORMATION

1. Our Bank was incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as *"*Bank of India Limited*"*. Subsequently, in 1969, our Bank was nationalized under The Banking Companies (Acquisition and Transfer of Undertakings) Ordinance dated July 19, 1969 and was renamed as "Bank of India".

2. The head office of our Bank is located at Star House C - 5, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

3. The Equity Shares are listed on the BSE and NSE.

4. The Issue has been authorised and approved by the Board, through its resolution dated April 30, 2021 and our Shareholders through a special resolution passed at the AGM held on July 20, 2021.

5. Our Bank has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from both BSE and NSE on August 25, 2021. We will apply for final listing and trading approvals of the Equity Shares on the Stock Exchanges.

6. Our Bank has also obtained the necessary consents, approvals and authorisations required in connection with the Issue, including the recommendation from RBI dated March 26, 2021 and approval from the Ministry of Finance, GoI dated April 26, 2021.

7. As on the date of this Placement Document, M/s. Chaturvedi & Co., Chartered Accountants, M/s. V Sankar Aiyar & Co., Chartered Accountants and M/s. Laxmi Tripti & Associates, Chartered Accountants are the statutory auditors of our Bank.

8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.

9. The Floor Price for the Equity Shares under the Issue is ₹ 66.19 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Bank has offered a discount of 4.99% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.

10. Our Bank and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL STATEMENTS

Financial Statement
Reviewed Financial Results
Audited Standalone Financial Statements of Bank of India for the year ended March 31, 2021
Audited Consolidated Financial Statements of Bank of India for the year ended March 31, 2021
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Chaturvedi & Co.	V Sankar Aiyar & Co.	Laxmi Tripti & Associates
Chartered Accountants Park Centre, 24, Park Street, Kolkata – 700 016	Chartered Accountants 2-C Court Chambers, 35, New Marine Lines, Mumbai, Maharashtra-400020	Chartered accountants 2/9, Shireen complex, BDA Colony, KOH-E-FIZA, Bhopal-462001

Independent Auditors' Review Report on Unaudited Standalone Financial Results for the Quarter ended 30th June, 2021 of Bank of India pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended)

To
The Board of Directors,
Bank of India,
Mumbai

1. We have reviewed the accompanying statement of unaudited Standalone Financial Results of **Bank of India ("The Bank")** for the quarter ended June 30, 2021 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended ("Listing Regulations"). The Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review. The disclosures relating to Pillar 3 disclosure as at June 30,2021 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations has been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed by The Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standards on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to making inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. These unaudited Standalone Financial Results incorporate the relevant returns of 20 domestic branches and Treasury branch reviewed by us, 21 foreign branches reviewed by other auditors specially appointed for this purpose and un-reviewed returns in respect of 5062 domestic branches and 2 foreign branches. These review reports cover 53.00% of the advance's portfolio (excluding outstanding of asset recovery branches and food credit advance) of the Bank, 58.67% of non-performing asset of the Bank and the investment portfolio of the Treasury Branch of the Bank. Apart from these review reports, in the conduct of our review at Head Office/Controlling Offices, we have also relied upon various information and returns received from these un-reviewed branches / other offices of the Bank and generated through centralised data base at Bank's Head Office.

5. Based on our review conducted as above and subject to limitation in scope as mentioned in Paragraph 3 & 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results together with the notes thereon prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations,2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

6. We draw attention to the following:-

   Note No.8 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation and impact on its Domestic & International business operations on an on-going basis;

   Our conclusion is not modified in respect of this matter.

For Chaturvedi & Co. **Chartered Accountants** **(FRN: 302137E)** **R.K. Nanda** **Partner** **M. No. 510574** **UDIN:21510574AAAACP2523**	**For V Sankar Aiyar & Co.** **Chartered Accountants** **(FRN:109208W)** S Nagabushanam **S. Nagabushanam** **Partner** **M. No.107022** **UDIN: 21107022AAAAAS4525**	**For Laxmi Tripti & Associates** **Chartered Accountants** **(FRN:009189C)** **Rajesh Gupta** **Partner** **M. No.077204** **UDIN:21077204AAAABQ3541**

Place: Mumbai
Dated: August 03, 2021

BANK OF INDIA

BALANCE SHEET

AS AT 30th June, 2021

&

PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED 30th June, 2021

Bank of India

BALANCE SHEET AS AT 30th JUNE 2021

(000's Omitted)

		Schedule No	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
I.	**CAPITAL AND LIABILITIES**				
	Capital	1	36,988,333	32,776,625	32,776,625
	Reserves & Surplus	2	458,445,080	414,225,542	424,079,259
	Share Application Money, pending allotment		0	-	30,000,000.00
	Deposits	3	6,233,854,504	5,952,350,799	6,271,135,601
	Borrowings	4	300,218,715	257,480,502	324,641,055
	Other Liabilities and Provisions	5	175,512,747	156,588,837	175,931,916
	TOTAL		7,205,019,379	6,813,422,305	7,258,564,456
II.	**ASSETS**				
	Cash and balances with Reserve Bank of India	6	447,674,308	384,204,773	606,975,678
	Balances with Banks and money at call and short notice	7	762,884,180	683,819,411	658,831,007
	Investments	8	1,872,460,065	1,624,638,623	1,872,528,456
	Advances	9	3,706,072,581	3,706,145,578	3,656,865,239
	Fixed Assets	10	88,972,071	89,252,159	89,141,309
	Other Assets	11	326,956,174	325,361,761	374,222,767
	TOTAL		7,205,019,379	6,813,422,305	7,258,564,456
	Contingent Liabilities	12	4,393,619,612	3,365,581,157	4,536,348,516
	Bills for Collection		261,747,217	242,636,715	249,069,223
			0.00		

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form `A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

Place: Mumbai
Date : August 03, 2021

बैंक ऑफ इंडिया
BANK OF INDIA
H.O.
प्र.का.
वित्त विभाग
FINANCE DEPT.

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 30th JUNE, 2021

(000's Omitted)

		Schedule No.	For the quarter ended 30-06-2021 ₹	For the quarter ended 30-06-2020 ₹	For the Year ended 31-03-2021 ₹
I.	**INCOME**				
	Interest earned	13	93,213,095	102,342,380	405,994,385
	Other income	14	23,768,235	17,072,771	74,414,891
	TOTAL		116,981,330	119,415,151	480,409,276
II.	**EXPENDITURE**				
	Interest expended	15	61,767,043	67,530,971	263,296,031
	Operating expenses	16	27,152,162	23,438,950	108,391,063
	Provisions and Contingencies		20,862,158	20,009,197	87,119,195
	TOTAL		109,781,363	110,979,118	458,806,289
III.	**PROFIT**				
	Net Profit/(Loss) for the period		7,199,967	8,436,033	21,602,987
	Less: Extra ordinary Item		-		-
	Add: Profit brought forward		-	(237,823,882)	(237,823,882)
	TOTAL		7,199,967	(229,387,849)	(216,220,895)
	Earnings Per Share (Basic and Diluted)		2.14	2.57	6.59

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen Chief Financial Officer	Monika Kalia Executive Director	M. Karthikeyan Executive Director	Swarup Dasgupta Executive Director	P R Rajagopal Executive Director	A.K.Das Managing Director & CEO

Place: Mumbai
Date : August 03, 2021

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 1 : CAPITAL			
AUTHORISED			
600,00,00,000 (Previous year ended 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000	60,000,000
ISSUED AND SUBSCRIBED			
Equity Shares 369,92,71,304 (Previous year ended 327,81,00,450) of ₹10 each	36,992,713	32,781,104	32,781,004
TOTAL	36,992,713	32,781,104	32,781,004
PAID-UP CAPITAL			
369,80,94,204 Equity Shares (Previous year ended 327,69,23,350) of ₹10 each	36,980,942	32,769,234	32,769,234
Add: Amount of shares forfeited	7,391	7,391	7,391
TOTAL *	36,988,333	32,776,625	32,776,625

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 291,96,90,866) of ₹10 each fully paid up amounting to ₹3340.86 crore (Previous year ended ₹2919.69 crore) is held by Central Government;

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 2 : RESERVES & SURPLUS			
I. Statutory Reserve :			
Opening Balance	76,278,842	70,868,842	70,868,842
Additions during the period	-	-	5,410,000
TOTAL (I)	76,278,842	70,868,842	76,278,842
II. Capital Reserves :			
A) Revaluation Reserve :			
Opening Balance	62,517,920	63,223,557	63,223,557
Add: Addition during the period on Revaluation of Premises	0	0	0
Less: Adjustments during the period	(95,031)	(10,565)	4,613
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	171,036	188,260	701,024
Total of (A)	62,441,915	63,045,862	62,517,920
B) Others			
i) Profit on sale of Investments - "Held to Maturity"			
Opening Balance	30,518,144	25,563,168	25,563,168
Additions during the period		-	4,954,976
Sub-total of (i)	30,518,144	25,563,168	30,518,144
ii) Foreign Currency Translation Reserve			
Opening Balance	20,485,971	23,390,751	23,390,751
Add/ (Less) : Additions / adjustments during the period (Net)	1,282,532	392,405	-2,904,780
Sub-total of (ii)	21,768,503	23,783,156	20,485,971
Total of (B)	52,286,647	49,346,324	51,004,115
TOTAL (II)	114,728,562	112,392,186	113,522,035
III. Share Premium :			
Opening Balance	115,493,848	353,317,730	353,317,730
Add : Additions/(Utilization) during the period	25,788,292	0	-237,823,882
TOTAL (III)	141,282,140	353,317,730	115,493,848

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)			
IV. Revenue and Other Reserves :			
i) Revenue Reserve :			
Opening Balance	85,846,523	85,146,374	85,146,374
Add: Additions during the period	171,035	188,259	700,149
Deductions during the period	-	0	-
Sub-total of IV(i)	86,017,558	85,334,633	85,846,523
ii) Investment Reserve :			
Opening Balance	-	-	-
Add: Transfer from Profit & Loss Appropriations	-	-	-
Less:Transfer to Profit & Loss Appropriations	-	-	-
Sub-total of IV(ii)	-	-	-
iii) Investment Fluctuation Reserve :			
Opening Balance	6.738.011	-	-
Add: Transfer from Profit & Loss Appropriations	-	-	6,738,011
Less:Transfer to Profit & Loss Appropriations	-	-	-
Sub-total of IV(iii)	6,738,011	-	6,738,011
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961			
Opening Balance	26,200,000	21,700,000	21,700,000
Additions during the period	-	-	4,500,000
Sub-total of IV(iv)	26,200,000	21,700,000	26,200,000
TOTAL (IV)	118,955,569	107,034,633	118,784,534
V. Balance in Profit and Loss Account :	7,199,967	(229,387,849)	-
TOTAL (I TO V)	458,445,080	414,225,542	424,079,259

SCHEDULE - 3 : DEPOSITS

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
A. I. Demand Deposits :			
i) From Banks	8,224,597	5,531,615	5,746,377
ii) From Others	397,284,150	314,730,042	320,088,663
TOTAL (I)	405,508,747	320,261,657	325,835,040
II. Savings Bank Deposits	2,014,334,802	1,803,746,173	1,975,015,678
III. Term Deposits :			
i) From Banks	371,554,162	427,195,931	438,216,135
ii) From Others	3,442,456,793	3,401,147,038	3,532,068,748
TOTAL (III)	3,814,010,955	3,828,342,969	3,970,284,883
TOTAL A(I, II, III)	6,233,854,504	5,952,350,799	6,271,135,601
B. i) Deposits of branches in India	5,523,029,567	5,175,769,217	5,511,351,725
ii) Deposits of branches outside India	710,824,937	776,581,582	759,783,876
TOTAL (B)	6,233,854,504	5,952,350,799	6,271,135,601

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

SCHEDULE - 4 : BORROWINGS	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
I. Borrowings in India :			
i) Reserve Bank of India	35,190,000	110,690,000	35,190,000
ii) Other Banks			
a. Tier I Capital	6,670,000	1,150,000	6,930,000
b. Tier II Capital	250,000	250,000	250,000
c. Others	0	-	139,300
Total (ii)	6,920,000	1,400,000	7,319,300
iii) Other Institutions and Agencies			
a. Tier I Capital	6,850,000	1,850,000	6,590,000
b. Tier II Capital	69,750,000	69,750,000	69,750,000
c. Others	180,776,529	30,691,608	203,022,679
Total (iii)	257,376,529	102,291,608	279,362,679
Total (I)	299,486,529	214,381,608	321,871,979
II. Borrowings outside India			
a. Tier I Capital		-	-
b. Upper Tier II Capital		-	-
c. Others	732,186	43,098,894	2,769,076
Total (II)	732,186	43,098,894	2,769,076
Total (I, II)	300,218,715	257,480,502	324,641,055
Secured borrowings included in above	-	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

I. Bills Payable	11,860,472	9,749,136	14,158,433
II. Inter-office adjustments (net)	4,131,883	-	-
III. Interest accrued	19,021,598	21,459,944	16,366,851
IV. Deferred Tax Liabilities	38,238	45,036	38,497
V. Others (including Provisions)*	140,460,556	125,334,721	145,368,135
TOTAL	175,512,747	156,588,837	175,931,916

* Includes provision for Standard Assets ₹ 3,58,74,918 (Previous Year ₹ 27,231,029)

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes and gold)	37,866,134	37,970,445	32,955,084
II. Balances with Reserve Bank of India :*			
i) In Current Account	409,808,174	346,234,328	574,020,594
ii) In Other Accounts	-	-	-
TOTAL (II)	409,808,174	346,234,328	574,020,594
TOTAL (I, II)	447,674,308	384,204,773	606,975,678

* Including balances with Central Banks outside India

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			
I. In India :			
i) Balances with Banks			
a) In Current Accounts	1,386,661	1,441,265	1,020,987
b) In Other Deposit Accounts	4,088,150	18,498,725	0
ii) Money at call and short notice			
a) With Banks	115,160	3,394,920	254,540
b) With Other Institutions	83,487,749	87,261,380	95,998,088
TOTAL (I)	89,077,720	110,596,290	97,273,615
II. Outside India :			
i) In Current Accounts	16,463,201	36,698,129	24,482,120
ii) In Other Deposit Accounts	598,368,542	427,875,661	477,779,920
iii) Money at call and short notice	58,974,717	108,649,331	59,295,352
TOTAL (II)	673,806,460	573,223,121	561,557,392
TOTAL (I, II)	762,884,180	683,819,411	658,831,007

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 8 : INVESTMENTS			
I. Investments in India :			
i) Government Securities	1,654,328,150	1,415,848,737	1,656,373,300
ii) Other approved Securities	-	-	-
iii) Shares	7,614,560	8,024,493	7,579,872
iv) Debentures and Bonds	121,042,717	105,931,458	126,463,086
v) Subsidiaries and Associates	5,497,440	5,025,284	5,497,440
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund etc.)	3,989,207	25,173,190	8,850,980
TOTAL (I)	1,792,472,074	1,560,003,162	1,804,764,678
Gross	1,836,312,909	1,595,930,027	1,849,325,429
Less: Depreciation and Amortisation	43,840,835	35,926,865	44,560,751
Net	1,792,472,074	1,560,003,162	1,804,764,678
II. Investments outside India :			
i) Government Securities (including local authorities)	44,416,279	38,679,850	41,080,665
ii) In Subsidiaries and/or joint ventures abroad	9,422,633	9,422,633	9,422,633
iii) Other Investments (Debentures, Bonds etc.)	26,149,079	16,532,978	17,260,480
TOTAL (II)	79,987,991	64,635,461	67,763,778
Gross	80,146,627	64,654,845	67,988,812
Less: Depreciation and Amortisation	158,636	19,384	225,034
Net	79,987,991	64,635,461	67,763,778
TOTAL (I, II)	1,872,460,065	1,624,638,623	1,872,528,456

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 9 : ADVANCES			
A. i) Bills Purchased and Discounted	87,690,864	71,675,501	92,462,046
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,566,711,041	1,718,520,136	1,512,567,085
iii) Term Loans	2,051,670,676	1,915,949,941	2,051,836,108
TOTAL (A)	3,706,072,581	3,706,145,578	3,656,865,239
B. Particulars of Advances :			
i) Secured by tangible assets (includes advances against Book Debts)	2,640,396,301	2,588,308,005	2,632,585,554
ii) Covered by Bank/Government Guarantees	297,267,995	266,284,275	190,902,259
iii) Unsecured	768,408,285	851,553,298	833,377,426
TOTAL (B)	3,706,072,581	3,706,145,578	3,656,865,239
C. Sectoral Classification of Advances :			
I. Advances in India			
i) Priority Sector	1,214,470,814	1,123,652,672	1,217,412,779
ii) Public Sector	941,201,469	770,845,050	859,160,292
iii) Banks	398,891	473	448,742
iv) Others	1,150,194,505	1,343,811,692	1,188,350,817
TOTAL (C-I)	3,306,265,679	3,238,309,887	3,265,372,630
II. Advances outside India :			
i) Due from Banks	133,706,911	95,232,989	112,091,012
ii) Due from others			
a) Bills Purchased and Discounted	20,150,448	20,774,675	24,248,314
b) Syndicated Loans	98,220,543	103,670,829	100,482,255
c) Others	147,729,000	248,157,198	154,671,028
TOTAL (C-II)	399,806,902	467,835,691	391,492,609
TOTAL (C - I, C - II)	3,706,072,581	3,706,145,578	3,656,865,239
SCHEDULE - 10 : FIXED ASSETS			
I. PREMISES :			
Opening Balance, at cost	17,163,960	17,249,734	17,249,734
Additions / Adjustments during the period	691,957	18,135	11,287
Less:Deductions / Adjustments during the period	0	28,179	97,061
Sub-total	17,855,917	17,239,690	17,163,960
Addition to date on account of revaluation	64,082,605	64,000,992	63,976,932
Less : Depreciation to date (including on account of revaluation)	5,932,105	4,961,194	5,660,008
TOTAL - (I)	76,006,417	76,279,488	75,480,884
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)			
Opening Balance at cost	39,325,380	36,959,513	36,959,513
Additions / Adjustments during the period	531,548	313,067	2,542,358
Less:Deductions / Adjustments during the period	22,368	27,232	176,491
Sub-total	39,834,560	37,245,348	39,325,380
Less: Depreciation to date	29,969,171	27,223,883	29,303,552
TOTAL (II)	9,865,389	10,021,465	10,021,828
III. CAPITAL WORK IN PROGRESS	3,100,265	2,951,206	3,638,597
TOTAL (I, II, III)	88,972,071	89,252,159	89,141,309

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 11 : OTHER ASSETS			
I. Inter-office adjustments (net)	-	542,106	55,890,055
II. Interest accrued	29,073,536	27,512,261	28,904,785
III. Tax paid in advance/tax deducted at source (net)	31,105,959	51,184,611	48,795,537
IV. Stationery and Stamps	81,268	76,536	77,622
V. Deferred Tax Assets (Net)	130,327,114	139,976,229	127,744,620
VI. Others	136,368,297	106,070,018	112,810,148
TOTAL	326,956,174	325,361,761	374,222,767
SCHEDULE - 12 : CONTINGENT LIABILITIES			
I. Claims against the Bank not acknowledged as debts	26,203,502	14,749,016	26,202,648
II. Liability for partly paid Investments	939,029	1,116,787	1,010,314
III. Liability on account of outstanding forward exchange contracts	3,905,791,987	2,853,023,326	4,046,620,870
IV. Guarantees given on behalf of Constituents :			
a) In India	212,327,971	224,186,018	218,030,102
b) Outside India	34,956,473	43,725,297	30,852,421
V. Acceptances, endorsements and other obligations	180,895,239	163,935,214	183,047,143
VI. Derivative contracts other than listed at III above	16,121,839	52,380,002	14,865,980
VII. Other items for which the Bank is contingently liable	16,383,572	12,465,497	15,719,038
TOTAL	4,393,619,612	3,365,581,157	4,536,348,516

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the Quarter ended 30-06-2021 ₹	For the Quarter ended 30-06-2020 ₹	For the Year ended 31-03-2021 ₹
SCHEDULE - 13 : INTEREST EARNED			
I. Interest/Discount on advances/bills	60,178,076	69,923,125	274,067,419
II. Income on Investments	28,607,908	28,031,975	115,477,834
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1,552,861	3,806,183	11,420,907
IV. Others	2,874,250	581,097	5,028,225
TOTAL	93,213,095	102,342,380	405,994,385

SCHEDULE - 14 : OTHER INCOME

		For the Quarter ended 30-06-2021 ₹		For the Quarter ended 30-06-2020 ₹		For the Year ended 31-03-2021 ₹
I. Commission, exchange and brokerage		2,392,139		2,222,063		11,064,271
II. Profit on sale of Investments	9,364,241		9,138,186		25,471,198	
Less : Loss on sale of Investments	-	9,364,241	-	9,138,186	-	25,471,198
III. Profit on sale of land, buildings and other assets	318,506		10,687		600,494	
Less : Loss on sale of land, buildings and other assets	-	318,506	-	10,687	-	600,494
IV Profit on exchange transactions	7,545,496		3,332,884		18,888,583	
Less : Loss on Exchange Transactions	3,468	7,542,028	2,624	3,330,260	24,176	18,864,407
V Income earned by way of dividends etc., from subsidiaries / cos.and/or JVs		-		47,143		252,042
VI Miscellaneous Income		4,151,321		2,324,432		18,162,479
TOTAL		23,768,235		17,072,771		74,414,891

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	For the Quarter ended 30-06-2021 ₹	For the Quarter ended 30-06-2020 ₹	For the Year ended 31-03-2021 ₹
SCHEDULE - 15 : INTEREST EXPENDED			
I. Interest on Deposits	58,700,282	61,935,379	244,822,894
II. Interest on Reserve Bank of India / inter-bank borrowings	1,032,033	3,662,192	11,558,910
III. Others:	2,034,728	1,933,400	6,914,227
TOTAL	61,767,043	67,530,971	263,296,031
SCHEDULE - 16 : OPERATING EXPENSES			
I. Payments to and provisions for employees	17,093,316	14,505,449	64,728,900
II. Rent, Taxes and Lighting	1,827,410	1,586,551	7,518,229
III. Printing and Stationery	124,729	92,800	646,682
IV. Advertisement and Publicity	11,579	-16,973	75,439
V. Depreciation on Bank's property	892,961	864,130	3,722,039
VI. Directors' fees, allowances and expenses	616	1,591	4,295
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	126,819	4,832	802,916
VIII. Law Charges	57,992	37,553	274,646
IX. Postage, Telegrams, Telephones, etc.	383,603	424,898	1,776,218
X. Repairs and Maintenance	126,827	113,263	600,363
XI. Insurance	1,886,429	1,714,096	6,994,167
XII. Other Expenditure	4,619,881	4,110,760	21,246,169
TOTAL	27,152,162	23,438,950	108,391,063

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

Chaturvedi & Co.	V Sankar Aiyar & Co.	Laxmi Tripti & Associates
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Park Centre, 24, Park Street, Kolkata – 700 016	2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal – 462 001

Independent Auditor's Review Report on consolidated unaudited quarterly financial results of Bank of India Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Bank of India

1) We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Bank of India** ("the **Parent**") and its subsidiaries (the Parent and its subsidiaries together referred to as "the **Group**"), its joint venture and its share of the net profit/(loss) after tax of its associates for the quarter ended June 30,2021 ("the **Statement**"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure as at June 30,2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2) This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by The Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3) We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to enquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

CHATURVEDI & CO. KOLKATA Chartered Accountants

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4) The Consolidated Statement includes the results of the following group entities:

I. Subsidiaries:

i. BOI Shareholding Ltd.
ii. BOI AXA Investment Managers Private Limited
iii. BOI AXA Trustee Services Private Limited
iv. BOI Merchant Bankers Ltd.
v. PT Bank of India Indonesia TBK
vi. Bank of India (Tanzania) Ltd.
vii. Bank of India (New Zealand) Ltd.
viii. Bank of India (Uganda) Ltd.

II. Joint Venture:

i. Star Union Dai-Ichi Life Insurance Company Limited

III. Associates:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank
iv. Indo- Zambia Bank Ltd.
v. STCI Finance Ltd.
vi. ASREC (India) Ltd.

5) Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at June 30,2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

6) We draw attention to

a) Note No.8 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its domestic and international business operations of the Bank on an ongoing basis; and

Our opinion is not modified in respect of these matters.

7) We did not review the interim financial results of 21 foreign branches included in the standalone unaudited interim financial results of the entities included in the Group, whose results reflect total assets of Rs. 1,38,241.70 crores as at 30th June, 2021 and total revenues of Rs.435.28 crores and total net profit after tax of Rs.165.55 crores for the quarter ended 30th June, 2021, as considered in the respective standalone unaudited interim financial results of the entities included in the Group. The interim financial results of these branches have been reviewed by the branch auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and the procedures performed by us as stated in paragraph 3 above.

We did not review the interim financial results of 6 subsidiaries and 1 joint venture included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs.7407.85 Crores as at 30th June, 2021 and total revenues of Rs.70.36 Crores and total net loss after tax of Rs. 21.51 Crores for the quarter ended 30th June, 2021, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 26.80 Crores for the quarter ended 30th June, 2021, as considered in the consolidated unaudited financial results, in respect of 4 associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

8) The consolidated unaudited financial results includes the interim financial results which have not been reviewed of 5064 branches including 2 foreign branches, included in the standalone unaudited financial results of the entities included in the Group, whose results reflect total assets of Rs. 226905.36 crores as at 30th June, 2021 and total revenues of Rs. 3683.24 crores for the quarter ended 30th June, 2021, as considered in the respective standalone unaudited financial results of the entities included in the Group. In the conduct of our review at Head Office/Controlling Offices we have relied upon various information and returns received from these un-reviewed branches/other offices of the bank and generated through centralized data base at Banks Head Office.

The consolidated unaudited financial results includes the interim financial results of 2 subsidiaries, which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs.32.36 Crores as at 30th June, 2021 and total revenue of Rs. 0.94 Crores and total net loss after tax of Rs.0.30 Crores for the quarter ended 30th June, 2021, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs.10.46 Crores for the quarter ended 30th June, 2021, as considered in the consolidated unaudited financial results, in respect of 2 associates, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For Chaturvedi & Co. Chartered Accountants (FRN 302137E) R.K.Nanda Partner M. No. 510574 UDIN:21510574AAAACQ7645	For V Sankar Aiyar & Co. Chartered Accountants (FRN 109208W) S Nagabushanam Partner M. No. 107022 UDIN: 21107022AAAAAT6892	For Laxmi Tripti & Associates Chartered Accountants (FRN 009189C) Rajesh Gupta Partner M.No.077204 UDIN:21077204AAAADR3344

Place: Mumbai
Date: August 3, 2021

BANK OF INDIA

CONSOLIDATED BALANCE SHEET

AS AT 30TH JUNE, 2021

&

PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED 30TH JUNE, 2021

BANK OF INDIA
CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2021

(000's Omitted)

	Schedule No.	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
CAPITAL AND LIABILITIES				
Capital	1	3,69,88,333	3,27,76,625	3,27,76,625
Reserves & Surplus	2	47,14,40,980	42,75,84,963	43,70,25,656
Share Application Money, pending allotment		0	0	3,00,00,000
Minorities Interest	2A	15,30,797	16,74,638	15,93,141
Deposits	3	6,25,39,54,146	5,97,19,17,811	6,29,09,83,564
Borrowings	4	30,03,43,863	25,74,80,502	32,46,41,055
Other liabilities and provisions	5	21,26,26,780	18,59,71,427	21,08,80,934
TOTAL		7,27,68,84,899	6,87,74,05,966	7,32,79,00,975
ASSETS				
Cash and balances with Reserve Bank of India	6	45,01,01,453	38,65,07,462	60,93,03,760
Balances with Banks and money at call and short notice	7	76,08,51,517	68,30,77,126	65,76,32,490
Investments	8	1,91,96,04,195	1,66,46,73,236	1,91,69,30,102
Advances	9	3,72,67,56,517	3,72,50,04,824	3,67,66,73,463
Fixed Assets	10	8,98,62,275	9,01,96,081	9,00,13,980
Other Assets	11	32,97,08,942	32,79,47,237	37,73,47,180
TOTAL		7,27,68,84,899	6,87,74,05,966	7,32,79,00,975
Contingent Liabilities	12	4,39,54,02,790	3,36,68,44,296	4,53,79,41,768
Bills for collection		26,18,07,805	24,26,89,248	24,91,39,677

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

Place: Mumbai

Date : 03.08.2021

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 30TH JUNE, 2021

(000's Omitted)

		Schedule No.	Quarter ended 30-06-2021 ₹	Quarter ended 30-06-2020 ₹	Year ended 31-03-2021 ₹
I.	INCOME				
	Interest earned	13	9,37,43,211	10,28,67,566	40,85,38,263
	Other income	14	2,39,20,562	1,73,57,189	7,49,61,748
	TOTAL		11,76,63,773	12,02,24,755	48,35,00,011
II.	EXPENDITURE				
	Interest expended	15	6,19,56,537	6,77,34,333	26,42,09,496
	Operating expenses	16	2,78,13,004	2,39,19,447	11,00,63,541
	Provisions & Contingencies		2,09,11,291	2,00,56,442	8,72,39,133
	TOTAL		11,06,80,832	11,17,10,222	46,15,12,170
	Share of earnings/(loss) in Associates	16A	3,72,588	(63,958)	(11,82,214)
	Consolidated Net Profit/(Loss) for the period before deducting Minorities' interest		73,55,529	84,50,575	2,08,05,627
	Less: Minorities' Interest		1,783	(7,217)	(21,874)
	Consolidated Net Profit/(Loss) for the period attributable to the group		73,53,746	84,57,792	2,08,27,501
	Add: Brought forward consolidated profit/(loss) attributable to the group		(8,87,876)	(23,78,79,282)	(23,78,79,282)
	TOTAL		64,65,870	(22,94,21,490)	(21,70,51,781)
III	APPROPRIATIONS				
	Transfer to Statutory Reserve		0	-	54,10,000
	Transfer from Investment Fluctuation Reserve				67,38,011
	Transfer to/ (from) Revenue Reserve		-	56,989	56,990
	Transfer to Capital Reserve		-	-	49,54,976
	Transfer (from) / to Special Reserve - Currency Swap		0	-	0
	Interim Dividend (including dividend tax)		0	-	-23,78,23,882
	Final Dividend (including dividend tax)		0	-	0
	Dividend Tax - for Subsidiary		0	-	
	Special Reserve u/s Sec 36(1) (viii) of Income Tax Act, 1961		0	-	45,00,000
	Balance carried over to consolidated Balance sheet		64,65,870	(22,94,78,479)	(8,87,876)
	TOTAL		64,65,870	(22,94,21,490)	(21,70,51,781)
	Earnings Per Share (₹)		2.18	2.58	6.36

The schedules referred to above form an integral part of the Profit and Loss Account

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

Place: Mumbai
Date : 03.08.2021

बैंक ऑफ इंडिया BANK OF INDIA वित्त विभाग FINANCE DEPT.

(000's Omitted)

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 1 : CAPITAL			
AUTHORISED CAPITAL			
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹10 each	6,00,00,000	6,00,00,000	6,00,00,000
ISSUED AND SUBSCRIBED CAPITAL			
Equity Shares 369,92,71,304 (Previous year ended 327,81,00,450) of ₹10 each	3,69,92,713	3,27,81,104	3,27,81,004
TOTAL	3,69,92,713	3,27,81,104	3,27,81,004
PAID-UP CAPITAL			
369,80,94,204 Equity Shares (Previous year 327,69,23,350) of ₹10 each fully paid-up.	3,69,80,942	3,27,69,234	3,27,69,234
Add: Amount of shares forfeited	7,391	7,391	7,391
TOTAL*	**3,69,88,333**	**3,27,76,625**	**3,27,76,625**

* Of the above, 334,08,61,720 Equity Shares (Previous year ended 291,96,90,866) of ₹10 each fully paid up amounting to ₹3340.86 crore (Previous year ended ₹2919.69 crore) is held by Central Government;

(000's Omitted)

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 2 : RESERVES & SURPLUS			
I. **Statutory Reserve :**			
Opening Balance	7,64,56,452	7,10,69,103	7,10,69,103
Add: Additions/adjustments during the period	(8,460)	8,878	53,87,349
TOTAL (I)	7,64,47,992	7,10,77,981	7,64,56,452
II. **Capital Reserves :**			
A) Revaluation Reserve :			
Opening Balance	6,30,46,153	6,37,12,369	6,37,12,369
Add Addition during the period on Revaluation of Premises	-	0	0
Less: Adjustments during the period	(1,02,256)	(75,845)	(34,808)
Less: Depreciation / adjustments on account of revaluation	1,71,036	1,88,259	7,01,024
Total of (A)	6,29,77,373	6,35,99,955	6,30,46,153
B) Others			
i) Capital Redemption Reserve			
Opening Balance	5,000	5,000	5,000
Add /Less: Additions/deductions	-	-	-
Sub-total of (i)	5,000	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"			
Opening Balance	3,05,18,144	2,55,63,168	2,55,63,168
Add: Additions during the period	-	-	49,54,976
Sub-total of (ii)	3,05,18,144	2,55,63,168	3,05,18,144
iii) Capital Reserve on Consolidation			
Opening Balance	6,90,111	7,35,961	7,35,961
Add: Adjustment during the period	0	-	(45,850)
Sub-total of (iii)	6,90,111	7,35,961	6,90,111
iv) Foreign Currency Translation Reserve			
Opening Balance	2,04,23,918	2,21,47,066	2,21,47,065
Add/ (Less) : Adjustments during the period (Net)	13,23,689	11,92,824	-17,23,147
Sub-total of (iv)	2,17,47,607	2,33,39,890	2,04,23,918
Total of (B)	5,29,60,862	4,96,44,019	5,16,37,173
TOTAL (II)	**11,59,38,235**	**11,32,43,974**	**11,46,83,326**
III. **Share Premium :**			
Opening Balance	12,12,09,002	35,90,32,885	35,90,32,884
Additions during the period	2,57,88,292	6,59,360	-23,78,23,882
Add: On forfeited shares annulled	-	-	-
TOTAL (III)	**14,69,97,294**	**35,96,92,245**	**12,12,09,002**

बैंक ऑफ इंडिया BANK OF INDIA वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)			
IV. Revenue and Other Reserves :			
i) Revenue Reserve :			
Opening Balance	9,26,26,741	9,18,68,594	9,18,68,594
Add: Additions during the period	1,71,037	2,45,246	7,57,138
Add: Transfer from Capital Reserve-Surplus on Merger			
Add / (Less): Adjustments	(1,60,407)	(7,54,134)	(7,215)
Less: Deductions during the period	(16,207)	10,464	-8,224
Sub-total of (i)	9,26,53,578	9,13,49,242	9,26,26,741
ii) Investment Reserve :			
Opening Balance	-	-	-
Add: Transfer from Profit & Loss Appropriations	-	-	-
Less:Transfer to Profit & Loss Appropriations	-	-	-
Sub-total of (ii)	-	-	-
iii) Investment Fluctuation Reserve :			
Opening Balance	67,38,011	-	-
Add: Transfer from Profit & Loss Appropriations	-	-	67,38,011
Less:Transfer to Profit & Loss Appropriations	-	-	-
Sub-total of (iii)	67,38,011	-	67,38,011
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961			
Opening Balance	2,62,00,000	2,17,00,000	2,17,00,000
Add: Additions during the period	-	-	45,00,000
Sub-total of (iv)	2,62,00,000	2,17,00,000	2,62,00,000
TOTAL (IV)	12,55,91,589	11,30,49,242	12,55,64,752
V. Balance in Consolidated Profit and Loss Account	64,65,870	(22,94,78,479)	(8,87,876)
TOTAL (I TO V)	**47,14,40,980**	**42,75,84,963**	**43,70,25,656**
SCHEDULE - 2A : MINORITIES INTEREST			
Minority interest at the date on which the parent-subsidiary relationship came into existence	4,71,356	4,71,356	4,71,356
Subsequent increase / (decrease)	10,59,441	12,03,282	11,21,785
Minority interest on the date of Balance sheet	**15,30,797**	**16,74,638**	**15,93,141**
SCHEDULE - 3 : DEPOSITS			
A. **I. Demand Deposits :**			
i) From Banks	82,40,954	55,44,998	57,69,841
ii) From Others	39,92,17,959	31,65,73,718	32,21,73,966
TOTAL (I)	40,74,58,913	32,21,18,716	32,79,43,807
II. Savings Bank Deposits	2,01,60,71,138	1,80,53,93,647	1,97,65,81,142
III. Term Deposits :			
i) From Banks	37,42,39,296	42,86,77,480	44,09,25,602
ii) From Others	3,45,61,84,799	3,41,57,27,968	3,54,55,33,013
TOTAL (III)	3,83,04,24,095	3,84,44,05,448	3,98,64,58,615
TOTAL A (I to III)	**6,25,39,54,146**	**5,97,19,17,811**	**6,29,09,83,564**
B. i) Deposits of branches in India	5,52,25,25,802	5,17,52,24,153	5,51,07,94,794
ii) Deposits of branches outside India	73,14,28,344	79,66,93,658	78,01,88,770
TOTAL (B)	**6,25,39,54,146**	**5,97,19,17,811**	**6,29,09,83,564**

बैंक ऑफ इंडिया BANK OF INDIA वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 4 : BORROWINGS			
I. Borrowings in India :			
i) Reserve Bank of India	3,51,90,000	11,06,90,000	3,51,90,000
ii) Other Banks			
a. Tier I Capital	66,70,000	11,50,000	69,30,000
b. Tier II Capital	2,50,000	2,50,000	2,50,000
c. Others	-	-	1,39,300
Total (ii)	69,20,000	14,00,000	73,19,300
iii) Other Institutions and Agencies			
a. Tier I Capital	68,50,000	18,50,000	65,90,000
b. Tier II Capital	6,97,50,000	6,97,50,000	6,97,50,000
c. Others	18,07,76,529	3,06,91,608	20,30,22,679
Total (iii)	25,73,76,529	10,22,91,608	27,93,62,679
Total (I)	29,94,86,529	21,43,81,608	32,18,71,979
II. Borrowings outside India			
a. Tier I Capital	-	-	-
b. Tier II Capital	-	-	-
c. Others	8,57,334	4,30,98,894	27,69,076
Total (II)	8,57,334	4,30,98,894	27,69,076
Total (I & II)	**30,03,43,863**	**25,74,80,502**	**32,46,41,055**
Secured borrowings included in above	-	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

I. Bills Payable	1,18,74,861	97,58,918	1,41,77,590
II. Inter-office adjustments (net)	41,31,883	-	-
III. Interest Accrued	1,91,53,208	2,15,71,489	1,64,76,917
VI. Deferred Tax liability	38,238	45,036	38,497
VII. Others	17,74,28,590	15,45,95,984	18,01,87,930
TOTAL	**21,26,26,780**	**18,59,71,427**	**21,08,80,934**

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	(000's Omitted) As at 31-03-2021 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes & Gold)	3,80,61,651	3,82,45,882	3,32,00,389
II. Balances with Reserve Bank of India :*			
i) In Current Account	41,19,99,306	34,82,13,939	57,60,58,098
ii) In Other Accounts	40,496	47,641	45,273
TOTAL (II)	41,20,39,802	34,82,61,580	57,61,03,371
TOTAL (I & II)	**45,01,01,453**	**38,65,07,462**	**60,93,03,760**
* Including balances with Central Banks outside India			
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			
I. In India :			
i) Balances with Banks			
a) in Current Accounts	13,76,798	14,28,076	10,63,394
b) in Other Deposit Accounts	40,57,176	1,84,98,735	-90,266
ii) Money at call and short notice			
a) With Banks	1,15,160	33,94,920	2,54,540
b) With Other Institutions	8,34,87,749	8,72,61,380	9,59,98,088
TOTAL (I)	8,90,36,883	11,05,83,111	9,72,25,756
II. Outside India :			
i) In Current Accounts	1,60,89,136	3,66,90,310	2,45,22,943
ii) In Other Deposit Accounts	59,77,52,668	42,88,06,708	47,75,87,262
iii) Money at call and short notice	5,79,72,830	10,69,96,997	5,82,96,529
TOTAL (II)	67,18,14,634	57,24,94,015	56,04,06,734
TOTAL (I & II)	**76,08,51,517**	**68,30,77,126**	**65,76,32,490**

बैंक ऑफ इंडिया BANK OF INDIA HO वित्त विभाग FINANCE DEPT.

	As at 30-06-2021	As at 30-06-2020	As at 31-03-2021
	₹	₹	₹
SCHEDULE - 8 : INVESTMENTS			
I. Investments in India :			
i) Government Securities	1,66,96,31,431	1,42,65,88,669	1,66,91,02,278
ii) Other approved Securities	46,28,135	34,81,405	51,79,714
iii) Shares	1,10,43,718	1,16,41,993	1,11,47,022
iv) Debentures and Bonds	12,36,82,890	10,77,82,336	12,93,05,958
v) Investment in Associates	1,44,46,682	1,44,40,539	1,41,62,575
vi) Others	1,43,82,959	3,45,15,146	1,87,60,013
TOTAL (I)	1,83,78,15,815	1,59,84,50,088	1,84,76,57,560
II. Investments outside India :			
i) Government Securities (including local authorities)	5,36,59,996	4,55,14,903	5,01,26,739
ii) Debentures & Bonds	-	-	-
iii) Investment in Associates	16,97,429	16,27,269	16,08,948
iv) Others	2,64,30,955	1,90,80,976	1,75,36,855
TOTAL (II)	8,17,88,380	6,62,23,148	6,92,72,542
TOTAL (I & II)	**1,91,96,04,195**	**1,66,46,73,236**	**1,91,69,30,102**
III. Investments in India :			
i) Gross value of Investments	1,88,16,56,650	1,63,43,76,953	1,89,22,18,311
ii) Aggregate provisions for depreciation	4,38,40,835	3,59,26,865	4,45,60,751
iii) Net Investments	1,83,78,15,815	1,59,84,50,088	1,84,76,57,560
IV Investments outside India :			
i) Gross value of Investments	8,19,47,016	6,62,42,533	6,94,97,576
ii) Aggregate provisions for depreciation	1,58,636	19,384	2,25,034
iii) Net Investments	8,17,88,380	6,62,23,148	6,92,72,542
TOTAL (III & IV)	**1,91,96,04,195**	**1,66,46,73,237**	**1,91,69,30,102**

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 9 : ADVANCES			
A. i) Bills Purchased and Discounted	8,76,90,864	7,16,75,673	9,24,62,046
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,57,73,52,750	1,73,04,07,125	1,52,30,37,652
iii) Term Loans	2,06,17,12,903	1,92,29,22,026	2,06,11,73,765
TOTAL (A)	3,72,67,56,517	3,72,50,04,824	3,67,66,73,463
B. Particulars of Advances :			
i) Secured by tangible assets (includes advances against Book Debts)	2,66,09,27,321	2,60,70,27,154	2,65,22,32,483
ii) Covered by Bank/Government Guarantees	29,74,03,641	26,64,04,867	19,10,42,206
iii) Unsecured	76,84,25,555	85,15,72,803	83,33,98,774
TOTAL (B)	3,72,67,56,517	3,72,50,04,824	3,67,66,73,463
C. Sectoral Classification of Advances :			
I. Advances in India			
i) Priority Sector	1,21,44,70,814	1,12,36,52,672	1,21,74,12,779
ii) Public Sector	94,12,01,469	77,08,45,050	85,91,60,292
iii) Banks	3,98,891	473	4,48,742
iv) Others	1,15,02,34,050	1,34,38,42,978	1,18,83,88,199
TOTAL (I)	3,30,63,05,224	3,23,83,41,173	3,26,54,10,012
II. Advances outside India :			
i) Due from Banks	13,37,06,911	9,52,32,989	11,20,91,012
ii) Due from others			
a) Bills Purchased and Discounted	2,01,50,448	2,07,74,847	2,42,48,314
b) Syndicated Loans	9,82,20,543	10,36,70,829	10,04,82,255
c) Others	16,83,73,391	26,69,84,986	17,44,41,870
TOTAL (II)	42,04,51,293	48,66,63,651	41,12,63,451
TOTAL (I & II)	3,72,67,56,517	3,72,50,04,824	3,67,66,73,463
SCHEDULE - 10 : FIXED ASSETS			
I. PREMISES :			
Opening Balance at cost	1,78,97,896	1,79,35,517	1,79,35,517
Add: Additions /Adjustments during the period	7,20,542	1,03,557	67,889
Less: Deductions/ Adjustments during the period	-	32,141	1,05,510
Sub-total	1,86,18,438	1,80,06,933	1,78,97,896
Addition to date on account of revaluation credited to revaluation reserve	6,40,82,605	6,40,00,992	6,39,76,932
Less : Depreciation to date (including on account of revaluation)	60,63,711	50,72,636	57,85,399
TOTAL (I)	7,66,37,332	7,69,35,289	7,60,89,429
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)			
Opening Balance at cost	4,02,67,002	3,77,26,704	3,77,26,704
Add: Additions /Adjustments during the period	5,65,747	4,79,841	27,44,287
Less: Deductions/ Adjustments during the period	22,422	31,348	2,03,989
Sub-total	4,08,10,327	3,81,75,197	4,02,67,002
Less: Depreciation to date	3,06,88,693	2,78,74,924	2,99,85,564
TOTAL (II)	1,01,21,634	1,03,00,273	1,02,81,438
CAPITAL WORK IN PROGRESS	31,03,309	29,60,519	36,43,113
TOTAL (I to III)	8,98,62,275	9,01,96,081	9,00,13,980

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 11 : OTHER ASSETS			
I. Inter Office Adjustment (Net)	-	5,42,106	5,58,90,055
II Interest Accrued	3,00,04,209	2,81,73,184	2,98,12,027
III Tax paid in advance/tax deducted at source (Net)	3,11,23,713	5,12,27,879	4,88,28,360
IV Stationery and Stamps	81,650	76,895	77,997
V Deferred Tax Assets	13,04,58,419	14,05,25,467	12,82,60,526
VI Others	13,80,40,951	10,74,01,706	11,44,78,215
TOTAL	32,97,08,942	32,79,47,237	37,73,47,180

	As at 30-06-2021 ₹	As at 30-06-2020 ₹	As at 31-03-2021 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES			
I. Claims against the Bank not acknowledged as debts	2,62,03,502	1,47,49,016	2,62,02,648
II. Liability for partly paid Investments	9,39,029	11,16,787	10,10,314
III. Liability on account of outstanding forward exchange contracts	3,90,58,29,515	2,85,31,57,072	4,04,69,03,334
IV. Guarantees given on behalf of Constituents :			
a) In India	21,24,34,555	22,41,91,121	21,81,23,054
b) Outside India	3,56,30,660	4,41,05,508	3,14,22,823
V. Acceptances, endorsements and other obligations	18,16,38,299	16,44,49,810	18,34,79,758
VI. Interest Rate Swaps	1,61,21,839	5,23,80,002	1,48,65,980
VII. Other items for which the Bank is contingently liable	1,66,05,391	1,26,94,980	1,59,33,857
TOTAL	4,39,54,02,790	3,36,68,44,296	4,53,79,41,768

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(000's Omitted)

	Quarter ended 30-06-2021 ₹	Quarter ended 30-06-2020 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 13 : INTEREST AND DIVIDENDS EARNED			
I. Interest/Discount on advances/bills	6,05,63,909	7,02,50,131	27,54,75,311
II. Income on Investments	2,87,34,734	2,82,02,083	11,64,83,730
III. Interest on balances with Reserve Bank of India and other inter-bank funds	15,69,444	38,34,257	1,15,50,963
IV. Others	28,75,124	5,81,095	50,28,259
TOTAL	**9,37,43,211**	**10,28,67,566**	**40,85,38,263**

	Quarter ended 30-06-2021 ₹	Quarter ended 30-06-2020 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 14 : OTHER INCOME			
I. Commission, exchange and brokerage	24,26,459	22,56,135	1,11,85,735
II. Profit/(Loss) on sale of Investments	93,68,221	91,72,821	2,55,29,805
III. Profit / (Loss) on sale of land, buildings and other assets	3,18,506	11,885	6,02,064
IV. Profit / (Loss) on exchange transactions	75,53,015	33,41,924	1,89,16,355
V. Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	-	47,143	2,22,042
VI. Miscellaneous Income	42,54,361	25,27,281	1,85,05,747
TOTAL	**2,39,20,562**	**1,73,57,189**	**7,49,61,748**

	Quarter ended 30-06-2021 ₹	Quarter ended 30-06-2020 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 15 : INTEREST EXPENDED			
I. Interest on Deposits	5,88,87,828	6,21,34,830	24,57,32,509
II. Interest on Reserve Bank of India / inter-bank borrowings	10,33,981	36,66,103	1,15,62,760
III. Interest on Subordinated Debts, IRS etc.	20,34,728	19,33,400	69,14,227
TOTAL	**6,19,56,537**	**6,77,34,333**	**26,42,09,496**

	Quarter ended 30-06-2021 ₹	Quarter ended 30-06-2020 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 16 : OPERATING EXPENSES			
I. Payments to and provisions for employees	1,72,34,911	1,46,43,933	6,52,88,635
II. Rent, Taxes and Lighting	18,66,787	16,31,495	76,66,074
III. Printing and Stationery	1,26,876	94,608	6,53,777
IV. Advertisement and Publicity	13,055	(15,919)	79,959
V. Depreciation on Bank's property	9,19,433	8,85,315	38,00,935
VI. Directors' fees, allowances and expenses	11,230	12,305	46,425
VII. Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	1,29,604	8,418	8,21,306
VIII. Law Charges	60,817	42,103	2,87,886
IX. Postage, Telegrams, Telephones, etc.	3,99,847	4,40,264	18,34,951
X. Repairs and Maintenance	1,29,306	1,18,396	6,17,339
XI. Insurance	18,95,219	17,22,211	70,27,333
XII. Other Expenditure	50,25,919	43,36,318	2,19,38,911
TOTAL	**2,78,13,004**	**2,39,19,447**	**11,00,83,541**

	Quarter ended 30-06-2021 ₹	Quarter ended 30-06-2020 ₹	Year ended 31-03-2021 ₹
SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES			
I. Regional Rural Banks (RRBs)	1,64,927	(5,42,471)	(18,11,687)
II. Others	2,07,661	4,78,513	6,29,473
TOTAL	**3,72,588**	**(63,958)**	**(11,82,214)**

Chaturvedi & Co.	V Sankar Aiyar & Co.	Laxmi Tripti & Associates
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Park Centre, 24, Park Street, Kolkata – 700 016	2C Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	2/9, Shireen Complex. BDA Colony, KOH-E-FIZA, Bhopal - 462001

Independent Auditors' Report on Audited Standalone Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations,2015

To
The Board of Directors,
Bank of India,
Mumbai

Report on the Audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying statement of Standalone Financial Results **of Bank of India** (the **'Bank'**) for the quarter ended March 31, 2021 and the year to date Financial Results for the period from April 1, 2020 to March 31, 2021 attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at March 31, 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us.

   The Standalone Financial Results included the returns for the year ended on that date of:-
   (i) 20 Domestic branches, Treasury Branch and Digital Banking department audited by us;
   (ii) 3138 domestic branches and processing centres audited by respective Statutory Branch Auditors and
   (iii) 22 Foreign branches audited by respective local Auditors

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows are the returns from 2126 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches account for 5.46% of advances, 16.73% of deposits, 4.37% of interest income and 16.60% of interest expenses.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid statement:

   (a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31,2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Standalone Financial Results and have not been audited by us; and

   (b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the net profit and other financial information for the quarter ended March 31, 2021 as well as the year to date results for the period from 1st April 2020 to 31st March 2021.

CHATURVEDI & CO. KOLKATA Chartered Accountants
V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

3. a) Note No.9 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its business operations of the Bank on an ongoing basis; and

   b) Note No. 28 of the statement relating to utilisation of share premium for setting of accumulated losses

Board of Directors' Responsibility for the Standalone Financial Results

4. These Standalone Financial Results have been compiled from the related Standalone Financial Statements. The Bank's Board of Directors is responsible for the preparation of these Standalone Financial Results that give a true and fair view of the financial position, financial performance, cash flows and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

5. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

KOLKATA

MUMBAI

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

6. We did not audit the financial statements / financial information of 3160 branches and processing centres including 22 foreign branches included in the Standalone Financial Results of the Bank whose financial statements/financial information reflects total assets of Rs.3,41,493.50 crore at March 31, 2021 and total revenue of Rs 16,945.41 crore for the year ended on that date as considered in the Standalone Financial Results. These branches and processing centres cover 52.82% of advances, 80.99% of deposits and 51.77% of Non-performing assets as on 31st March 2021 and 35.53% of revenue for the period 1st April 2020 to 31st March 2021.The Financial statements/financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches and processing centres, are solely based on the report of such branch auditors.

7. In conduct of our audit, we have taken note of the unaudited returns in respect of 2126 domestic branches and one foreign branch certified by the respective branch's management. These unaudited branches cover 5.46% of advances, 16.73% of deposits and 3.00% of Non-performing assets as on 31st March 2021 and 4.74% of revenue for the period 1st April 2020 to 31st March 2021.

8. Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium / emails.

9. The Standalone Financial statements of the Bank for the previous year ended March 31,2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed unmodified opinion on such Financial statements. Further the Standalone financial results of the Bank as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter ended on March 31, 2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed their unmodified opinion on such results.

KOLKATA MUMBAI

10. The statement includes the results for the quarter ended 31st March, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to 31st December 2020, which were subjected to limited review by us.

Our opinion on the Standalone Financial Results is not modified in respect of above matters.

For Chaturvedi & Co. **Chartered Accountants** (FRN 302137E) **R.K.Nanda** **Partner** **M. No. 510574** **UDIN: 21510574AAAABX1517**	**For V Sankar Aiyar & Co.** **Chartered Accountants** (FRN 109208W) **G Sankar** **Partner** **M. No. 046050** **UDIN: 21046050AAAAEY8827**	**For Laxmi Tripti & Associates** **Chartered Accountants** **(FRN 009189C)** **L.N. Agrawal** **Partner** **M.No.078427** **UDIN: 21078427AAAACL5939**

Place: Mumbai
Date: June 4, 2021

BANK OF INDIA

BALANCE SHEET

AS AT 31st MARCH, 2021

&

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH, 2021

Bank of India

BALANCE SHEET AS AT 31st MARCH 2021

(000's Omitted)

		Schedule No.	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I.	**CAPITAL AND LIABILITIES**			
	Capital	1	32,776,625	32,776,625
	Reserves & Surplus	2	424,079,259	405,386,540
	Share Application Money pending allotment		30,000,000	-
	Deposits	3	6,271,135,601	5,555,049,786
	Borrowings	4	324,641,055	397,524,659
	Other Liabilities and Provisions	5	175,931,916	179,217,207
	TOTAL		7,258,564,456	6,569,954,817
II.	**ASSETS**			
	Cash and balances with Reserve Bank of India	6	606,975,678	292,392,508
	Balances with Banks and money at call and short notice	7	658,831,007	572,170,546
	Investments	8	1,872,528,456	1,585,729,874
	Advances	9	3,656,865,239	3,688,833,041
	Fixed Assets	10	89,141,309	89,819,999
	Other Assets	11	374,222,767	341,008,849
	TOTAL		7,258,564,456	6,569,954,817
	Contingent Liabilities	12	4,536,348,516	3,523,099,081
	Bills for Collection		249,069,223	250,562,509

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sanjay Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Vandita Kaul | Subrata Das | P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN302137E)	(FRN 109208W)	(FRN:009189C)
S.K.Nanda	G. Sankar	L.N. Agrawal
Partner	Partner	Partner
M. No. 510574	M. No.046050	M. No.078427

Place: Mumbai
Date : June 04, 2021

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021

(000's Omitted)

		Schedule No.	For the year ended 31-03-2021 ₹	For the Year ended 31-03-2020 ₹
I.	**INCOME**			
	Interest earned	13	405,994,385	423,532,668
	Other income	14	74,414,891	67,130,741
	TOTAL		480,409,276	490,663,409
II.	**EXPENDITURE**			
	Interest expended	15	263,296,031	270,962,884
	Operating expenses	16	108,391,063	104,514,011
	Provisions and Contingencies		87,119,195	144,755,376
	TOTAL		458,806,289	520,232,271
III.	**PROFIT**			
	Net Profit/(Loss) for the period		21,602,987	(29,568,862)
	Less: Extra ordinary Item		-	-
	Add: Profit brought forward		(237,823,882)	(205,827,390)
	TOTAL		(216,220,895)	(235,396,252)
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		5,410,000	-
	Transfer to Investment Fluctuation Reserve		6,738,011	
	Transfer to Revenue Reserve		-	-
	Transfer to Capital Reserve		4,954,976	2,427,630
	Transfer to Revenue & Other Reserves		-	-
	Transfer from Share Premium (for Setoff of brought forward loss)		(237,823,882)	
	Final Dividend (including dividend tax)		-	-
	Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		4,500,000	-
	Balance in Profit and Loss Account		-	(237,823,882)
	TOTAL		(216,220,895)	(235,396,252)
	Significant accounting policies	17		
	Notes to Accounts	18		
	Earnings Per Share (Basic and Diluted)		6.59	(9.10)

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Vandita Kaul   Subrata Das   P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co Chartered Accountants (FRN302137E)	For V Sankar Aiyar & Co. Chartered Accountants (FRN.109208W)	For Laxmi Tripti & Associates Chartered Accountants (FRN:009189C)
R.K.Nanda Partner M. No. 510574	G. Sankar Partner M. No.046050	L.N. Agrawal Partner M. No.078427

Place: Mumbai
Date : June 04, 2021

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March, 2021

(` in '000)

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
A. Cash Flow from Operating Activities:		
Net Profit before taxes	32,367,150	(46,027,226)
Adjustments for:		
Amortisation/Depreciation on Investments	11,626,540	6,401,160
Profit on sale /redemption of investments in Joint Venture	-	-
Depreciation on Fixed Assets	3,722,039	3,847,777
Profit on sale of Fixed Asset	(600,494)	(466,672)
Provision for NPA	66,125,359	144,153,945
Provision for Standard Assets	(407,398)	8,586,322
Provision for Other Assets	1,950,551	5,054,312
Payment / Provision for Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	6,538,394	8,458,195
Dividend received	(252,042)	(2,27,329)
Adjustments for:		
Increase /(Decrease) in Deposits	716,085,815	346,426,301
Increase /(Decrease) in Borrowings	(73,403,604)	(21,637,019)
Increase / (Decrease) in Other Liabilities and Provisions	(65,48,545)	31,159,494
(Increase) / Decrease in Investments	(297,952,966)	(115,519,590)
(Increase)/ Decrease in Advances	(34,157,557)	(422,927,543)
(Increase) / Decrease in Other Assets	(51,552,651)	12,915,991
Direct Taxes (Paid)/Refund	7,090,040	(8,537,405)
Net Cash Flow from Operating Activities (A)	**380,630,631**	**(48,339,286)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(3,275,928)	(9,560,455)
Sale of Fixed Assets	127,436	6,049,891
Additional investment in Subsidiaries/Joint Ventures/ Associates	(472,156)	(221,094)
Dividend received	252,042	227,329
Net Cash Flow from Investing Activities (B)	**(3,368,606)**	**(3,504,329)**
C. Cash Flow from Financing Activities:		
Share Capital	-	5,176,339
Share Premium	-	41,203,661
Share Application	30,000,000	(46,380,000)
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	520,000	(23,250,000)
Dividend (Interim & Final) paid	-	-
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II	(6,538,394)	(8,458,195)
Net Cash Flow from Financing Activities (C)	**23,981,606**	**(31,708,195)**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**401,243,631**	**(83,551,810)**

...ssification:

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
Cash and Cash Equivalents as at the beginning of the year	864,563,054	948,114,864
Cash and Cash Equivalents as at the end of the year	1,265,806,685	864,563,054

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	606,975,678	292,392,508
Balances with Banks and money at call and short notice (Schedule 7)	658,831,007	572,170,546
Cash and Cash Equivalents as at the end of the year	**1,265,806,685**	**864,563,054**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Vandita Kaul　　Subrata Das　　P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN302137E)	(FRN:109208W)	(FRN:009189C)
R.K.Nanda	G. Sankar	L.N. Agrawal
Partner	Partner	Partner
M. No. 510574	M. No.046050	M. No.078427

Place: Mumbai

R

Date : June 04, 2021

Classification: Internal

	As at 31-03-2021 ₹	(000's Omitted) As at 31-03-2020 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED		
600,00,00,000 (Previous year ended 600,00,00,000) Equity Shares of ₹10 each	60,000,000	60,000,000
ISSUED AND SUBSCRIBED		
Equity Shares 327,81,00,450 (Previous year ended 327,81,00,450) of ₹10 each	32,781,004	32,781,004
TOTAL	32,781,004	32,781,004
PAID-UP CAPITAL		
327,69,23,350 Equity Shares (Previous year ended 327,69,23,350) of Rs.10/- each	32,769,234	32,769,234
Add: Amount of shares forfeited	7,391	7,391
TOTAL *	32,776,625	32,776,625

* Of the above, 291,96,90,866 Equity Shares (Previous year ended 291,96,90,866) of ₹10 each fully paid up amounting to ₹ 2919.69 crores (Previous year ended ₹2919.69 crores) is held by Central Government;

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	70,868,842	70,868,842
Additions during the period	5,410,000	-
TOTAL (I)	76,278,842	70,868,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	63,223,557	62,733,382
Add: Addition during the period on Revaluation of Premises	0	940,785
Less: Adjustments during the period	4,613	(288,568)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	701,024	739,178
Total of (A)	62,517,920	63,223,557
B) Others		
i) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	25,563,168	23,135,538
Additions during the period	4,954,976	2,427,630
Sub-total of (I)	30,518,144	25,563,168
ii) Foreign Currency Translation Reserve		
Opening Balance	23,390,751	20,056,276
Add/ (Less) : Additions / adjustments during the period (Net)	(2,904,780)	3,334,475
Sub-total of (II)	20,485,971	23,390,751
Total of (B)	51,004,115	48,953,919
TOTAL (II)	113,522,035	112,177,476
III. Share Premium :		
Opening Balance	353,317,730	312,114,069
Add : Additions/(Utilization) during the period	(237,823,882)	41,203,661
TOTAL (III)	115,493,848	353,317,730

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	85,146,374	84,430,533
Add: Additions during the period	700,149	715,841
Deductions during the period	-	-
Sub-total of IV(i)	85,846,523	85,146,374
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	6,738,011	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(iii)	6,738,011	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	21,700,000	21,700,000
Additions during the period	4,500,000	-
Sub-total of IV(iv)	26,200,000	21,700,000
TOTAL (IV)	118,784,534	106,846,374
V. Balance in Profit and Loss Account :	-	(237,823,882)
TOTAL (I TO V)	424,079,259	405,386,540

SCHEDULE - 3 : DEPOSITS

A. I. Demand Deposits :		
i) From Banks	5,746,377	8,039,596
ii) From Others	320,088,663	293,242,193
TOTAL (I)	325,835,040	301,281,789
II. Savings Bank Deposits	1,975,015,678	1,727,006,858
III. Term Deposits :		
i) From Banks	438,216,135	353,339,891
ii) From Others	3,532,068,748	3,173,421,248
TOTAL (III)	3,970,284,883	3,526,761,139
TOTAL A(I, II, III)	6,271,135,601	5,555,049,786
B. i) Deposits of branches in India	5,511,351,725	4,825,392,677
ii) Deposits of branches outside India	759,783,876	729,657,109
TOTAL (B)	6,271,135,601	5,555,049,786

BANK OF INDIA H.O. FINANCE DEPT.

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	35,190,000	188,770,000
ii) Other Banks		
a. Tier I Capital	6,930,000	1,150,000
b. Tier II Capital	250,000	250,000
c. Others	139,300	-
Total (ii)	7,319,300	1,400,000
iii) Other Institutions and Agencies		
a. Tier I Capital	6,590,000	1,850,000
b. Tier II Capital	69,750,000	79,750,000
c. Others	203,022,679	22,936,828
Total (iii)	279,362,679	104,536,828
Total (I)	321,871,979	294,706,828
II. Borrowings outside India		
a. Tier I Capital		-
b. Upper Tier II Capital		-
c. Others	2,769,076	102,817,831
Total (II)	2,768,076	102,817,831
Total (I, II)	324,641,055	397,524,659
Secured borrowings included in above	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

I. Bills Payable	14,158,433	11,251,125
II. Inter-office adjustments (net)	-	1,816,388
III. Interest accrued	16,366,851	19,440,790
IV. Deferred Tax Liabilities	38,497	16,852
V. Others (including Provisions)*	145,368,135	146,692,052
TOTAL	175,931,916	179,217,207

* Includes provision for Standard Assets ₹ 27,231,029 (Previous Year ₹ 27,685,585)

BANK OF INDIA H.O. FINANCE DEPT.

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	32,955,084	32,300,213
(including foreign currency notes and gold)		
II. Balances with Reserve Bank of India : *		
i) In Current Account	574,020,594	260,092,295
ii) In Other Accounts	-	-
TOTAL (II)	574,020,594	260,092,295
TOTAL (I, II)	606,975,678	292,392,508

* Including balances with Central Banks outside India

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	1,020,987	1,680,529
b) In Other Deposit Accounts	-	10,593,100
ii) Money at call and short notice		
a) With Banks	254,540	1,934,710
b) With Other Institutions	95,998,088	110,000,000
TOTAL (I)	97,273,615	124,208,339
II. Outside India :		
i) In Current Accounts	24,482,120	18,505,320
ii) In Other Deposit Accounts	477,779,920	335,043,705
iii) Money at call and short notice	59,295,352	94,413,182
TOTAL (II)	561,557,392	447,962,207
TOTAL (I, II)	658,831,007	572,170,546

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,656,373,300	1,397,945,003
ii) Other approved Securities	-	-
iii) Shares	7,579,872	7,764,031
iv) Debentures and Bonds	126,463,086	78,124,831
v) Subsidiaries and Associates	5,497,440	5,025,284
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund etc.)	8,850,980	28,665,163
TOTAL (I)	1,804,764,678	1,517,524,312
Gross	1,849,325,429	1,553,226,590
Less: Depreciation and Amortisation	44,560,751	35,702,279
Net	1,804,764,678	1,517,524,312
II. Investments outside India :		
i) Government Securities (including local authorities)	41,080,665	37,919,719
ii) In Subsidiaries and/or joint ventures abroad	9,422,633	9,422,633
iii) Other Investments (Debentures, Bonds etc.)	17,260,480	20,863,210
TOTAL (II)	67,763,778	68,205,562
Gross	67,988,812	68,598,438
Less: Depreciation and Amortisation	225,034	392,876
Net	67,763,778	68,205,562
TOTAL (I, II)	1,872,528,456	1,585,729,874

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	92,462,046	91,314,256
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,512,567,085	1,756,232,921
iii) Term Loans	2,051,836,108	1,841,285,864
TOTAL (A)	3,656,865,239	3,688,833,041
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,632,585,554	2,592,028,815
ii) Covered by Bank/Government Guarantees	190,902,259	244,622,145
iii) Unsecured	833,377,426	852,182,081
TOTAL (B)	3,656,865,239	3,688,833,041
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,217,412,779	1,125,757,202
ii) Public Sector	859,160,292	778,764,153
iii) Banks	448,742	1,125
iv) Others	1,188,350,817	1,283,717,484
TOTAL (C-I)	3,265,372,630	3,188,239,964
II. Advances outside India :		
i) Due from Banks	112,091,012	98,760,964
ii) Due from others		
a) Bills Purchased and Discounted	24,248,314	29,992,194
b) Syndicated Loans	100,482,255	104,699,596
c) Others	154,671,028	267,140,323
TOTAL (C-II)	391,492,609	500,593,077
TOTAL (C - I, C - II)	3,656,865,239	3,688,833,041

SCHEDULE - 10 : FIXED ASSETS

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
I. PREMISES :		
Opening Balance, at cost	17,249,734	17,147,477
Additions / Adjustments during the period	11,287	162,231
Less:Deductions / Adjustments during the period	97,061	59,974
Sub-total	17,163,960	17,249,734
Addition to date on account of revaluation	63,976,932	64,009,821
Less : Depreciation to date (including on account of revaluation)	5,660,008	4,719,996
TOTAL -(I)	75,480,884	76,539,559
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	36,959,513	34,701,194
Additions / Adjustments during the period	2,542,358	8,480,161
Less:Deductions / Adjustments during the period	176,491	6,221,842
Sub-total	39,325,380	36,959,513
Less: Depreciation to date	29,303,552	26,595,386
TOTAL (II)	10,021,828	10,364,127
III. CAPITAL WORK IN PROGRESS	3,638,597	2,916,313
TOTAL (I, II, III)	89,141,309	89,819,999

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	55,890,055	0
II. Interest accrued	28,904,785	30,665,142
III. Tax paid in advance/tax deducted at source (net)	48,795,537	57,774,856
IV. Stationery and Stamps	77,622	64,231
V. Deferred Tax Assets (Net)	127,744,620	137,104,034
VI. Others	112,810,148	115,400,586
TOTAL	374,222,767	341,008,849
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	26,202,648	14,993,043
II. Liability for partly paid Investments	1,010,314	1,137,946
III. Liability on account of outstanding forward exchange contracts	4,046,620,870	2,946,157,883
IV. Guarantees given on behalf of Constituents :		
a) In India	218,030,102	225,143,990
b) Outside India	30,852,421	41,528,716
V. Acceptances, endorsements and other obligations	183,047,143	172,126,811
VI. Derivative contracts other than listed at III above	14,865,980	109,638,304
VII. Other items for which the Bank is contingently liable	15,719,038	12,372,388
TOTAL	4,536,348,516	3,523,099,081

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the Year ended 31-03-2021 ₹	For the Year ended 31-03-2020 ₹
SCHEDULE - 13 : INTEREST EARNED		
I. Interest/Discount on advances/bills	274,067,419	288,047,398
II. Income on Investments	115,477,834	107,041,490
III. Interest on balances with Reserve Bank of India and other inter-bank funds	11,420,907	24,315,336
IV. Others	5,028,225	4,128,444
TOTAL	405,994,385	423,532,668

SCHEDULE - 14 : OTHER INCOME

		For the Year ended 31-03-2021 ₹		For the Year ended 31-03-2020 ₹
I. Commission, exchange and brokerage		11,064,271		13,560,972
II. Profit on sale of Investments	25,471,198		5,849,186	
Less : Loss on sale of Investments	-		-	
		25,471,198		5,849,186
III. Profit on sale of land, buildings and other assets	600,494		466,672	
Less : Loss on sale of land, buildings and other assets	-		-	
		600,494		466,672
IV Profit on exchange transactions	18,888,583		15,033,014	
Less : Loss on Exchange Transactions	24,176		-	
		18,864,407		15,033,014
V Income earned by way of dividends etc., from subsidiaries / cos.and/or JVs		252,042		227,329
VI Miscellaneous Income		18,162,479		31,993,568
TOTAL		74,414,891		67,130,741

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	For the Year ended 31-03-2021 ₹	For the Year ended 31-03-2020 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	244,822,894	236,366,872
II. Interest on Reserve Bank of India / Inter-bank borrowings	11,558,910	25,825,954
III. Others:	6,914,227	8,770,058
TOTAL	263,296,031	270,962,884
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	64,729,900	61,414,517
II. Rent, Taxes and Lighting	7,518,229	7,211,408
III. Printing and Stationery	646,682	762,183
IV. Advertisement and Publicity	75,439	251,485
V. Depreciation on Bank's property	3,722,039	3,847,777
VI. Directors' fees, allowances and expenses	4,295	5,070
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	802,916	787,984
VIII. Law Charges	274,646	493,620
IX. Postage, Telegrams, Telephones, etc.	1,776,218	1,657,425
X. Repairs and Maintenance	600,363	725,422
XI. Insurance	6,994,167	5,059,416
XII. Other Expenditure	21,246,169	22,297,704
TOTAL	108,391,063	104,514,011

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT

SCHEDULE-17

SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION:

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. is to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

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c. In respect of domestic branches, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

* On the outstanding advance

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. 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.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are classified under `Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Subsidiaries and Joint Ventures and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Subsidiaries and Joint Ventures abroad and iii.) Other Investments.

A. <u>Basis of classification</u>

Classification of an investment is done at the time of its acquisition.

(i) Held to Maturity

These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading

These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

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(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all other discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored.

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On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	**Basis of Valuation**
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

i) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) AFS/HFT TO HTM- Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) **AFS TO HFT AND VICE-VERSA** - In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non-performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the Balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following;

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

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g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

9. PROPERTY, PLANT & EQUIPMENT:

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line

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Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

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iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS:

A. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. 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.

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B. Long Term Employee Benefits:

a. Defined Benefit Plan:-

i.) Gratuity:

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. Defined Contribution Plan:

i.) Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

14. TAXES ON INCOME:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the

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impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

15. IMPAIRMENT OF ASSETS:

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

16. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and 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.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

17. SHARE ISSUE EXPENSES:

Share issue expenses are charged to the Profit and Loss Account in the year of issue of shares.

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All figures are in ₹ crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

1. During the year ended March 31, 2021, the Government of India has infused ₹ 3,000 towards preferential allotment of equity shares. The same is kept in Share Application Money, pending allotment and considered as part of CET 1 Capital as on March 31, 2021 in terms of RBI communication reference no. DOR.CAP.S82/21.01.002/2021-22 dated April 30, 2021.

2. During the year ended March 31, 2021, Bank has issued Basel-III Compliant Additional Tier-1 Bonds Series VI and Series VII of ₹ 750 & ₹ 602, respectively, through private placement.

3. Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

4. The audited financial results for the year have been arrived at on the basis of the same accounting policies as those followed in the preceding financial year ended 31st March, 2020.

5. The following information is disclosed in terms of guidelines issued by RBI:

5.1. Capital (As per BASEL-III):

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Common Equity Tier 1 Capital ratio (CET1) (%)	11.51%	9.88%
ii)	Tier I Capital ratio (%)	11.96%	9.90%
iii)	Tier II Capital ratio (%)	2.97%	3.20%
iv)	Total Capital ratio (CRAR) (%)	14.93%	13.10%
v)	Percentage of the shareholding of the Government of India	89.10%	89.10%
vi)	Amount of Equity Capital Raised during the year	0.00	*4,638.00
vii)	Share application money pending for allotment	**3,000.00	0.00
viii)	Amount of Additional Tier 1 capital raised during the year; of which		
	a) PNCPS	0.00	0.00
	b) PDI	1,352.00	0.00
ix)	Amount of Tier-II capital raised, i.e. Debt Capital Instruments, during the year		

Sr. No.	Particulars	31.03.2021	31.03.2020
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

*The share application money of ₹ 4,638 was received in FY 2018-19 and allotment was made in FY 2019-20.

**In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 received on March 31, 2021 has been considered for computation of CET-1 capital as on March 31, 2021.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2021.

Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:-

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
	Total	1,352.00	1,352.00

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	600.00
2015-16	Tier-II	3,000.00	2,400.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	7,000.00	5,500.00

Bank has exercised call option and redeemed Upper Tier II Bonds Series VI amounting to ₹ 1,000 on June 11, 2020. Bank has also exercised call option to redeem Innovative Perpetual Bonds (IPDI) Series VI amounting to ₹ 300 on September 9, 2020.

5.2. Investments

Sr. No.			Particulars	As at 31.03.2021	As at 31.03.2020
1			Value of Investments		
	i)		Gross Value of Investments	1,91,731.42	1,62,182.50
		a)	In India	1,84,932.54	1,55,322.66
		b)	Outside India	6,798.88	6,859.84

Sr. No.			Particulars	As at 31.03.2021	As at 31.03.2020
	ii)		Provisions for Depreciation	4,478.58	3,609.51
		a)	In India	4,456.08	3,570.22
		b)	Outside India	22.50	39.29
	iii)		Net Value of Investments	1,87,252.84	1,58,573.00
		a)	In India	1,80,476.46	1,51,752.44
		b)	Outside India	6,776.38	6,820.56
2			Movement of provisions held towards depreciation on investments		
	i)		Opening balance	3,609.51	3,579.14
	ii)		Add: Provisions made during the year	1,086.35	928.63
	iii)		Less: Write-off/reduction/write-back of excess provisions during the year	217.69	899.74
	iv)		Add/(Less): Adjustments on account of exchange difference	0.41	1.48
	v)		Closing balance	4,478.58	3,609.51

(i) Government Securities (Face Value) amounting to ₹ 36,705.27 (previous year 28,547.42) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) Bank has invested additional ₹5.79 in its subsidiary - 'BOI AXA Investment Managers Private Limited'. As a result, the stake of the Bank has increased from 51% as on March 31, 2020 to 52.29% as on March 31, 2021.

(iii) Bank has infused additional proportionate capital in the following associate Regional Rural Banks:

a. ₹23.79 in Madhya Pradesh Gramin Bank

b. ₹27.45 in Vidharbha Konkan Gramin Bank

5.2.1. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	19,307.26 (18,928.84)	7,119.86 (1,348.69)	3,519.00 (18,877.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2021
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	41,612.00 (12,500.00)	7,607.89 (1,819.93)	9,500.00 (11,000.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.2.2. **Non-SLR Investment Portfolio:**

i. Issuer Composition of Non SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	2,561.83 (2,035.38)	1,944.05 (1,284.02)	0.00 (0.00)	616.25 (616.25)	0.00 (0.00)
ii.	FIs	2,593.84 (3,971.28)	2,593.84 (3,830.22)	0.00 (0.00)	0.00 (0.00)	337.40 (120.10)
iii.	Banks	520.29 (1,018.90)	340.00 (570.00)	0.00 (75.91)	0.00 (0.00)	0.00 (0.00)
iv.	Private Corporates	4,216.25 (5,546.74)	3,206.52 (4,270.03)	1,590.56 (861.53)	56.35 (56.35)	12.40 (20.10)
v.	Subsidiaries/ Joint Ventures#	1,534.64 (1,477.61)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
vi.	Others $	39,187.52 (30,387.88)	31,104.19 (22,693.81)	0.00 (0.00)	0.00 (0.19)	0.00 (0.00)
	Total	50,614.37 (44,437.83)	39,188.60 (32,648.09)	1,590.56 (937.44)	672.60 (672.79)	349.80 (140.20)
vii.	Less: Provision held towards Depreciation	4,272.31 (3,609.51)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
	Net	46,342.06 (40,828.29)	39,188.60 (32,648.09)	1,590.56 (937.44)	672.60 (672.79)	349.80 (140.20)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 24,699 (previous year ₹ 21,699)

ii. Non-performing Non-SLR Investments:

Particulars	2020-21	2019-20
Opening balance	2,195.89	2,468.11
Additions during the year	319.15	235.65
Less: Reductions during the year	50.12	473.00
Add/(Less): Exchange difference	(-)9.12	37.83
Closing balance	2,455.80	2,268.59
Total provisions held	2,455.80	2,195.89

5.2.3. (i) Sale and transfer of securities to/from HTM Category during the financial year 2020-21:

The total value of sale and transfers of securities from HTM category during April 1, 2020 to March 31, 2021 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2020. The 5 per cent threshold referred to above will exclude:

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year..

Sale of Securities from HTM during FY 2020-21 (Other than one time Shifting & sale under OMO)	4,382.58	Sale in % (<5%) =4.90%
Securities held in HTM Category as on 31.03.2020	89,512.29	

(ii) Details pertaining to Profit on Sale of Investment under HTM and amortisation of premium thereof:-

Sr No	Particulars	Amount
1	Sale of Securities from HTM during 2020-21 (Face Value) (Other than one time Shifting & sale under OMO)	4,382.58
2	Profit earned by sale of securities from HTM during 2020-21 (including sale under OMO)	1,015.53
3	Amortization of premium in HTM securities during 2020-21	294.00

5.3. Derivatives

5.3.1. Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
i)	The notional principal of swap agreements	1,486.60	10,963.83
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.05	99.00
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	
v)	The fair value of the swap book	(-)2.08	(-)1.66

5.3.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument-wise)	0.00	0.00

(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/ Reverse Repo transactions and in RRC Account with RBI during the Financial year 2020-21.

5.3.3 Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr No	Particulars	Currency Derivatives		Interest Rate Derivatives	
1	Derivatives (Notional Principal Amount)	13,837.86		1,486.60	
	a) For hedging	11,846.17 (6,282.54)		1,461.60 (10,963.83)	
	b) For trading	1,991.69 (9,895.65)		25.00 (0.00)	
2	Marked to Market Positions [1]				
	a) Asset (+)	119.31 (27.87)		0.05 (99.00)	
	b) Liability (-)	8.84 (15.93)		68.86 (101.48)	
3	Credit Exposure [2]	395.80 (179.31)		14.87 (241.22)	
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00 (0.00)		24.81 (37.68)	
	b) On trading derivatives	0.00 (0.00)		1.11 (0.00)	
5	Maximum & Minimum of 100*PV01 observed during the year	Max	Min	Max	Min
	a) On hedging	0.00 (0.00)	0.00 (0.00)	1.88 (2.76)	0.46 (0.20)
	b) On trading	0.00 (0.00)	0.00 (0.00)	1.11 (0.00)	1.11 (0.00)

5.4 Asset Quality

5.4.1 Non-Performing Asset - Non performing Advances

Particulars	2020-21	2019-20
(i) Net NPAs to Net Advances (%)	3.35%	3.88%
(ii) Movement of NPAs (Gross)		
a) Opening balance	61,549.93	60,661.12
b) Additions during the year	8,540.03	16,328.81
c) Reductions during the year	13,555.02	15,440.00
d) Closing balance	56,534.94	61,549.93
(iii) Movement of Net NPAs		

Particulars	2020-21	2019-20
a) Opening balance	14,320.10	19,118.96
b) Additions during the year	898.84	5,704.77
c) Reductions during the year	2,956.92	10,503.63
d) Closing balance	12,262.02	14,320.10
(iv) Movement of provision for NPAs (excluding provisions on standard assets)		
a) Opening balance	45,081.34	39,391.69
b) Provisions made during the year	6,612.54	14,248.41
c) Write-off/write-back of excess provisions	9,620.00	8,558.76
d) Closing balance	42,073.88	45,081.34

Divergence in Asset Classification, and Provisioning for NPAs:

Accordingly, the following disclosure is made in respect of divergences for the FY 2019-20:

As per RBI circular No.DBR.BPBC.No.32.21.04.018.2018-19 dated 01.04.2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and for additional gross NPAs identified by RBI exceeds 15% of published incremental gross NPAs for the reference period, then the Banks are required to disclose divergence from prudential norms on income recognition, assets classification and provisioning. In view of the above, details of divergence of our Bank is as under:

Particulars	Amount
Gross NPA as on 31.03.2020 as reported by the Bank	61,549.93
Gross NPA as on 31.03.2020 as assessed by the RBI	61,612.93
Divergences in Gross NPA (2-1) (*)	63.00
Net NPA as on 31.03.2020 as reported by the Bank	14,320.10
Net NPA as on 31.03.2020 as assessed by the RBI	14,383.10
Divergences in Net NPA (5-4)	63.00
Provision for NPA as on 31.03.2020 as reported by the Bank	45,081.34
Provision for NPA as on 31.03.2020 as assessed by the RBI	45,475.34
Divergences in Provisioning (8-7)*	394.00
Reported Net Profit after tax (PAT) for the year ended 31.03.2020	(-)2,956.89
Adjusted (Notional) Profits after Tax (PAT) for the year ended 31.03.2020 after taking into account divergence in provisioning	(-)3,886.89

(*) Total provision as per RBI report was ₹ 930, which include divergence in provision for NPA of ₹ 394, provision for Investments of ₹ 23 and shortfall in standard assets of ₹ 513. The entire provision of ₹ 930 was provided by the Bank during the Financial Year 2020-21.

5.4.2 Non-Performing Asset -

(a) Non performing Investments

Particulars	2020-21	2019-20
(i) Net NPIs to Net Investment (%)	0.28%	0.05%
(ii) Movement of NPIs (Gross)		
a) Opening balance	2,268.60	2,468.12
b) Additions during the year	774.21	273.48
c) Reductions during the year	67.19	473.00
d) Closing balance	2,975.62	2,268.60
(iii) Movement of NPIs (Net)		
a) Opening balance	2,195.90	2,257.41
b) Additions during the year	310.02	341.72
c) Reductions during the year	50.12	403.23
d) Closing balance	2,455.80	2,195.90
(iv) Movement of provision for NPIs		
a) Opening balance	72.70	210.70
b) Provisions made during the year	464.19	(-)68.23
c) Write-off / write-back of excess provisions	17.07	69.77
d) Closing balance	519.82	72.70

(b) Matured NPI (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particular	2020-21	2019-20
(i) Gross Value of Investments	1246.38	1,204.94
(a) In India	790.81	740.25
(b) Outside India	455.57	464.69
(ii) Provision for Depreciation	1246.38	1,204.94
(a) In India	790.81	740.25
(b) Outside India	455.57	464.69
(iii) Net Value of Investments	-	-
(a) In India	-	-
(b) Outside India	-	-

(ii) Movement of provisions held towards depreciation on investments:

Particular	2020-21	2019-20
Opening Balance	1,204.94	822.02
Add: Provisions made during the year	50.56	348.30
Sub-total	1,255.50	1,170.32
Less: Write off/ write-back of excess provision during the year	0.00	3.22
Add/(Less): Adjustments on account of Exchange Diff	(-)9.12	37.84
Closing Balance	1,246.38	1,204.94

4.2 Particulars of Accounts Restructured- Details of Loan assets subjected to restructuring during 2020-21 (As compiled by the management and relied upon by the Auditors):

Sr No	Type of Restructuring / Details	Asset Classification	Under CDR Mechanism: Standard	Sub-standard	Doubtful	Loss	Total	Under SME Debt Restructuring: Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	1.00	0.00	12.00	4.00	17.00	102359.00	1568.00	121.00	6.00	104031.00
			(1.80)	(0.00)	(11.0[illegible])	(1.1[illegible])	-23.00	(14864.00)	(142.00)	([illegible]70.00)	(1.00)	(1491[illegible])
		Amount Outstanding	17.83	0	1695.93	1908.02	3621.78	2693.63	143.22	338.43	78.68	2203.06
			(32.[illegible])	(0.00)	(3,4[illegible])	([illegible]7.[illegible])	(4,3[illegible].66)	(628.[illegible]9)	(12.[illegible])	(4[illegible].9[illegible])	([illegible])	1048.36
		Provision thereon	0.00	0.[illegible]	[illegible].84	0.00	0.04	131.94	2.49	0.18	0.00	[illegible]2.73
			([illegible])	([illegible])	([illegible])	(0.00)	([illegible])	([illegible]0.[illegible])	([illegible])	([illegible])		-38.[illegible]
2	Fresh restructuring during the year	No. of Borrowers	0.00	0.[illegible]	0.00	0.00	0.04	80074.00	413.[illegible]	99.00	0.[illegible]	90346.00
			(0.00)	(0.00)	([illegible])	([illegible])	([illegible].08)	(87,[illegible].0[illegible])	(1,422.00)	(16.8[illegible])	(1.[illegible])	89250.0[illegible]
		Amount Outstanding*	[illegible]	0.00	0.07	4.12	4.19	1854.02	21.55	9.99	0.01	1883.37
			(0.[illegible])	(0.00)	(10.1[illegible])	(0.00)	(10.12)	([illegible]112.[illegible])	([illegible]41.[illegible])	(9.37)	(1.10)	-2263.44
		Provision thereon	0.00	0.00	0.00	0.00	0.00	103.59	0.84	0.04	0.00	104.47
			([illegible])	([illegible])	([illegible])	(0.00)	(0.00)	([illegible])	([illegible])	(0.[illegible])	(0.00)	-00.[illegible]
3	Upgradations to restructured standard category during the FY	No. of Borrowers	-1.00	0.00	0.00	0.00	-1.00	5.00	5.00	0.00	0.00	0.00
			(0.00)	(0.00)	([illegible])	(0.00)	(0.[illegible])	1.00	(-1.00)	([illegible]0.00)	([illegible])	(0.00)
		Amount Outstanding	-17.83	0.00	0.[illegible]	0.00	-17.83	52.19	-52.19	0.00	0.00	0.00
			(16.[illegible])	([illegible])	(-11[illegible])		(-12[illegible])	(1.14)	(-1.14)	0.00	0.00	0.00
		Provision thereon	0.00	0.00	0.00	0.[illegible]	0.00	0.00	0.00	0.00	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.[illegible])	(0.00)	(0.00)	(0)	(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 FY	No. of Borrowers	0.00	0.00	0.00	0.00	0.00	13150.00	0.[illegible]	0.00	0.00	13150.00
			(0.0[illegible])	(0.[illegible])	(0.00)	([illegible].00)	(0.00)	(0.00)	(0.[illegible])	(0.00)	(0.[illegible])	(0.00)
		Amount Outstanding	0.00	0.00	0.00	0.00	0.00	294.73	0.00	0.00	0.0[illegible]	294.75
			(0.00)	(0.[illegible])	(0.00)	(0.00)	(0.00)	([illegible])	(0.[illegible])	(0.00)	(0.00)	(0.00)
		Provision thereon	0.00	0.00	0.[illegible]	0.00	0.00	16.48	0.00	0.00	0.0[illegible]	16.48
			(0.00)	([illegible])	([illegible].00)	(0.00)	(0.00)	(0.[illegible])	(0.[illegible])	(0.00)	([illegible])	(0.00)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	0.[illegible]	0.00	-3.00	3.00	0.00	-63.00	-1.00	29.00	[illegible]	0.00
					(-3)	(3.[illegible])		([illegible]6.00)	(6.00)		([illegible])	0.0[illegible]
		Amount Outstanding	0.00	0.00	-610.71	610.71	0.00	-300.78	-91.69	77.24	[illegible]	0.00
			([illegible])	([illegible])	([illegible]53.34)	953.34	(0.00)	([illegible]5.88)	46.63	([illegible])	18.5[illegible]	(0)
		Provision thereon	0.00	0.[illegible]	0.00	0.00	0.00	-1.92	-0.91	2.72	0.11	0.00
			(0.00)	(0.00)	([illegible])	(0.0[illegible])	(0.00)	(-1.[illegible]2)	(0.53)	(0.78)	(0.[illegible])	(0)
6	Write-offs of restructured accounts during the FY	No. of Borrowers	0.00	0.00	1.00	0.00	1.00	7.00	1.0[illegible]	0.00	[illegible]	8.00
			([illegible])	([illegible])	([illegible])	(1.00)	([illegible].00)	([illegible])	(1.00)	([illegible].05)	([illegible])	(12.00)
		Amount Outstanding	0.00	0.00	181.41	15.62	197.03	47.45	1.65	18.48	([illegible])	100.83
			(0.00)	(0.[illegible])	([illegible])	(3.11)	(301.01)	(35.45)	(0.5[illegible])	30.61	1.2[illegible]	67.84
		Provision thereon	0.00	0.00	0.04	0.00	0.04	25.39	0.09	0.00	0.1[illegible]	29.54
			(0.00)	(0.00)	(0.25)	([illegible])	(0.25)	(74.98)	(-0.2[illegible])	(0.72)	(0.[illegible])	18.98
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	0.00	0.00	6.00	7.00	13.00	139266.00	1956.00	209.00	21.00	147442.00
			(0.00)	([illegible])	(14.[illegible])	(1.00)	(9.[illegible])	(1,02,[illegible])	(1,[illegible].00)	(121.[illegible])	([illegible])	-104035.00
		Amount Outstanding	0.00	0.00	609.92	2507.23	3177.15	6136.00	78.06	497.18	[illegible]	4693.77
			(17.00)	(0.[illegible])	(1,927.93)	(1,908.07)	(3,[illegible]2.97)	([illegible])	([illegible])	(380.43)	([illegible])	-3245.96
		Provision thereon	0.00	0.00	0.00	0.81	0.[illegible]	261.75	2.37	3.04	[illegible]	207.16
			(0.00)	(0.00)	([illegible])	(0.00)	(0.84)	([illegible])	([illegible])	([illegible])	(0.00)	-142.71

Sr No	Type of Restructuring → Details	Asset Classification	Others: Standard	Others: Sub-standard	Others: Doubtful	Others: Loss	Others: Total	Total: Standard	Total: Sub-standard	Total: Doubtful	Total: Loss	Total: Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	47	12042	[illegible]	[illegible]	12946	[illegible]	13590	[illegible]	[illegible]	[illegible]
			[illegible]	(11046)	[illegible]	(8)	(13342)	[illegible]	[illegible]	[illegible]	(10)	[illegible]
		Amount Outstanding	[illegible]	[illegible]	[illegible]	3308.4[illegible]	[illegible]	4752.74	[illegible]	[illegible]	[illegible]	19464.46
			[illegible]	[illegible]	[illegible]	(918.78)	[illegible]	(2356.41)	[illegible]	[illegible]	(1444.22)	(18783.52)
		Provision thereon	[illegible]	0.5	[illegible]	42.34	[illegible]	188.44	[illegible]	[illegible]	67.34	439.40
			(52.47)	[illegible]	[illegible]	(0)	[illegible]	(90.56)	[illegible]	[illegible]	(0)	(117.28)
2	Fresh restructuring during the year	No. of Borrowers	5992	[illegible]	1.00	0.00	[illegible]	36066	[illegible]	60	0	[illegible]
			16.00	[illegible]	(0.00)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(1.00)	[illegible]
		Amount Outstanding*	5111.27	4.4[illegible]	[illegible]	0.00	3210.10	[illegible]	23.83	[illegible]	4.73	3699.7[illegible]
			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(2432.77)	[illegible]	[illegible]	(1.30)	[illegible]
		Provision thereon	[illegible]	0.15	[illegible]	[illegible]	74.61	[illegible]	0.9[illegible]	8.84	0.00	176.99
			[illegible]	[illegible]	[illegible]	(0.00)	[illegible]	(109.81)	[illegible]	[illegible]	[illegible]	(113.91)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	[illegible]	-1.00	-1.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-2.00
			(1)	[illegible]	(-2)	(0)	(-1)	(2)	(-1)	[illegible]	[illegible]	(-2)
		Amount Outstanding	4.74	-13.94	[illegible]	0.00	[illegible]	[illegible]	[illegible]	[illegible]	0.00	[illegible]
			(120.14)	(0)	[illegible]	[illegible]	[illegible]	[illegible]	(-71.14)	(-245.14)	[illegible]	[illegible]
		Provision thereon	[illegible]	[illegible]	[illegible]	0.00	0.00	[illegible]	0.00	[illegible]	0.00	0.00
			(4.09)	(0)	[illegible]	[illegible]	(0.00)	(4.49)	[illegible]	[illegible]	[illegible]	[illegible]
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 FY	No. of Borrowers	12	[illegible]	[illegible]	0.00	[illegible]	[illegible]	0.00	[illegible]	[illegible]	13141.00
			[illegible]	(0)	[illegible]	(1)	[illegible]	[illegible]	(0.10)	(0.00)	(0.00)	[illegible]
		Amount Outstanding	[illegible]	0.00	[illegible]	0.00	[illegible]	[illegible]	[illegible]	[illegible]	0.00	[illegible]
			(16.02)	[illegible]	(0.00)	[illegible]	[illegible]	(26.02)	(0.00)	(0.00)	(0.00)	(26.02)
		Provision thereon	40.81	0.00	[illegible]	[illegible]	[illegible]	37.2[illegible]	0.00	[illegible]	0.00	37.2[illegible]
			[illegible]	(0.00)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(0.00)	(1.3)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	[illegible]	[illegible]	-16.00	[illegible]	0.00	[illegible]	[illegible]	[illegible]	[illegible]	0.00
			[illegible]	(-4.00)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.00
		Amount Outstanding	-1.72	[illegible]	[illegible]	1040.74	0.00	[illegible]	-138.42	-1485.77	[illegible]	[illegible]
			[illegible]	[illegible]	(12.21)	[illegible]	(0)	[illegible]	[illegible]	[illegible]	(1951.45)	(0)
		Provision thereon	[illegible]	[illegible]	[illegible]	1.16	0.00	-2.1	[illegible]	0.74	[illegible]	[illegible]
			[illegible]	(-2.27)	[illegible]	[illegible]	(0)	(-4.95)	(-1.98)	(0.49)	[illegible]	(0)
6	Write-offs of restructured accounts during the FY	No. of Borrowers	2	0	34	0	[illegible]	9	2	[illegible]	0	24.00
			[illegible]	[illegible]	[illegible]	[illegible]	(14)	[illegible]	(1)	(21)	(0)	(19)
		Amount Outstanding	346.98	0	857.32	[illegible]	[illegible]	[illegible]	1.88	[illegible]	62.29	1377.22
			[illegible]	[illegible]	[illegible]	(0.10)	(1223.78)	[illegible]	(17.00)	[illegible]	[illegible]	[illegible]
		Provision thereon	[illegible]	0	[illegible]	2.74	2.46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
			[illegible]	[illegible]	[illegible]	[illegible]	(58.78)	(11.36)	[illegible]	[illegible]	[illegible]	(24.36)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	6406	12081	[illegible]	47	[illegible]	145272	13997	[illegible]	30	[illegible]
			[illegible]	[illegible]	[illegible]	[illegible]	(12946)	[illegible]	[illegible]	(870)	(30)	(116907)
		Amount Outstanding	[illegible]	336.87	[illegible]	[illegible]	12004.92	[illegible]	305.7[illegible]	[illegible]	[illegible]	[illegible]
			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(542.9)	[illegible]	[illegible]	[illegible]
		Provision thereon	72.87	[illegible]	208.11	36.34	[illegible]	[illegible]	11	[illegible]	67.34	385.71
			(46.3)	[illegible]	(7.8[illegible])	(0)	[illegible]	(187.27)	[illegible]	(7.8[illegible])	(0)	(207.32)

5.4.3.2. Disclosure on Stressed Assets

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	0	0.00	0.00	0	0
Current Financial Year (From April 2020 to March 2021)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr. No.	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
4	406.06	164.56	241.50	140.75
Classified as NPA				
3	231.77	111.51	120.26	218.43
Total				
7	637.83	276.07	361.76	359.18

5.4.4 Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

A: Details of Sales:

Sr. No.	Particulars	2020-21	2019-20
i.	Number of accounts	06	04
ii.	Aggregate value (net of provision) of accounts sold to SC/RC	20.36	36.59
iii.	Aggregate consideration	91.44	85.33
iv.	Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
v.	Aggregate gain/(loss) over net book value	71.08	48.74

B. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC)/ Reconstruction Company (RC):

Book Value of Investments in Security Receipts:

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/NBFC as underlying		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Book Value of investments in securities receipts	2,209.67	2,305.43	0.00	0.00	2,209.67	2,305.43

C. Disclosure on Provision in respect of sale of NPA to SCs/RCs:

S.No.	Amount	Provision made during the year	Unamortised provision debited from 'other reserves' as on 31.03.2021
NIL			

D. Profit from sale of NPA:

Sr. No.	Particular	2020-21	2019-20
1	Profit booked in respect of sale of NPA	71.08	48.74

E. Disclosure of Investment in Security Receipts:

Book value of Security Receipts backed by NPAs sold by the Bank:

Particulars	SRs issued within past 5 Years	SRs issued more than 5 years ago but within past 8 Years ago	SRs issued more than 8 Years ago	Total
(i) Book value of SRs backed by NPAs sold by the bank as underlying	351.28 (387.31)	1,711.48 (1,767.62)	146.91 (150.49)	2,209.67 (2,305.43)
Provision held against (i) above	350.65 (357.26)	1,447.37 (1,085.55)	146.91 (150.49)	1,944.93 (1,593.31)
(ii) Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Provision held against (ii) above	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.4.5 Details of non-performing financial assets purchased/sold (from/to other banks)

(a) Details of non-performing financial assets purchased:

Particulars	2020-21	2019-20
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

(b) Details of non-performing financial assets sold:

Particulars	2020-21	2019-20
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.4.6 Provisions on Standard Assets:

Particulars	As at 31.03.2021	As at 31.03.2020
Provisions towards Standard Assets held as per RBI Norms	2,723.10	2,766.56

5.5 Business Ratios:

Sr. No.	Particulars	31.03.2021 (in %)	31.03.2020 (in %)
(i)	Interest Income as a percentage to average Working Funds	5.35	6.11
(ii)	Non-interest income as a percentage to average Working Funds	0.98	0.97
(iii)	Operating Profit as a percentage to average Working Funds	1.43	1.66
(iv)	Return on Assets	0.28	(-)0.43
(v)	Business per employee(deposits plus advances including interbank deposits)	19.94	19.40
(vi)	Profit per employee	0.042	(-)0.069

5.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31st March, 2021

Details	Day 1	2to 7 days	8 TO 14 DAYS	15 TO 28 DAYS	Over 28 days up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and up to 5years	Over 5 years	TOTAL (1 TO 10)
Deposits	17,083.61	26,879.61	14,132.55	20,450.70	40,914.67	22,093.67	16,050.26	1,53,562.56	1,05,156.51	2,10,789.43	6,27,113.56
	(13,794.07)	(15,815.30)	(12,337.73)	(18,308.09)	(42,855.90)	(23,968.48)	(18,057.22)	(1,34,034.43)	(93,076.41)	(1,83,257.35)	(5,55,504.98)
Advances	17,301.50	6,654.55	6,901.82	6,513.82	16,019.42	11,523.67	18,142.69	1,59,972.93	34,387.93	88,268.22	3,65,686.52
	(14,345.63)	(4,863.44)	(4,938.30)	(6,877.62)	(21,871.07)	(11,000.43)	(18,739.01)	(1,47,515.56)	(45,830.55)	(92,901.68)	(3,68,883.30)
Investments	129.53	618.01	469.84	279.77	857.00	10,891.04	7,603.22	24,775.16	18,780.34	1,22,848.95	1,87,252.85
	(0.00)	(901.90)	(275.23)	(443.94)	(5,455.33)	(1,531.22)	(8,071.68)	(19,127.76)	(22,351.24)	(1,00,414.68)	(1,58,572.99)
Borrowings	5.81	16,494.36	154.54	154.54	87.06	0.00	463.62	8,252.18	3,000.00	3,852.00	32,464.11
	(824.70)	3,379.94	(8,500.00)	(10.49)	(5,675.93)	(150.45)	(3,893.49)	(9,017.46)	(1,500.00)	(6,800.00)	(39,752.47)
(a) Foreign Currency Assets	3,639.63	11,756.73	1,540.71	8,344.24	13,249.85	6,838.28	7,831.55	14,422.27	7,540.31	12,171.47	87,335.03
	(2,777.42)	(2,028.95)	(1,334.84)	(8,539.80)	(24,622.65)	(9,170.14)	(14,413.44)	(7,943.67)	(9,630.96)	(14,578.65)	(95,040.52)
(b) Foreign Currency Liabilities	5,957.14	15,181.40	3,897.11	8,855.61	37,987.01	23,801.82	10,906.35	9,111.30	654.29	482.01	1,16,834.03
	(5,615.00)	(5,477.49)	(2,840.75)	(8,344.92)	(43,766.77)	(21,347.83)	(14,288.85)	(7,093.07)	(3,308.09)	(2,200.60)	(1,14,283.35)

5.7 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

5.7.1 Exposure to Real Estate Sector, as compiled by the management

Sr. No.	Category	31.03.2021	31.03.2020
1	Direct Exposure	50,782.70	48,452.49
(a)	Residential Mortgages	46,285.36	42,942.12
	(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	18,767.32	25,731.79
	(ii) Individual housing loans eligible for inclusion in priority sector	27,518.04	17,210.33
(b)	Commercial Real Estate-	4,248.61	5,260.32
	Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,248.61	5,260.32
(c)	Investments in Mortgage Backed duties (MBS) and other securitised Exposures	248.73	250.05
	a) Residential	0.10	1.42
	b) Commercial Real Estate	248.63	248.63
2	Indirect Exposure	29,450.23	27,360.06
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	29,450.23	27,360.06
Total exposure to Real Estate Sector (1+2)		80,232.93	75,812.55

5.7.2 Exposure to Capital Market

Sr. No	Category	31.03.2021	31.03.2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of	1,006.84	1,022.96

Sr. No	Category	31.03.2021	31.03.2020
	which is not exclusively invested in corporate debt;		
ii)	Advances against shares/bonds/debentures or 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;	5.44	4.16
iii)	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;	407.23	4.32
iv)	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;	2.69	0.24
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,121.13	1,102.46
vi)	Loans sanctioned to corporates 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;	0.00	0.00
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.00
viii)	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;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.86
x)	All exposures to Venture Capital Funds (both registered and unregistered)	256.68	261.65
	Total Exposure to Capital Market	2,800.01	2,396.65

5.7.3 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

Sr. No.	Risk Category	As at 31.03.2021		As at 31.03.2020	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	62,168.11	36.53	46,417.29	38.29
2	Low	22,183.03	15.21	22,932.16	18.98
3	Moderate	4,358.89	0.00	53.56	0.00
4	High	5,590.86	0.00	6,029.39	0.00
5	Very High	6.48	0.00	4.51	0.00
6	Restricted	0.00	0.00	0.00	0.00
7	Off credit	0.52	0.00	0.45	0.00
	Total	94,307.89	51.74	75,437.36	57.27

5.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2021
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Group Borrower			
2.	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

5.7.5 Unsecured Advances:

Particulars	2020-21	2019-20
Total Unsecured Advances	83,337.74	85,218.21
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	2,651.15	731.88
ii) The estimated value of such intangible securities (as in (i) above)	18,491.55	2,284.30

5.7.6 MSME Restructuring -

In accordance with RBI circular no. DBR.No.BP. BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.4.048/ 2019-20 dated 11.02.2020 and RBI/2020-21/17 DOR.No. BP.BC/4/ 21.04.048/ 2020-21 dated 06.08.2020, on "Relief for MSME borrowers". The details of MSME restructured accounts are as under:

No. of Account Restructured	Amount
1,43,512	3,086.81

5.7.7 Miscellaneous: Nil

5.7.8 Amount of Provisions made for Income-tax during the year

Particulars	2020-21	2019-20
Current Tax	138.31	177.28
Deferred Tax	938.10	(-)1,823.12
Total Tax Expense	1,076.41	(-)1,645.84

Government of India has pronounced section 115BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Act, 2019. The Bank has evaluated the options available under section 115BAA of the Act and opted to continue to recognise the taxes on income for the year ended 31st March, 2021 as per the earlier provisions of Income-tax Act.

5.7.9 Disclosures of Penalties imposed by RBI & Other Regulators

Particulars	2020-21	2019-20
Penalty imposed under Section 46(4) of The Banking-Regulation Act, 1949 and under other regulations	5.13	6.98

Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard - 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

During the year, there were no material prior period income / expenditure items.

(ii) **Change in accounting policy:**

There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2021 as compared to those followed in the previous financial year ended March 31, 2020.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material..

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	.Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	6.96%	6.49%	6.82%	6.59%
	Expected Rate of Return on Plan Assets	8.04%	10.85%	8.65%	8.62%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%
	Mortality Table	IALM (2006-08) ULTIMATE		IALM (2006-08) ULTIMATE	
(ii)	**Table showing change in present value of obligation:**				
	Liability at the beginning of the year	1747.81	16065.92	1,683.78	14,709.20
	Interest Cost	108.69	989.13	102.87	925.49
	Current Service Cost	166.37	873.16	75.36	729.39
	Benefit Paid	372.36	1650.19	350.68	1,330.55
	Actuarial (gain)/loss on Obligation	284.81	559.03	236.48	1,032.39
	Liability at the end of the year	1935.32	16837.05	1,747.81	16,065.92
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the Beginning of the year	1649.47	15827.60	1,592.38	14,314.88
	Expected return on Plan Assets	132.62	1717.29	137.74	1,233.94
	Contributions	444.70	903.63	335.84	1,405.03
	Benefit Paid	372.36	1650.19	350.68	1,330.55

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Fair Value of Plan Assets at the end of the year	1930.62	16531.02	1,649.47	15,827.60
	Total Actuarial Gain/(Loss) to be recognised	(-)208.62	(-)826.34	(-)302.29	(-)828.09
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	132.62	1717.29	137.74	1,233.94
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Actual return on Plan Assets	208.81	1449.98	71.93	1,438.24
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the year	1935.32	16837.05	1,747.81	16,065.92
	Fair Value of Plan Assets at the end of the year	1930.62	16531.02	1,649.47	15,827.60
	Amount Recognised in the Balance Sheet	4.70	306.03	98.34	238.32
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	166.37	873.16	75.36	729.39
	Interest Cost	108.69	989.13	102.87	925.49
	Expected Return on Plan Assets	(-)132.62	(-)1717.29	(-)137.74	(-)1,233.94
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	208.62	826.34	302.29	828.09
	Expense Recognised in P & L	351.06	971.34	342.78	1,249.03
	Unamortised expenses (not charged to P&L Account)	0.00	0.00	0.00	0.00
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	98.34	238.32	91.39	394.32
	Expenses as above	351.06	971.34	342.78	1,249.03
	Employer's Contribution	(-)444.70	(-)903.63	(-)335.83	(-)1,405.03
	Amount Recognised in Balance Sheet	4.70	306.03	98.34	238.32

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
(viii)	Category of Assets:				
	Government of India Securities	73.81	2,198.78	73.99	2,192.01
	Equity	0.00	316.89	0.00	161.97
	Corporate Bonds	134.42	5,184.24	142.46	4,605.86
	State Government Securities	248.27	5,363.35	300.91	5,012.41
	Other	1,474.12	3,467.76	1,132.11	3,855.35
	Total	1,930.62	16,531.02	1,649.47	15,827.60
(ix)	Experience Adjustment:				
	On Plan Liability (Gain)/Loss	315.39	791.71	(-)86.04	808.90
	On Plan Asset (Loss)/Gain	86.25	(-)620.28	100.21	155.64

Other long term employee benefits*:

Particulars	31.03.2021		31.03.2020	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1283.57	437.52	846.05	54.62
Leave Travel Concession	62.23	0.14	62.09	(-)1.87
Resettlement Benefits	7.33	(-)0.54	7.87	0.64
Milestone Awards	4.52	0.03	4.49	0.26
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 229.26 (Previous Year ₹ 161.42) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 1,548.05 (Previous Year ₹ 756.04) and towards Gratuity is ₹ 331.98 (Previous Year: ₹ 428.10).

Surplus/Deficit in the Plan:

Particular	Gratuity Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	1,935.33	1,747.81	1,683.78	1,754.54	1,410.08
Plan assets	1,930.62	1,649.47	1,592.38	1,319.42	1,360.32
Unrecognised Transitional liability	0.00	0.00	0.00	326.34	0.00
Surplus/(deficit)	(-)4.70	98.35	91.40	108.78	(-) 49.76
Experience Adjustment On Plan Liability (Gain)/Loss	315.39	(-)86.04	54.03	(-)22.79	38.41
Experience Adjustment On Plan Asset (Loss)/Gain	86.25	100.21	14.29	(-)4.76	1.71

Particular	Pension Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	16,837.05	16,065.92	14,709.20	13,716.87	12,851.12
Plan assets	16,531.02	15,827.60	14,314.88	13,330.64	12,321.80
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)306.03	(-)238.32	(-)394.32	(-)386.23	(-)529.32
Experience Adjustment On Plan Liability (Gain)/Loss	791.71	808.90	546.91	(-)66.62	198.92
Experience Adjustment On Plan Asset (Loss)/Gain	(-)620.28	155.64	37.73	33.27	103.05

6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		(*)Other Banking Operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	17,158.41	15,237.64	16,531.21	17,953.88	15,100.47	15,872.39	0.00	0.00	47,790.09	49,064.01
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	283.48	127.38
Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	32.64	126.05
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	48,040.93	49,066.34
Results	5,470.24	4,237.12	(-)1,466.93	(-)8,537.03	(-)15.67	736.79	0.00	0.00	3,987.64	(-)3,563.12
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)750.92	(-)1,039.61
Operating Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	3,236.72	(-)4,602.73
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1,076.42	(-)1,645.84
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	2,160.30	(-)2,956.89
Other information :										
Segment Assets	277,688.87	235,464.12	237,987.82	239,264.83	185,138.74	155,174.22	0.00	0.00	700,815.43	629,923.17
Unallocated Assets									25,041.02	27,072.31
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	725,856.45	656,995.48
Segment Liabilities	286,000.92	227,077.33	254,595.41	257,652.67	161,080.44	122,971.51	0.00	0.00	671,676.77	607,701.51
Unallocated Liabilities									5,494.09	5,477.66
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	677,170.86	613,179.17

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	45,814.67	44,985.39	2,226.26	4,080.95	48,040.93	49,066.34
Assets	641,265.29	563,189.32	84,591.16	93,806.16	725,856.45	656,995.48

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The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking:** Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i)Exposure – The maximum aggregate exposure up to ₹ 5.

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs:

a) Expenses directly attributed to particular segment are allocated to the relative segment.

b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments

a) Domestic Operations

b) International Operations

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel:

Managing Director & CEO:	Shri Atanu Kumar Das
Executive Directors:	Shri C. G. Chaitanya (superannuated on 31.08.2020) Shri P R Rajagopal Shri Swarup Dasgupta (from 10.03.2021) Shri M. Karthikeyan (from 10.03.2021) Smt. Monika Kalia (from 10.03.2021)

b. Subsidiaries

i. BOI Shareholding Limited
ii. BOI AXA Investment Managers Private Limited
iii. BOI AXA Trustee Services Private Limited
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. 3 Regional Rural Banks sponsored by the Bank

i. Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)
ii. Vidarbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

Star Union Dai-Ichi Life Insurance Co. Limited

a) Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Transactions during the year						
Interest Received	-	-	-	-	-	-
Interest Paid	155.42	115.80	-	-	155.42	115.80
Dividend received	3.98	6.57	-	-	3.98	6.57
Other Income	86.74	79.88	-	-	86.74	79.88
Sale of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Purchase of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-
Matured Deposits	-	-	-	-	-	-
Loans Provided	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-
Sale of NPA	-	-	-	-	-	-
Investments made	5.79	-	-	-	5.79	-
Equity shares issued under Employee's Stock Purchase Scheme (ESPS)	-	-	-	-	-	-
Outstanding as at year end						
Payable	-	-	-	-	-	-
Deposits accepted	149.71	15.17	-	-	149.71	15.17
Borrowing	-	-	-	-	-	-
Loans given	-	-	-	-	-	-
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	4.01	3.25	-	-	4.01	3.25
Receivables (Advances)	-	-	-	-	-	-
Investments	189.07	183.28	-	-	189.07	183.28
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	8.06	7.37	-	-	8.06	7.37

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker - Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

b) **Key Management Personnel: Remuneration paid in ₹:**

Sr. No	Particulars	2020-21	2019-20
1	Shri Atanu Kumar Das	30,02,820	27,92,421
2	Shri P. R. Rajagopal	31,52,053	89,146
3	Shri M Karthikeyan	1,46,801	0
4	Shri Swarup Dasgupta	1,46,801	0
5	Smt. Monika Kalia	1,46,801	0
6	Shri C. G. Chaitanya	47,68,776	26,90,263
7	Shri Dinabandhu Mohapatra	0	8,57,839
8	Shri Neelam Damodharan	0	17,66,707

6.6 Accounting Standard 19 – Lease Financing: - Nil

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2020-21	2019-20
1.	Basic EPS	6.59	(-)9.10
2.	Diluted EPS	6.59	NA

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2020-21	2019-20
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	2160.30	(-)2,956.89
(B)	Weighted Average Number of Equity shares (in crore)	327.69	325.01
(C)	Basic Earnings per Share (A/B) (₹)	6.59	(-)9.10
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	327.81	NA
(E)	Dilutive Earnings per Share (A/B) (₹)	6.59	NA
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr No	Particulars	31.03.2021	31.03.2020
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	14,139.07	14,949.33

Sr No	Particulars	31.03.2021	31.03.2020
ii)	On account of timing difference towards other provisions/items	113.49	132.21
iii)	On account of Foreign Currency Translation Reserve (FCTR)	209.92	234.08
iv)	Others	449.96	392.16
	Total Deferred Tax Assets	14,912.44	15,707.78
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	279.12	287.02
ii)	On account of interest accrued but not due on investments	943.32	952.07
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	915.53	758.28
iv)	Others	3.85	1.69
	Total Deferred Tax Liabilities	2,141.82	1,999.06
	Net Deferred Tax Assets / (Liabilities)	12,770.62	13,708.72

* ₹ 431.67 out of past reserves and balance out of profit

6.9 Accounting Standard 24 - Discontinuing Operations: During the FY 2019-20, Bank sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64. The remaining cost of investment of ₹ 19.18 has been fully provided.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 75 (Previous year ₹ 75) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2021	31.03.2020
Liabilities		
Capital & Reserves	208.63	190.24
Deposits	-	-

Particulars	31.03.2021	31.03.2020
Borrowings	-	-
Other Liabilities & Provisions	3,390.38	2,607.69
Total	3,599.02	2,797.93
Assets		
Cash and Balances with Reserve Bank of India	54.56	10.62
Balances with Banks and Money at call and short notice	-	-
Investments	3,386.41	2,640.40
Advances	3.74	3.03
Fixed Assets	7.51	6.77
Other Assets	146.80	137.11
Total	3,599.02	2,797.93
Capital Commitments	-	-
Other Contingent Liabilities	27.13	20.99
Income		
Interest Earned	11.30	10.39
Other Income	50.56	29.75
Total	61.86	40.14
Expenditure		
Interest Expended	-	-
Operating Expenses	37.77	13.27
Provisions & Contingencies	5.14	9.71
Total	42.91	22.98
Profit / (Loss)	18.95	17.16

6.11 Impairment of Assets (Accounting Standard 28): ₹ Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2020-21	2019-20
Opening Balance	99.19	100.28
Provided during the year	11.01	0.87
Amounts used during the year	9.29	1.96
Closing Balance	100.91	99.19
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Additional Disclosures

7.1 Provisions and Contingencies

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2020-21	2019-20
Provision for Depreciation on Investment	868.65	341.92
Provision towards NPA	6,612.54	14,415.39
Provision towards Standard Assets	(-)40.74	858.63
Provision made towards Income Tax (including Deferred Tax)	1,076.41	(-)1,645.84
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	199.70	(-)34.67
• Provision for Country Risk	(-)5.53	7.08
• Other Provisions	0.89	533.02
Total	**8,711.92**	**14,475.53**

7.2 Floating Provisions:

Particulars	2020-21	2019-20
Opening Balance in the floating provisions account	232.22	232.22
Add: The quantum of floating provisions made in the accounting year	0.00	0.00
Less: Amount of draw down made during the accounting year	0.00	0.00
Closing Balance in the floating provisions account	232.22	232.22

7.3 Drawdown from Reserves:

In terms of Gazette notification No. CG-DL-E-23032020-218862 dated 23.03.2020 issued by Ministry of Finance (Department of Financial Services) containing amendment in Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, after complying with the regulatory requirements and after getting approval from Reserve Bank of India vide their communication reference no. DOR.CO.BP.1052/21.01.002/2020-21 dated October 29, 2020, Bank has appropriated accumulated losses of ₹ 23,782.39 from its share premium account on November 3, 2020.

7.4 Disclosure of complaints:

Summary information on complaints received by the bank from customers and from the OBOs (Offices of the Banking Ombudsman)

Sr. No		Particulars	2020-21	2019-20
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	12194	10275
2		Number of complaints received during the year	446921	509359
3		Number of complaints disposed during the year	445927	507440
	3.1	Of which, number of complaints rejected by the bank	1452	143
4		Number of complaints pending at the end of the year	13188	12194
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	7099	2853
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1908	709
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	5191	2144
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	1	7
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme

Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6

Account Operation related	68 (22)	6433 (3715)	73.16 (-17.57)	141 (68)	0 (2)
Debit Card Related	95 (79)	5688 (9225)	(-)38.34 (-7.05)	77 (95)	2 (6)
Internet Banking	35 (25)	3080 (2462)	25.1 (-24.8)	67 (35)	0 (1)
Charges Related	34 (22)	1778 (1966)	(-)9.56 (-6.65)	52 (34)	1 (2)
Credit Related	24 (31)	1693 (1652)	2.48 (93.89)	35 (24)	1 (2)
Others	91 (102)	8736 (6434)	35.76 (-54.28)	160 (91)	2 (14)
Total	**347** (281)	**26954** (25454)	**5.89** (-26.70)	**532** (347)	**6** (27)

7.5 Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management)

During the year 2020-21, the bank has not issued any Letter of Comforts on behalf of Subsidiaries.

During the year 2010-11, the bank had issued parental guarantee in favour of Royal Bank of New Zealand Ltd., for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2021, no financial obligations have arisen on the above commitments.

7.6 Provisioning Coverage Ratio (PCR)

The Provisioning to Gross Non-Performing Assets of the Bank as on 31st March 2021 is 86.24% (Previous year: 83.74%).

7.7 Fees, remuneration received from Bancassurance business:

Particulars	2020-21	2019-20
Life Insurance Business	77.64	78.60
Non-Life Insurance Business	21.26	18.59
Health Insurance Business	5.25	4.16
Mutual Funds	3.14	3.19
Total	107.29	104.54

7.8 Concentration of Deposits, Advances, Exposures and NPAs

7.8.1 Concentration of Deposits –

Particulars	2020-21	2019-20
Total Deposits of twenty largest depositors	44,183.35	35,480.63
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.05%	6.39%

7.8.2 Concentration of Advances –

Particulars	2020-21	2019-20
Total Advances to twenty largest borrowers	72,236	76,397
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	15.84%	16.59%

7.8.3 Concentration of Exposures –

Particulars	2020-21	2019-20
Total Exposure to twenty largest borrowers/customers	79,163	69,877
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	12.22	11.22%

7.8.4 Concentration of NPAs

Particulars	2020-21	2019-20
Total Exposure to top four NPA accounts	9,655	9,731

7.9 Sector-wise Advances (Including Prudential/Technical write.off) (As compiled by management)

Sr. No.	Sector	2020-21			2019-20		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	Priority sector						
1	Agriculture & allied activities	52,892.30	8500.69	16.07	50,631.18	11,027.65	21.78
2	Advances to industries sector	21,676.01	4096.13	18.90	31,106.70	7,769.97	24.98

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Sr. No.	Sector	2020-21 O/S Gross Advances	2020-21 Gross NPAs	2020-21 % of Gross NPAs to Total Advances in that Sector	2019-20 O/S Gross Advances	2019-20 Gross NPAs	2019-20 % of Gross NPAs to Total Advances in that Sector
	eligible as priority sector lending						
3	Services	35,118.65	5246.06	14.94	39,676.84	6,605.99	16.65
4	Personal loans	21,833.57	949.01	4.35	15,662.24	746.24	4.76
	Sub-total (A)	1,31,520.53	18791.89	14.29	1,37,076.96	26,149.85	19.08
B	Non Priority Sector						
1	Agriculture & allied activities	2807.65	0.00	0.00	1,191.93	231.19	19.40
2	Industry	78821.23	13,654.41	17.32	85,816.60	31,217.46	36.38
3	Services	103365.02	13,340.73	12.91	1,26,180.58	20,576.18	16.31
4	Personal loans	45846.76	1214.00	2.65	35,804.38	1,764.38	4.93
	Sub-total (B)	230840.66	28209.14	12.22	2,48,993.49	53,789.21	21.60
	Total (A+B)	362361.19	47001.03	12.97	3,86,070.45	79,939.05	20.71

7.9.1 Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):

Purchased during the year	Sold During the Year
2,000.00 (0.00)	0.00 (0.00)

7.10 Movement of NPAs:

Particulars	2020-21	2019-20
Gross NPAs as on 01.04.2019 (Opening Balance)	61,549.93	60,661.12
Additions(Fresh NPAs) during the year	8,540.03	16,328.81
Sub-total(A)	70,089.96	76,989.93
Less:		
(i) Upgradations	635.34	1,303.25
(ii) Recoveries-excluding recoveries made from upgraded accounts	4,188.22	6,509.26
(iii) Technical/Prudential Write Offs	5,800.40	4,105.80
(iv) Write offs other those under (iii) above	2,931.06	3,521.69
Sub-total (B)	13,555.02	15,440.00

Particulars	2020-21	2019-20
Gross NPAs as on 31.03.2020 (Closing Balance) (A-B)	56,534.94	61,549.93

7.11 Movement of Technically/Prudentially written-off accounts:

Particulars	2020-21	2019-20
Opening Balance of Technical/prudential written-off accounts	26,530.43	22,291.32
Add: Technical/prudential written-offs during the year*	8,022.95	7,054.28
Sub-total(A)	34,553.38	29,345.60
Less: Recoveries/regular write off made from previously technical/prudential written-off accounts during the year* (B)	1,992.01	2,815.17
Closing Balance (A-B)	32,561.37	26,530.43

*including exchange difference

7.12 Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2020-21	2019-20
1	Total Assets	84,591.16	93,806.16
2	Total NPAs	11,713.93	11,956.14
3	Total Revenue	2,226.26	4,080.95

7.13 Off-Balance Sheet SPVs sponsored:

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

7.14 Disclosure relating to Securitisation:

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2020-21.

7.15Credit Default Swaps:

The bank has not dealt with any Credit Default Swap.

7.15.1 Intra-Group Exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2020-21	2019-20
A	Total amount of intra group exposures	6,373.59	4,474.40
B	Total amount of top 20 intra group exposure	6,373.59	4,474.40
C	% of Intra group Exposure to total exposure on Borrowers/Customers	1.07%	0.78%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

7.16 Transfers to Depositors Education and Awareness Fund (DEAF)

Particulars	2020-21	2019-20
Opening balance of amounts transferred to DEAF	1,137.94	784.01
Add : Amounts transferred to DEAF during year	367.76	369.73
Less : Amounts reimbursed by DEAF towards claims	17.44	15.80
Closing balance of amounts transferred to DEAF	1,488.26	1,137.94

7.17 Unhedged Foreign Currency Exposure (UFCE): As compiled by the management

Sr. No.	Particulars	2020-21	2019-20
A	Opening balance provisions account	76.75	36.09
B	The quantum of provisions made in the accounting year	53.71	41.33
C	Amount Reverse during the accounting year	68.44	0.67
D	Closing balance in the provisions account	62.03	76.75

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2021, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional RWA on this exposure is ₹ 431.80 (Previous Year ₹ 950.38). As against this, additional minimum capital requirement is ₹ 46.96 (Previous Year ₹ 103.35).

7.18 COVID 19 Regulatory Package:

The spread of COVID-19 across the globe has resulted in significant decline in Indian as well as global economic activities and increase in volatility in financial markets. The current 'second wave' of COVID-19 pandemic, in which number of cases has increased significantly, has resulted in re-imposition of lockdown measures in various parts of the country. Major challenges for the Bank would arise from extended working capital cycles and probability of increase in customer defaults. The extent to which, including the current 'second wave' will continue to impact Bank's results will depend on ongoing as well as future developments, which are highly uncertain.

BANK OF INDIA H.O. FINANCE DEPT.

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LAXMI TRIPTI & ASSOCIATES CHARTERED ACCOUNTANTS

In this situation, though the challenges continue to unfold, the Bank is evaluating the same on an ongoing basis and gearing up itself at all fronts to meet the same. The management, however, believes that no adjustments are required for these challenges as they may not significantly impact the financial results of the Bank.

In accordance with RBI guidelines relating to "COVID 19 Regulatory Package" on Asset Classification and Provisioning, dated March 27, 2020, April 17, 2020 and May 23, 2020, Bank has granted a moratorium on payment of installments and / or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as Standard, even if overdue as on February 29, 2020 without considering the same as restructuring. The moratorium period, wherever granted, is excluded by the Bank from the number of days the account is past due for the purpose of Asset Classification under RBI's Income Recognition and Assets Classification norms. The disclosures as required by RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 is given below:

Sr. No.	Particulars	Amount
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	29,266.93
2	Respective amount where asset classification benefits is extended	-
3	Provisions made in quarter ended March 31, 2020 and June 30, 2020, in terms of para 5 of the above circular	1,031.82
4	Provisions adjusted during the year ended March 31, 2021 against slippages	1,031.82
5	Provision held as on March 31, 2021	-

The Honorable Supreme Court of India, in a public interest litigation case of Gajendra Sharma Vs. Union of India & Another, vide an Interim order dated September 3, 2020 had directed that the accounts which were not declared as Non-Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the bank had not declared any domestic loan accounts as NPA which were Standard as on August 31, 2020. Pending disposal of the case, the Bank had made additional provision of ₹ 864 crore till December 31, 2020 for such borrower accounts not classified as non-performing.

Pursuant to the Hon'ble Supreme Court's final order dated March 23, 2021, vacating the above Interim order dated September 3, 2020, and the related RBI notification issued on April 7, 2021, Bank has classified these borrower accounts as per the extant IRAC norms with effect from September 1, 2020 and utilised the said above-mentioned additional provision towards provision for these accounts.

8. **Liquidity Coverage Ratio: As compiled by the management**

Quantitative Disclosure:

	AMOUNT IN RS CRS	As on 31.03.2021* Total Unweighted Value (average) @	As on 31.03.2021* Total Weighted Value(average) @	As on 31.03.2020* Total Unweighted Value (average) @	As on 31.03.2020* Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		1,42,882.62		95,695.78
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	4,22,053.05	38,301.74	3,79,311.23	37,419.47
(i)	Stable deposits	77,198.78	3,814.62	10,236.15	[illegible]
(ii)	Less stable deposits	3,44,854.27	34,487.12	3,69,075.08	[illegible]
3	Unsecured wholesale funding of which:	78,645.06	42,663.37	58,721.87	[illegible]
(i)	Operational deposits (all counterparties)	70.41	17.62	[illegible]	[illegible]
(ii)	Non -operational deposits (all counterparties)	59,026.50	23,501.40	[illegible]	[illegible]
(iii)	unsecured debts	19,548.15	19,144.35	12,556.44	[illegible]
4	Secured wholesale funding		78.51		
5	Additional requirements, of which	22,320.24	7,081.92	18,021.05	[illegible]
(i)	Outflows related to derivative exposures and other collateral requirement	3,057.01	3,046.87	[illegible]	[illegible]
(ii)	Outflows related to loss of funding on debt products	[illegible]	[illegible]		
(iii)	Credit and liquidity facilities	19,034.72	3,948.65		
6	Other contractual funding obligations	14,596.73	14,584.23	14,576.59	2,004.27
7	Other contingent funding obligations	33,118.98	[illegible]	24,900.20	24,876.79
8	TOTAL CASH OUTFLOWS		1,08,710.05	[illegible]	[illegible]
CASH INFLOW					98,600.92
9	Secured lending(e.g. reverse repos)	10,992.44	8,867.75	6,824.06	4,470.83
10	Inflows from fully performing exposurs	23,154.93	15,306.84	17,039.02	[illegible]
11	Other cash inflows	18,424.21	17,353.96	12,198.89	10,393.72
12	TOTAL CASH INFLOWS	52,570.98	41,528.56	36,061.96	26,421.98
			Total Adjusted Value $		Total Adjusted Value $
21	TOTAL HQLA		1,42,882.62		95,695.78
22	TOTAL NET CASH OUTFLOWS		62,181.50		72,178.94
23	LIQUIDITY COVERAGE RATIO(%)		229.78		132.58

Note:-

*On consolidated basis (including domestic operations , overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2021 as well as 31.03.2020 has been done by taking simple averages of daily observations over previous 4 quarters (i.e. average for the FY 2020-21 & FY 2019-20). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

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W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.
- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.
- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.
- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019	01.04.2020	01.10.2020
Minimum LCR	60%	70%	80%	90%	100%	80%	90%

However, in order to accommodate the burden on bank's cash flow on account of Covid 19 pandemic, RBI vide circular no DOR.BP.BC.No.65/21.04.098/2019-20, dated April 17,2020 permitted Banks to maintain LCR as under:

From date of Circular to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	2.29%
Excess CRR balance	12.71%
Government securities in excess of minimum SLR Requirement	18.61%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 15 percent of NDTL as allowed for MSF)	10.20%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.00%
Facility to Avail Liquidity for Liquidity Coverage Ratio	51.20%
Level 2 Assets	2%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the

ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: No such items as per our notice.

9. Other Notes:

a) Income Tax:

(i) Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 1,186.47 (previous year ₹ 581.40) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(ii) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

b) Movement of Reward Points for 2020-21:

(In Units)

Sr. No.	Particulars	Reward points on Debit Card	Reward points on Credit Card	Total
1	Opening Balance	3,82,10,64,037	31,39,34,925	4,13,49,98,962
		(3,07,55,40,977)	(33,82,63,818)	(3,41,38,04,795)
2	Add: Reward points accrued during the Year by Customers	1,25,36,90,259	13,89,06,561	1,39,25,96,820
		(1,77,26,50,463)	(14,26,08,013)	(1,91,52,58,476)
3	Less: Reward Points availed by customers	18,86,23,058	5,36,79,158	24,23,02,216
		(36,02,52,229)	(8,41,28,064)	(44,43,80,293)
4	Less: Reward Points Expired (FY 2019-20)	92,47,95,062	4,95,49,517	97,43,44,579
		(66,68,75,174)	(8,28,08,842)	(74,96,84,016)
5	Closing Balance	3,96,13,36,176	34,96,12,811	4,31,09,48,987
		(3,82,10,64,037)	(31,39,34,925)	(4,13,49,98,962)

c) Disclosure regarding frauds:

Financial Year	Number of frauds	Amount involved	Probable Loss	Quantum of Provision made during the year	Quantum of unamortized provision debited from other reserve
2020-21	177 (203)	12,184.32 (8,071.23)	11,627.84 (5,894.48)	592.49 (418.93)	0.00 (0.00)

d) In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date where review period of 30 days are over but the 180 days of resolution period had not expired as on March 1, 2021 are as under:

Particular	No. of Accounts	Amount (₹)
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	6	9,836.64

e) Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. As both the Banks were holding 100% provision, RBI vide its communication (Ref. DoS.Co.SSM(BOI)/6557/13.37.007/2019-20) dated April 13, 2020 permitted the Bank to maintain a provision of 50% of the disputed amount on an ongoing basis (i.e. 50% of ₹ 291.63) subject to certain conditions. Accordingly, the Bank now holds provision of ₹ 145.81 for the disputed amount.

f) In terms of Supreme Court Order and necessary guidelines issued by Reserve Bank of India, the Bank has kept Delhi Airport Metro Express Pvt. Ltd as 'Standard'. However, necessary provisions as per IRAC Norms have been made which are detailed as under:-

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provision actually held
215.25	93.32	93.32

g) In accordance with the RBI guidelines, during the year ended March 31, 2021, Bank has shifted the Central Government securities with a book value of ₹ 7,485.60 and State Government securities with a book value of ₹ 7,715.20 from HTM to AFS category. Venture Capital Fund for an amount of ₹ 14.08 has been shifted from HTM to AFS category.

h) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2021, Bank holds 100% provision of the outstanding value of ₹ 4227.96.

i) In accordance with the instructions of RBI circular dated April 7, 2021 on "Asset Classification and Income Recognition following the expiry of COVID-19 Regulatory package", the Bank has refunded "interest on interest" charged to all borrowers including those who had availed of working capital facilities during the moratorium period i.e. March 1, 2020 to August 31, 2020, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by the RBI notification, the methodology for calculation of such interest on interest was circulated by the Indian Bank's Association. Accordingly, a liability of ₹ 128.43 towards the same has been created and reduced from interest income for the year ended March 31, 2021.

j) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2021, Bank holds additional Provision of ₹ 976.21 in respect of 8 borrower accounts, where the viable Resolution Plan has not been implemented within 180 days/365 days of review period.

k) Details of the resolution plan implemented under the Resolution Framework for COVID-19 Stress as per RBI circular dated August 6, 2020 are given below:

Type of Borrower	A) Number of accounts where resolution plan has been implemented under this window	B) Exposure of accounts mentioned at (A) before implementation of the plan	C) Of (B), aggregate amount of debt that was converted into other securities	D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	E) Increase in provisions on account of the implementation of the resolution
Personal Loans	8401	749.26	-	-	74.92
Corporate Persons	3	743.92	-	-	74.39
of which, MSMEs	-	-	-	-	-
Others	6	44.95	-	-	4.49
Total	8410	1538.13	-	-	153.80

l) During FY 2020-21, Bank has made provision of ₹ 460.92 towards the 11th Bi-Partite Wage Settlement effective November 1, 2017.

m)The Bank has received eight Investor complaints during the year ended March 31, 2021 which have been disposed-off. There are no pending investor complaints at the beginning or end of the year.

n) Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

Chaturvedi & Co.	V Sankar Aiyar & Co.	Laxmi Tripti & Associates
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Park Centre, 24,	2C Court Chambers,	2/9, Shireen Complex. BDA
Park Street,	35, New Marine Lines,	Colony, KOH-E-FIZA,
Kolkata – 700 016	Mumbai – 400 020.	Bhopal - 462001

Independent Auditors' Report on Audited Consolidated Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations,2015

To
The Board of Directors
Bank of India
Mumbai

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying Statement of Consolidated Financial Results of **Bank of India** ("the **Parent Bank**") and its subsidiaries (collectively hereinafter referred to as "**the Group**"), associates and joint venture for the quarter ended March 31, 2021 and the year ended 31st March 2021 ("**the Statement**"),being submitted by the Parent Bank pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to "consolidated Pillar 3 disclosure" as at 31st March 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Consolidated Financial results and have not been audited by us.

   In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on separate audited financial results of subsidiaries, associates and joint venture, the aforesaid statement:

   a. include the financial results of the following entities

      Subsidiaries:

      i. BOI Shareholding Ltd.
      ii. BOI AXA Investment Managers Private Limited
      iii. BOI AXA Trustee Services Private Limited
      iv. BOI Merchant Bankers Ltd.
      v. PT Bank of India Indonesia TBK
      vi. Bank of India (Tanzania) Ltd.
      vii. Bank of India (New Zealand) Ltd.
      viii. Bank of India (Uganda) Ltd.

Joint Venture:

i. Star Union Dai-ichi Life Insurance Company Limited

Associates:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank
iv. Indo- Zambia Bank Ltd.
v. STCI Finance Ltd.
vi. ASREC (India) Ltd.

b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March 2021 including leverage ratio and liquidity coverage ratio under Basel III capital regulations as have been disclosed on the Bank's website and in respect of which link has been provided on the consolidated financial results and have not been audited by us and

c. gives a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the group, its associates and Joint venture for the quarter and the year ended 31st March 2021.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

3. a) Note No.9 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its business operations of the Bank on an ongoing basis; and

b) Note No. 28 of the statement relating to utilisation of share premium for setting of accumulated losses

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Consolidated Financial Results

4. These Consolidated Financial Results have been compiled from the consolidated Annual audited financial statements. The Bank's Board of Directors are responsible for the preparation

CHATURVEDI & CO. KOLKATA Chartered Accountants

and presentation of these consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group, its associates and joint venture in accordance with the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank, as aforesaid.

In preparing the consolidated Financial Results, the respective Board of Directors of the entities included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group and of its associates and Joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

5. Our objectives are to obtain reasonable assurance about whether the consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Results.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

KOLKATA Chartered Accountants

MUMBAI Chartered Accountants

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Financial Results, including the disclosures, and whether the consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint venture to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

6. The consolidated Financial Results include the audited Financial Results of 5 subsidiaries, 4 associates and 1 joint venture, whose Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs.4138.94 crore as at 31st March 2021,

KOLKATA

MUMBAI

Group's share of total revenue of Rs.49.19 crore and Rs.114.13 crore and Group's share of total net loss after tax of Rs.113.28 crore and Rs.17.39 crore for the quarter and year ended 31st March 2021 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

In the case of one foreign associate, the financial information has been prepared in accordance with accounting principles generally accepted in the country in which it is situated and has been audited by the other auditors under generally accepted auditing standards as applicable in the country in which it is situated. The Bank's management has converted the financial information of such associate from accounting principles generally accepted in the country in which it is situated to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances of such associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the Bank's management.

The consolidated Financial Results include the reviewed/unaudited Financial Results of 3 subsidiaries and 2 associates whose Financial Statements/Financial Results/ Financial information reflect Group's share of total assets of Rs. 3020.87 crore as at 31st March 2021, Group's share of total revenue of Rs. 53 crore and Rs. 214.17 crore and Group's share of total net profit/(loss) after tax of Rs. 3.95 crore and Rs. (1.58) crore for the quarter and year ended 31st March 2021 respectively, as considered in the consolidated Financial Results. These unaudited Financial Statements/Financial Results/ financial information has been furnished to us duly certified by the Bank's management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such reviewed/unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by Bank's management, these Financial Statements/Financial Results / Financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/Financial information as certified by Bank's management.

7. Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium / emails.

8. The Consolidated Financial statements of the Group for the previous year ended March 31,2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed unmodified opinion on such Financial statements. Further the Consolidated financial results of the Group as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter ended on March 31, 2020 were audited by the joint auditors, two of which are predecessor audit firms and have expressed their unmodified opinion on such results.

9. The Consolidated Financial Results include the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on the Consolidated Financial Results is not modified in respect of above matters.

For Chaturvedi & Co. **Chartered Accountants** **(FRN 302137E)** **R.K.Nanda** **Partner** **M. No. 510574** **UDIN: 21510574AAAABY8719**	**For V Sankar Aiyar & Co.** **Chartered Accountants** **(FRN 109208W)** **G Sankar** **Partner** **M. No. 046050** **UDIN: 21046050AAAAEZ1285**	**For Laxmi Tripti & Associates** **Chartered Accountants** **(FRN 009189C)** **L.N. Agrawal** **Partner** **M.No.078427** **UDIN: 21078427AAAACM9245**

Place: Mumbai
Date: June 4, 2021

BANK OF INDIA

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2021

&

PROFIT AND LOSS ACCOUNT

FOR YEAR ENDED 31ST MARCH, 2021

BANK OF INDIA

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(000's Omitted)

	Schedule No.	As at 31-03-2021 ₹	As at 31-03-2020 ₹
CAPITAL AND LIABILITIES			
Capital	1	32,776,625	32,776,625
Reserves & Surplus	2	437,025,656	417,954,861
Share Application Money, pending allotment		30,000,000	0
Minorities Interest	2A	1,593,341	1,514,163
Deposits	3	6,290,983,364	5,573,864,271
Borrowings	4	324,641,055	397,524,659
Other liabilities and provisions	5	210,880,934	206,553,820
TOTAL		7,327,900,975	6,630,188,399
ASSETS			
Cash and balances with Reserve Bank of India	6	609,303,760	294,465,455
Balances with Banks and money at call and short notice	7	657,632,490	571,825,738
Investments	8	1,916,930,102	1,623,229,081
Advances	9	3,676,673,463	3,706,440,848
Fixed Assets	10	90,013,980	80,979,849
Other Assets	11	377,347,180	343,848,028
TOTAL		7,327,900,975	6,630,188,399
Contingent Liabilities	12	4,537,941,768	3,523,213,663
Bills for collection		249,138,677	250,032,329

The schedules referred to above form an integral part of the Balance Sheet.

This Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K. Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Dakshita Das   Subrata Das   P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN 302137E)	(FRN 109208W)	(FRN 009189C)
R.K Nanda	G. Sankar	C.N. Agrawal
Partner	Partner	Partner
M. No. 510574	M. No. 046050	M. No. 078127

Place: Mumbai
Date: June 04, 2021

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

(000's Omitted)

	Schedule No.	Year ended 31-03-2021 ₹	Year ended 31-03-2020 ₹
I. INCOME			
Interest earned	13	40,85,38,283	42,59,07,742
Other income	14	7,49,61,748	6,80,88,891
TOTAL		48,35,00,011	49,39,96,634
II. EXPENDITURE			
Interest expended	15	26,42,09,496	27,19,14,608
Operating expenses	16	11,00,63,541	10,61,24,017
Provisions & Contingencies		8,72,39,133	14,52,52,065
TOTAL		46,15,12,170	52,32,90,680
Share of earnings/(loss) in Associates	16A	(11,82,214)	(12,18,330)
Consolidated Net Profit/(Loss) for the period before deducting Minorities' interest		2,08,05,627	(3,05,12,377)
Less: Minorities' interest		(21,874)	(1,997)
Consolidated Net Profit/(Loss) for the period attributable to the group		2,08,27,501	(3,06,10,379)
Add: Brought forward consolidated profit/(loss) attributable to the group		(23,78,79,282)	(20,41,45,456)
TOTAL		(21,70,51,781)	(23,46,55,835)
III. APPROPRIATIONS/ UTILIZATIONS			
Transfer to Statutory Reserve		54,10,000	-
Transfer to Investment Fluctuation Reserve		67,38,011	
Transfer to Revenue Reserve		58,990	7,55,817
Transfer to Capital Reserve		49,64,976	24,27,630
Transfer (from)/ to Special Reserve - Currency Swap		-	-
Transfer from Share Premium (for set off of brought forward loss)		(23,78,23,882)	-
Final Dividend (including dividend tax)		-	-
Dividend Tax - for Subsidiary			-
Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act 1961		45,00,000	-
Balance carried over to consolidated Balance sheet		(8,87,876)	(23,78,79,282)
TOTAL		(21,70,51,781)	(23,46,55,835)
Significant Accounting Policies	17		
Notes to Accounts	18		
Basic Earnings Per Share (₹)		6.35	(9.39)
Diluted Earnings Per Share (₹)		6.35	(9.39)

The schedules referred to above form an integral part of the Profit and Loss Account

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Debashis Das   Subrata Das   P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co	For V Sankar Aiyar & Co.	For Laxmi Tripti & Associates
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN302137E)	(FRN 109208W)	(FRN 009188C)
R.K.Nanda	G. Sankar	L.N. Agrawal
Partner	Partner	Partner
M. No. 510574	M. No.046050	M. No.078427

Place: Mumbai
Date: June 04, 2021

Statement of Consolidated Cash Flow for the year ended 31st March, 2021

(₹ in 000's)

Particulars	Half Year ended 31.03.2021	Year ended 31.03.2020
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**3,16,17,782**	**(46,914,589)**
Adjustments for:		
Amortisation / Depreciation on Investments	1,16,26,540	6,401,160
Depreciation on Fixed Assets	38,00,935	3,919,554
Profit on sale of Assets	(6,02,064)	(467,462)
Provision for NPA	6,64,79,528	144,462,442
Provision for Standard Assets	(7,08,940)	8,720,518
Provision for Other Assets	19,91,745	5,054,145
Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	65,38,394	8,458,195
Dividend received	(2,22,042)	(143,038)
Adjustments for:		
Increase /(Decrease) in Deposits	71,71,19,293	348,314,648
Increase /(Decrease) in Borrowings	(7,34,03,604)	(21,877,264)
Increase / (Decrease)in Other Liabilities and Provisions	19,32,176	34,282,567
(Increase) / Decrease in Investments	(30,65,09,775)	(121,798,399)
(Increase)/ Decrease in Advances	(3,67,12,143)	(421,239,888)
(Increase) / Decrease in Other Assets	(5,18,30,483)	13,184,895
Direct Taxes (Paid)/Refund	75,62,696	(8,628,265)
Net Cash Flow from Operating Activities (A)	**37,86,80,038**	**(48,270,781)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(34,89,950)	(96,18,793)
Sale of Fixed Assets	1,90,732	60,46,779
Dividend received	2,22,042	143,038
Impact of consolidation of subsidiaries	11,82,214	1,218,330
Minority Interest	78,978	(107,381)
Net Cash Flow from Investing Activities (B)	**(18,15,984)**	**(2,318,026)**
C. Cash Flow from Financing Activities:		
Share Capital	-	5,176,339
Share Premium	-	40,991,306
Share Application Money	3,00,00,000	(46,380,000)
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	5,20,000	(23,250,000)
Dividend paid		
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II Bonds	(65,38,394)	(8,458,195)
Net Cash Flow from Financing Activities (C)	**2,39,81,607**	**(31,920,550)**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**40,08,45,661**	**(82,509,357)**

Continued...

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2021

(₹ In 000's)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Cash and Cash Equivalents as at the beginning of the period	86,60,90,593	948,599,950
Cash and Cash Equivalents as at the end of the period	1,26,69,36,250	866,090,593

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Reconciliation of Cash and Cash Equivalents as at the end of the period		
Cash and balances with Reserve Bank of India (Schedule 6)	60,93,03,760	294,465,455
Balances with Banks and money at call and short notice (Schedule 7)	65,76,32,490	571,625,138
Cash and Cash Equivalents as at the end of the period	1,26,69,36,250	866,090,593

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

Sankar Sen	Monika Kalia	M. Karthikeyan	Swarup Dasgupta	P R Rajagopal	A.K.Das
Chief Financial Officer	Executive Director	Executive Director	Executive Director	Executive Director	Managing Director & CEO

DIRECTORS

Dakshita Das   Subrata Das   P N Prasad

In terms of our report of even date attached

For Chaturvedi & Co
Chartered Accountants
(FRN302137E)

R.K.Nanda
Partner
M. No. 510574

For V Sankar Aiyar & Co.
Chartered Accountants
(FRN 109208W)

G. Sankar
Partner
M. No.046050

For Laxmi Tripti & Associates
Chartered Accountants
(FRN 009189C)

L.N. Agrawal
Partner
M. No.078427

Place: Mumbai
Date: June 04, 2021

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹10 each	60 000 000	60 000 000
ISSUED AND SUBSCRIBED CAPITAL		
Equity Shares 327,81,00,450 (Previous year 327,81,00,450) of ₹10 each	32,781,004	32,781,004
TOTAL	32,781,004	32,781,004
PAID-UP CAPITAL		
327,69,23,350 Equity Shares (Previous year 327,69,23,350) of ₹10 each fully paid-up.	32,769,234	32,769,234
Add: Amount of shares forfeited	7,391	7,391
TOTAL*	**32,776,625**	**32,776,625**

* Of the above, 291,96,90,866 Equity Shares (Previous year 291,96,90,866) of ₹10 each fully paid up amounting to ₹2919.69 crores (Previou[illegible].69 crores) is held by Central Government

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	As at 31-03-2021 ₹	(000's Omitted) As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. **Statutory Reserve :**		
Opening Balance	71,069,103	71,045,256
Add: Additions/adjustments during the period	5,387,349	23,847
TOTAL (I)	76,456,452	71,069,103
II. **Capital Reserves :**		
A) Revaluation Reserve :		
Opening Balance	63,712,369	63,243,218
Add Addition during the period on Revaluation of Premises	-	940,785
Less: Adjustments during the period	(34,808)	(267,544)
Less: Depreciation / adjustments on account of revaluation	701,024	739,178
Total of (A)	63,046,153	63,712,369
B) Others		
i) Capital Redemption Reserve		
Opening Balance	5,000	5,000
Add /Less: Additions/deductions	-	-
Sub-total of (i)	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	25,563,168	23,135,537
Add: Additions during the period	4,954,976	2,427,630
Sub-total of (ii)	30,518,144	25,563,167
iii) Capital Reserve on Consolidation		
Opening Balance	735,961	268,264
Add: Adjustment during the period	-45,850	467,697
Sub-total of (iii)	690,111	735,961
iv) Foreign Currency Translation Reserve		
Opening Balance	22,147,065	19,069,170
Add/ (Less) : Adjustments during the period (Net)	(1,723,147)	3,077,895
Sub-total of (iv)	20,423,918	22,147,065
Total of (B)	51,637,173	48,451,193
TOTAL (II)	**114,683,326**	**112,163,561**
III. **Share Premium :**		
Opening Balance	359,032,884	318,041,578
Addition/(Utilization) during the period	(237,823,882)	40,991,306
Add: On forfeited shares annulled.	-	-
TOTAL (III)	**121,209,002**	**359,032,884**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	91,868,594	90,176,624
Add: Additions during the period	757,138	1,511,658
Add / (Less): Adjustments	(7,215)	208,159
Less: Deductions during the period	(8,224)	27,847
Sub-total of (i)	92,626,741	91,868,594
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less: Transfer to Profit & Loss Appropriations	-	-
Sub-total of (ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	6,738,011	-
Less: Transfer to Profit & Loss Appropriations	-	-
Sub-total of (iii)	6,738,011	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	21,700,000	21,700,000
Add: Additions during the period	4,500,000	-
Sub-total of (iv)	26,200,000	21,700,000
TOTAL (IV)	125,564,752	113,568,594
V. Balance in Consolidated Profit and Loss Account	(887,876)	(237,879,282)
TOTAL (I TO V)	**437,025,656**	**417,954,861**
SCHEDULE - 2A : MINORITIES INTEREST		
Minority interest at the date on which the parent-subsidiary relationship came into existence	471,356	471,356
Subsequent increase / (decrease)	1,121,785	1,042,807
Minority interest on the date of Balance sheet	**1,593,141**	**1,514,163**
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	5,769,841	8,051,413
ii) From Others	322,173,966	295,335,053
TOTAL (I)	327,943,807	303,386,466
II. Savings Bank Deposits	1,976,581,142	1,728,378,449
III. Term Deposits :		
i) From Banks	440,925,602	355,190,565
ii) From Others	3,545,533,013	3,186,908,791
TOTAL (III)	3,986,458,615	3,542,099,356
TOTAL A (I to III)	**6,290,983,564**	**5,573,864,271**
B. i) Deposits of branches in India	5,510,794,794	4,824,885,548
ii) Deposits of branches outside India	780,188,770	748,978,723
TOTAL (B)	**6,290,983,564**	**5,573,864,271**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
		(000's Omitted)
SCHEDULE - 4 : BORROWINGS		
I. **Borrowings in India :**		
i) Reserve Bank of India	35,190,000	188,770,000
ii) Other Banks		
a. Tier I Capital	6,930,000	1,150,000
b. Tier II Capital	250,000	250,000
c. Others	139,300	0
Total (ii)	7,319,300	1,400,000
iii) Other Institutions and Agencies		
a. Tier I Capital	6,590,000	1,850,000
b. Tier II Capital	69,750,000	79,750,000
c. Others	203,022,679	22,936,828
Total (iii)	279,362,679	104,536,828
Total (I)	321,871,979	294,706,828
II. **Borrowings outside India**		
a. Tier I Capital	-	-
b. Tier II Capital	-	-
c. Others	2,769,076	102,817,831
Total (II)	2,769,076	102,817,831
Total (I & II)	**324,641,055**	**397,524,659**
Secured borrowings included in above	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

	As at 31-03-2021	As at 31-03-2020
I. Bills Payable	14,177,590	11,271,665
II. Inter-office adjustments (net)	-	1,816,388
III. Interest Accrued	16,476,917	19,554,587
VI. Deferred Tax liability	38,497	16,852
VII. Others	180,187,930	173,894,328
TOTAL	**210,880,934**	**206,553,820**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (Including foreign currency notes & Gold)	33,200,389	32,437,563
II. Balances with Reserve Bank of India : *		
i) In Current Account	576,058,098	261,884,145
ii) In Other Accounts	45,273	143,747
TOTAL (II)	576,103,371	262,027,892
TOTAL (I & II)	**609,303,760**	**294,465,455**

* Including balances with Central Banks outside India

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) in Current Accounts	1,063,394	1,668,281
b) In Other Deposit Accounts	(90,266)	10,593,126
ii) Money at call and short notice		
a) With Banks	254,540	1,934,710
b) With Other Institutions	95,998,088	110,000,000
TOTAL (I)	97,225,756	124,196,117
II. Outside India :		
i) In Current Accounts	24,522,943	16,886,489
ii) In Other Deposit Accounts	477,587,262	335,858,597
iii) Money at call and short notice	58,296,529	94,683,935
TOTAL (II)	560,406,734	447,429,021
TOTAL (I & II)	**657,632,490**	**571,625,138**

BANK OF INDIA FINANCE DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	As at 31-03-2021 ₹	(000's Omitted) As at 31-03-2020 ₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,669,102,278	1,406,786,449
ii) Other approved Securities	5,179,714	3,835,744
iii) Shares	11,147,022	11,353,242
iv) Debentures and Bonds	129,305,958	80,188,145
v) Investment in Associates	14,162,575	14,549,559
vi) Others	18,760,013	37,226,620
TOTAL (I)	1,847,657,560	1,553,939,759
II. Investments outside India :		
i) Government Securities (including local authorities)	50,126,739	44,580,212
ii) Debentures & Bonds	-	-
iii) Investment in Associates	1,608,948	1,582,207
iv) Others	17,536,855	23,126,903
TOTAL (II)	69,272,542	69,289,322
TOTAL (I & II)	**1,916,930,102**	**1,623,229,081**
III. Investments in India :		
i) Gross value of Investments	1,892,218,311	1,589,642,038
ii) Aggregate provisions for depreciation	44,560,751	35,702,279
iii) Net Investments	1,847,657,560	1,553,939,759
IV Investments outside India :		
i) Gross value of Investments	69,497,576	69,682,198
ii) Aggregate provisions for depreciation	225,034	392,876
iii) Net Investments	69,272,542	69,289,322
TOTAL (III & IV)	**1,916,930,102**	**1,623,229,081**

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	92,462,046	91,314,536
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,523,037,652	1,767,126,614
iii) Term Loans	2,061,173,765	1,847,999,698
TOTAL (A)	3,676,673,463	3,706,440,848
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,652,232,483	2,609,564,685
ii) Covered by Bank/Government Guarantees	191,042,206	244,652,401
iii) Unsecured	833,398,774	852,223,762
TOTAL (B)	3,676,673,463	3,706,440,848
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,217,412,779	1,125,757,202
Less: Inter-Bank Participation Certificates (Net)	0	0
Net	1,217,412,779	1,125,757,202
ii) Public Sector	859,160,292	778,764,153
iii) Banks	448,742	1,125
iv) Others	1,188,388,199	1,283,747,808
Total (i,ii,iii,iv)	3,265,410,012	3,188,270,288
Add /(Less): Inter bank participation certificates (Net)	0	0
TOTAL (I)	3,265,410,012	3,188,270,288
II. Advances outside India :		
i) Due from Banks	112,091,012	98,760,964
ii) Due from others		
a) Bills Purchased and Discounted	24,248,314	29,992,474
b) Syndicated Loans	100,482,255	104,699,597
c) Others	174,441,870	284,717,525
TOTAL (II)	411,263,451	518,170,560
TOTAL (I & II)	3,676,673,463	3,706,440,848
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance at cost	17,935,517	17,880,685
Add: Additions /Adjustments during the period	67,889	119,790
Less: Deductions/ Adjustments during the period	105,510	64,958
Sub-total	17,897,896	17,935,517
Addition to date on account of revaluation credited to revaluation reserve	63,976,932	64,009,821
Less : Depreciation to date (including on account of revaluation)	5,785,399	4,815,048
TOTAL (I)	76,089,429	77,130,290
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	37,726,704	35,407,704
Add: Additions /Adjustments during the period	2,744,287	8,601,027
Less: Deductions/ Adjustments during the period	203,989	6,282,027
Sub-total	40,267,002	37,726,704
Less: Depreciation to date	29,985,564	27,204,057
TOTAL (II)	10,281,438	10,522,647
III. CAPITAL WORK IN PROGRESS	3,643,113	2,926,912
TOTAL (I to III)	90,013,980	90,579,849

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2021 ₹	As at 31-03-2020 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter Office Adjustment (Net)	55,890,055	32,105
II Interest Accrued	29,812,027	31,412,998
III Tax paid in advance/tax deducted at source (Net)	48,828,360	57,816,265
IV Stationery and Stamps	77,997	64,359
V Deferred Tax Assets	128,260,526	137,603,952
VI Others	114,478,215	116,918,349
TOTAL	**377,347,180**	**343,848,028**
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	26,202,648	14,993,043
II. Liability for partly paid investments	1,010,314	1,170,051
III. Liability on account of outstanding forward exchange contracts	4,046,903,334	2,946,240,231
IV. Guarantees given on behalf of Constituents :		
a) In India	218,123,054	225,143,990
b) Outside India	31,422,823	41,528,844
V. Acceptances, endorsements and other obligations	183,479,758	172,126,811
VI. Interest Rate Swaps	14,865,980	109,638,304
VII. Other items for which the Bank is contingently liable	15,933,857	12,372,389
TOTAL	**4,537,941,768**	**3,523,213,663**

BANK OF INDIA H.O. F.A. DEPT.

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET
SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(000's Omitted)

		Year ended 31-03-2021 ₹	Year ended 31-03-2020 ₹
SCHEDULE - 13 : INTEREST EARNED			
I.	Interest/Discount on advances/bills	275,475,311	289,767,396
II.	Income on investments	116,483,730	107,568,885
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	11,550,963	24,442,496
IV.	Others	5,028,259	4,128,966
	TOTAL	408,538,263	425,907,743
SCHEDULE - 14 : OTHER INCOME			
I.	Commission, exchange and brokerage	11,185,735	13,703,954
II.	Profit/(Loss) on sale of Investments	25,529,805	5,921,043
III.	Profit / (Loss) on sale of land, buildings and other assets	602,064	467,462
IV.	Profit / (Loss) on exchange transactions	18,916,355	15,087,426
V.	Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	222,042	143,036
VI.	Miscellaneous Income	18,505,747	32,765,968
	TOTAL	74,961,748	68,088,891

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	Year ended 31-03-2021 ₹	Year ended 31-03-2020 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	245,732,509	237,275,379
II. Interest on Reserve Bank of India / Inter-bank borrowings	11,562,760	25,869,171
III. Interest on Subordinated Debts, IRS etc.	6,914,227	8,770,058
TOTAL	264,209,496	271,914,608

SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	65,288,635	61,965,576
II. Rent, Taxes and Lighting	7,666,074	7,362,197
III. Printing and Stationery	653,777	771,831
IV. Advertisement and Publicity	79,969	258,787
V. Depreciation on Bank's property	3,800,935	3,919,554
VI. Directors' fees, allowances and expenses	46,425	47,787
VII. Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	821,306	808,462
VIII. Law Charges	287,886	535,528
IX. Postage, Telegrams, Telephones, etc.	1,834,951	1,727,467
X. Repairs and Maintenance	617,339	745,228
XI. Insurance	7,027,333	5,088,567
XII. Other Expenditure	21,938,911	22,893,033
TOTAL	110,063,541	106,124,017

SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES		
I. Regional Rural Banks (RRBs)	(1,811,687)	(1,616,434)
II. Others	629,473	398,104
TOTAL	(1,182,214)	(1,218,330)

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES (Consolidated Financial Statements)

1) ACCOUNTING CONVENTION:

The accompanying consolidated financial statements (CFS) have been prepared following the going concern concept, on historical cost basis unless otherwise stated and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Insurance Regulatory and Development Authority of India (IRDAI), Companies Act 2013, Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevailing in India. In respect of foreign offices/branches/subsidiaries/associates, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2) BASIS OF CONSOLIDATION:

Consolidated financial statements of the group have been prepared on the basis of:

a) The financial statements of Bank of India (the Parent bank) and its subsidiaries in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions, balances, unrealised profit/loss and making necessary adjustments of material nature wherever required to conform to uniform accounting.

b) The difference between cost to the parent bank of its investment in the subsidiaries and parent bank's share in the equity of the subsidiaries is recognised as goodwill/capital reserve. Goodwill, if any, is written off immediately on its recognition.

c) Minority interest in the Consolidated Financial Statement consists of the share of the minority shareholders in the net equity of the subsidiaries.

d) Accounting for investment in Associate companies is done under Equity method in accordance with Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by ICAI.

e) Accounting for Investments in Joint Venture are consolidated on "Proportionate basis" as prescribed in Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" issued by ICAI.

3) REVENUE RECOGNITION:

3.1 Banking entities:

(a) Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, Income/ expenditure is recognised as per local laws/standards of host country.

(b) Interest income is recognised on time proportion basis except interest on Non-performing Assets.

(c) Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

(d) All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

(e) Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. on Interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

(f) Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

(g) Dividend income is recognised when the right to receive the dividend is established.

(h) Interest income on Income-tax refund is recognised in the year of passing of assessment order.

(i) **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's is to be made in the following order:-

- Charges debited to borrower's account
- Expenses/out of pocket expenses incurred but not debited
- Unrealised interest
- Uncharged interest
- Principal

3.2 Non-Banking entities- Insurance:

a) **Premium Income:**

Premium including rider premium for non-linked business is recognised as income when due. Premium for linked business is recognised when the associated units are created. Premium is recognised net of Goods and Services Tax (GST) as applicable.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premium under linked business is considered as single premium and recognised as income when the associated units are created.
Premium in case of PMJJBY Scheme is recognised at Gross of administrative charges and reimbursement of expenses (as applicable) payable to the banks.

b) Interest on loans against policies is recognized for on accrual basis.

c) Interest income on investments is recognised on accrual basis except interest income on non-performing investments, which is recognised upon receipt as specified in IRDAI guidelines.

d) **Amortised Income/Cost:**

Premium or discount on acquisition, as the case may be, in respect of debt securities/fixed income securities, pertaining to non-linked investments is amortized on straight line basis over the period of maturity/holding and adjusted against interest income.

e) **Dividend:**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares dividend income is recognised when the right to receive dividend is established.

f) **Income from linked funds:**

Income from linked funds which includes fund management charges, policy administrative charges, mortality charges etc. are recovered from the linked funds in accordance with the terms and conditions of policy and recognised on due basis.

g) **Realized Gain/ (Loss) on Debt Securities for Linked Business:**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

h) **Realized Gain/ (Loss) on Debt Securities for Non-Linked Business:**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

i) **Profit/ (Loss) on sale of Equity Shares/ Mutual Fund/ Exchange Traded Funds (ETFs)/ Additional Tier 1 Bonds (AT 1)/ Infrastructure Investment Trust (InvIT)/ Real Estate Investment Trust (REIT) :**

Profit/ (Loss) on sale of equity shares/ mutual fund units/ ETFs/ Additional Tier 1 Perpetual Bonds/ InvIT/ REIT is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

In respect of non-linked business the Profit/(Loss) includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

However, revenue recognition is postponed where ultimate collectability lacks reasonable certainty.

j) **Unrealized Gain/ (Loss) for Linked Business:**

Unrealized gains and losses for Linked Business are recognized in the Revenue account of respective fund.

k) **Income from Security Lending and Borrowing:**

Fees received on lending of equity shares under Securities Lending and Borrowing (SLB) mechanism is amortized on a straight-line basis over the period of lending and clubbed with the interest income.

l) **Reinsurance Premium ceded:**

Reinsurance Premium ceded is accounted for on due basis at the time of recognition of premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Profit/commission on reinsurance ceded is netted off against premium ceded on reinsurance.

3.3 Non-Banking entities – Mutual Fund and Trustee Services:

a) Management fees from the scheme of mutual fund are accounted on an accrual basis in accordance with the investment management agreement and are dependent on the net asset value as recorded by the schemes of BOI AXA Mutual fund.

b) Trustee fees is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably arrangement with the BOI AXA Mutual Fund. Interest and other income, if any, is accounted on accrual basis.

c) Profit or loss on sale of investment is recognised in the Profit & Loss Account on the trade date and determined on weighted average basis for individual security as per AS-13.

3.4 Non-Banking entities– Merchant Banking Services:

a) Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.

b) Brokerage and commission earned on secondary market operations shall be recongnised on the basis of trade dates. Brokerage on online portal operations shall be recognised on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis.

4) NON BANKING ENTITIES – Insurance : Other Policies:

a) Benefits paid:

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider, surrender & withdrawal claims are accounted for on receipt of intimation. Under linked Business, surrender also includes amount payable on lapsed policies which are accounted for on expiry of lock in period. Surrenders and terminations are accounted net of charges.

Survival, maturity and annuity benefit claims are accounted for when due.

Reinsurance recoveries on claims are accounted for, in the same period as that of the related claims.

Claims disputed before judicial authorities are provided for on prudent basis as considered appropriate by management based on facts and circumstances in respect of each such claim.

b) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of new and renewal insurance contracts and consist of cost like commission to insurance intermediaries, rewards and incentives, sales staff costs, medical examination costs, policy printing expenses, stamp duty and other related expenses. These are expensed in the period in which they are incurred.

Claw back in future, if any, for the first year commission paid, is accounted for in the year in which it is recovered.

c) **Policy Liabilities:**

The valuation exercise is done to protect the interests of the existing policyholders. For With Profit policies the reasonable expectations of policyholders (PRE) are also considered. The reserves should be adequate to provide for all the policyholders benefits in various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for inforce policies and for those in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are the Insurance Act 1938, the IRDA Act 1999, IRDAI (Actuarial Report & Abstract for Life Insurance Business) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

d) **Loans:**

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalized interest and are subject to impairment if any. Loans are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.

e) **Funds for Future Appropriation:**

The balance in the funds for future appropriations account represents funds, the allocation of which, either to policyholders or to shareholders has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. In respect of

participating policies, any allocation to the policyholders would also give rise to transfer to the shareholders in the required proportion.
In respect of the Non-participating Group Annuity products, the excess returns, if any as defined in file and use, is considered as funds for future appropriation in the interim financial periods during the year and the same would be distributed between policyholders and shareholders in the proportion prescribed in file and use at the year end.

f) Discontinued Policies fund:

Discontinued policy fund means the segregated fund that is set aside on account of:

i) Non-payment of contracted premium
ii) Upon the receipt of the information by the Company from the policyholder about the discontinuance of the policy.

Fund for discontinued policies is accounted in accordance with the Insurance Regulatory and Development Authority of India (Treatment of Discontinued Linked Insurance Policies) Regulations 2010 and circulars issued thereafter.

g) Unclaimed amount of policyholders:

Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI circular No. IRDA/F&A/CIR/GLD/195/08/124 dated August 14, 2014, IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015, IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015, Master circular on Unclaimed Amount of Policyholders Ver 02 IRDA/F&A/CIR/Misc/282 /11/2020 dated November 17, 2020 and Investment Regulations, 2016 as amended from time to time:

I. Unclaimed amount of policyholders is invested in money market instruments, Liquid mutual funds and/ or fixed deposits of scheduled banks which is valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight line basis.
II. Income on unclaimed amount of policyholders is accreted to respective unclaimed fund and is accounted for on an accrual basis, net of fund management charges.
III. Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date.

5) ADVANCES:

i. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

ii. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

iii. Provisions for NPAs are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab-initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

*On the outstanding advance

iv. In respect of foreign entities, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to bank, whichever is stringent.

v. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc., are deducted from total advances to arrive at net advances as per RBI norms.

vi. 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.

vii. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset

viii. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign entities provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to the Bank, whichever is stringent.

ix. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

6) FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

7) DEBIT/CREDIT CARD REWARD POINTS:

Provision for reward points in relation to debit cards is provided for on actuarial estimates and Provision for reward points on credit cards is made based on the accumulated outstanding points.

8) INVESTMENTS:

a) Transactions in Government Securities are recognised on settlement date and all other Investments are recognised on trade date.

b) Investments are classified under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Investment in Associates and vi.) Others and (ii) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Investment in Associates abroad iii) Debentures and Bonds and iv.) Other investments.

A. **Basis of classification:**

Classification of an investment is done at the time of its acquisition.

(i) **Held to Maturity:**
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) **Held for Trading:**
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) **Available for Sale:**
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. **Acquisition Cost of Investment:**

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. **Method of valuation:**

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) Held to Maturity:

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) Held for Trading / Available for Sale:

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted Investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market and Derivatives Association (FIMMDA)/ / Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by

Classification	Basis of Valuation
	the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

(i) HTM to AFS/HFT :

a. If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

b. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

(ii) AFS/HFT TO HTM: Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

(iii) AFS TO HFT AND VICE-VERSA : In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following;

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

9) DERIVATIVE

The Bank presently deals Forex Forward Contracts in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

(a) The hedge/non hedge (market making) transactions are recorded separately.

(b) Income/expenditure on hedging derivatives are accounted on accrual basis.

(c) Forex forward contracts are Marked to market and the resultant gains and losses are recognized in the Profit and Loss Account.

(d) MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

(e) Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

(f) Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

(g) Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

(h) Option fees/premium is amortised over the tenor of the option contract.

10) PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss account and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

11) TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

a) Translation in respect of Integral Foreign operations:

Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i) Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii) Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv) Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v) Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi) Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii) Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii) Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

b) Translation in respect of Non-Integral Foreign operations:
Transactions and balances of foreign entities are classified as non-integral foreign operations and their financial statements are translated as follows:

i) Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii) Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii) All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign entities.

iv) The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

12) EMPLOYEE BENEFITS:

I. **Short Term Employee Benefits:**

The undiscounted amount of short-term employee benefits, such as medical benefits etc. 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.

ii. **Long Term Employee Benefits:**

A. Defined Benefit Plan

a) Gratuity

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules, 1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

b) Pension

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India (Employees) Pension regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

B. Defined Contribution Plan:

a. Provident Fund

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

b. Pension

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

c. Other Long term Employee Benefits:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

iii.) In respect of overseas branches, offices and subsidiaries, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

13) SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

14) EARNINGS PER SHARE:

a) Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15) TAXES ON INCOME:

a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the BOI group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

b) Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

d) In Consolidated Financial Statements, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

16) IMPAIRMENT OF ASSETS:

Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on revalued assets is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

17) PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and 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.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

18) SHARE ISSUE EXPENSES:

Share Issue expenses are charged to the Profit and Loss Account in the year of issue of shares.

BANK OF INDIA H.O.	CHATURVEDI & CO. KOLKATA Chartered Accountants	V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS	

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated. Figures in Brackets relate to previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of Bank of India (the Parent bank) are as under:

Name of Subsidiaries		Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2021	Proportion of Ownership by the Parent bank as on 31.03.2020
Domestic Subsidiaries:				
a)	BOI Shareholding Ltd.	India	100%	100%
b)	BOI AXA Investment Managers Pvt Ltd.	India	52.29%	51%
c)	BOI AXA Trustee Services Pvt Ltd.	India	51%	51%
d)	BOI Merchant Bankers Ltd	India	100%	100%
Overseas Subsidiaries:				
a)	PT Bank of India Indonesia Tbk	Indonesia	76%	76%
b)	Bank of India (Tanzania) Ltd.	Tanzania	100%	100%
c)	Bank of India (New Zealand) Ltd.	New Zealand	100%	100%
d)	Bank of India (Uganda) Ltd.	Uganda	100%	100%

2. Particulars of associates and joint venture considered in the Consolidated Financial Statements are as under :

(i) Associates:

	Name of Associates	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2021	Proportion of Ownership by the Parent bank as on 31.03.2020
a)	Regional Rural Banks-			
	i) Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)	India	35%	35%
	ii) Vidharbha Konkan Gramin Bank	India	35%	35%
	iii) Aryavart Bank (erstwhile Gramin Bank of Aryavart)	India	35%	35%
b)	Indo Zambia Bank Limited	Zambia	20%	20%
c)	STCI Finance Ltd.	India	29.96%	29.96%
d)	ASREC (India) Ltd.	India	26.02%	26.02%

(ii) Joint Venture:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2021	Proportion of Ownership by the Parent bank as on 31.03.2020
Star Union Dai-ichi Life Insurance Company Limited	India	28.96%	28.96%

3. The financial statements of the subsidiaries, joint ventures and associates which are used in the consolidation have been drawn upto the same reporting date as that of the Parent Bank i.e. 31st March 2021 except for an associate Indo Zambia Bank Limited (IZBL). IZBL's financial statements are prepared upto 31st December 2020

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8. The following information is disclosed in respect of consolidated financial statements in terms of guidelines issued by Reserve Bank of India:

a) Capital:

Sr. No.	Particulars	31.03.2021	31.03.2020
i)	Common Equity Tier 1 Capital ratio (CET-1) (%)	12.16%	10.55%
ii)	Tier-I Capital ratio (%)	12.61%	10.57%
iii)	Tier-II Capital ratio (%)	2.94%	3.17%
iv)	Total Capital ratio (CRAR) (%)	15.55%	13.74%
v)	Percentage of the shareholding of the Government of India	89.10%	89.10%
vi)	Amount of Equity Capital Raised during the year	0.00	*4,638.00
vii)	Share application money pending for allotment	**3,000.00	0.00
viii)	Amount of Additional Tier-1 capital raised during the year ; of which:		
	a) PNCPS	0.00	0.00
	b) PDI	1,352.00	0.00
ix)	Amount of Tier-II capital raised i.e. Debt Capital Instruments, during the year		
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

*The Share application money of ₹ 4,638 was received in FY 2018-19 and allotment was made in FY 2019-20.

** In terms of RBI communication reference no. DOR.CAP.S82/21.01/002/ 2021-22 dated April 30, 2021, the share application money of ₹ 3,000 received on March 31, 2021 has been considered for computation of CET-1 capital as on March 31, 2021.

Pursuant to RBI circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Rations as on March 31, 2021.

and its management has reported no significant transactions for the quarter ended 31st March 2021.

4. In case of subsidiaries/joint venture/associates, accounting adjustments arising due to different accounting policies followed by them and the Parent Bank have been carried out on the basis of data provided by subsidiaries/joint venture/associates.

5. The Consolidated Financial Statements have been prepared on the basis of :

   (i) Financial statements of PT Bank of India Indonesia Tbk as on 31.03.2021 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (ii) Financial statements of Bank of India (Tanzania) Ltd. as on 31.03.2021 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (iii) Financial statements of Bank of India (New Zealand) Ltd. as on 31.03.2021 duly audited as per the local requirements of the country of incorporation.

   (iv) Financial statements of Bank of India (Uganda) Ltd. as on 31.03.2021 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (v) Audited financial statements of BOI Shareholding Ltd., BOI AXA Investment Managers Pvt. Ltd., BOI AXA Trustee Services Pvt. Ltd., BOI Merchant Bankers Ltd., Madhya Pradesh Gramin Bank, Aryavart Bank, STCI Finance Ltd. & Star Union Dai-ichi Life Insurance Company Ltd. for the financial year ended 31.03.2021 and Indo Zambia Bank Ltd. for the twelve months ended 31.12.2020.

   (vi) Unaudited financial statements of Vidharbha Konkan Gramin Bank and ASREC (India) Ltd., for the financial year ended 31.03.2021 certified by their management.

6. During the year ended March 31, 2021, the Government of India has infused ₹ 3,000 in Parent Bank towards preferential allotment of equity shares. The same is kept in Share Application Money, pending allotment and considered as part of CET1 Capital as on March 31, 2021 in terms of RBI communication reference no. DOR.CAP.S82/21.01.002/2021-22 dated April 30, 2021.

7. In respect of the Parent bank, balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

Details of outstanding additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
	Total	1,352.00	1,352.00

During the year ended March 31, 2021, the Parent Bank has issued Basel-III compliant Additional Tier-1 Bonds Series VI and Series VII of ₹ 750 and ₹ 602, respectively, through private placement.

Details of outstanding Tier-II Instruments raised to augment Tier-II capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2013-14	Tier-II	1,500.00	600.00
2015-16	Tier-II	3,000.00	2,400.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	7,000.00	5,500.00

The parent bank has exercised call option and redeemed Upper Tier II Bonds Series VI Amounting to ₹ 1,000 on June 11, 2020. The Parent Bank has also exercised call option to redeem Innovative Perpetual Bonds (IPDI) Series VI amounting to ₹ 300 on September 9, 2020.

b) Drawdown from Reserves:

In terms of Gazette notification No. CG-DL-E-23032020-218862 dated 23.03.2020 issued by Ministry of Finance (Department of Financial Services) containing amendment in Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, after complying with the regulatory requirements and after getting approval from Reserve Bank of India vide their letter dated October 29, 2020, the Bank has appropriated accumulated losses of ₹23,782.39 from its share premium account on November 03, 2020. The said appropriation has no impact on Bank's Paid-up capital, Capital Adequacy, Leverage Ratio and Net Worth.

c) During the year ended March 31, 2021, the Parent Bank has infused additional proportionate capital in the following associate Regional Rural Banks:

i. ₹23.79 in Madhya Pradesh Gramin Bank
ii. ₹27.45 in Vidharbha Konkan Gramin Bank

	KOLKATA	MUMBAI	009185C

d) The Parent Bank has invested additional ₹5.79 in its subsidiary - 'BOI AXA Investment Managers Private Limited'. As a result, the stake of the Parent Bank has increased from 51% as on 31.03.2020 to 52.29% as on 31.03.2021.

e) **Provisions and Contingencies:**

Items	2020-21	2019-20
Provision for NPA	6,647.95	14,446.24
Depreciation in Value of Investments	868.65	341.92
Provision for Taxation (including deferred tax)	1,079.03	(-)1,640.42
Provision on Standard Assets	(-)70.89	872.05
Other Provisions (including floating provisions)	199.17	505.41
Total	8,723.91	14,525.20

f) **Floating Provisions - (Parent Bank)**

Particulars	2020-21	2019-20
Opening Balance	232.22	232.22
Additions during the year	0.00	0.00
Reductions during the year	0.00	0.00
Closing Balance	232.22	232.22

g) **Income-Tax – (Parent Bank)**

I. Claims against the Bank not acknowledged as debt appearing under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹1,186.47 (previous year ₹ 581.40) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

II. Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

h) **Disclosure of Letter of comfort issued by the Parent bank for subsidiaries (As compiled by Management)**

During the year 2020-21, the Parent bank has not issued any letter of comforts on behalf of Subsidiaries.

During the year 2010-11, the Parent Bank issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2021 no financial obligations have arisen on the above commitments.

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9. **Disclosures in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI):**

A. **AS – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:**

(i) **Prior Period Items:**

There are no material prior period items during the year.

(ii) **Change in Accounting Policy (AS-5):** There was no change in the accounting policy during the year 2020-21.

B. **AS-15 " Employee Benefits" (Parent Bank)**

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	6.96%	6.49%	6.82%	6.59%
	Expected Rate of Return on Plan Assets	8.04%	10.85%	8.65%	8.62%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%
	Mortality Table	IALM (2006-08) ULTIMATE		IALM (2006-08) ULTIMATE	
(ii)	**Table showing change in present value of obligation:**				
	Liability at the beginning of the year	1,747.81	16,065.92	1,683.78	14,709.20
	Interest Cost	108.69	989.13	102.87	925.49
	Current Service Cost	166.37	873.16	75.36	729.39
	Benefit Paid	372.36	1650.19	350.68	1,330.55
	Actuarial (gain)/loss on Obligation	284.81	559.03	236.48	1,032.39
	Liability at the end of the year	1,935.32	16,837.05	1,747.81	16,065.92
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the Beginning of the year	1,649.47	15,827.60	1,592.38	14,314.88
	Expected return on Plan Assets	132.62	1,717.29	137.74	1,233.94
	Contributions	444.70	903.63	335.84	1,405.03

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
	Benefit Paid	372.36	1650.19	350.68	1,330.55
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Fair Value of Plan Assets at the end of the year	1,930.62	16,531.02	1,649.47	15,827.60
	Total Actuarial Gain/(Loss) to be recognised	(-)208.62	(-)826.34	(-)302.29	(-)828.09
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	132.62	1,717.29	137.74	1,233.94
	Actuarial gain/(loss) on Plan Assets	76.19	(-)267.31	(-)65.81	204.30
	Actual return on Plan Assets	208.81	1449.98	71.93	1,438.24
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the year	1,935.32	16,837.05	1,747.81	16,065.92
	Fair Value of Plan Assets at the end of the year	1,930.62	16,531.02	1,649.47	15,827.60
	Amount Recognised in the Balance Sheet	4.70	306.03	98.34	238.32
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	166.37	873.16	75.36	729.39
	Interest Cost	108.69	989.13	102.87	925.49
	Expected Return on Plan Assets	(-)132.62	(-)1,717.29	(-)137.74	(-)1,233.94
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	208.62	826.34	302.29	828.09
	Expense Recognised in P & L	351.06	971.34	342.78	1,249.03
	Unamortised expenses (not charged to P&L Account)	0.00	0.00	0.00	0.00
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	98.34	238.32	91.39	394.32
	Expenses as above	351.06	971.34	342.78	1,249.03
	Employer's Contribution	(-)444.70	(-)903.63	(-)335.83	(-)1,405.03
	Amount Recognised in Balance Sheet	4.70	306.03	98.34	238.32

BANK OF INDIA H.O. FINANCE DEPT.

V. SANKAR AIYAR & CO. MUMBAI CHARTERED ACCOUNTANTS

LAXMI TRIPTI & ASSOCIATES 009189C CHARTERED ACCOUNTANTS

Sr. No	Particulars	FY 2020-21		FY 2019-20	
		Gratuity	Pension	Gratuity	Pension
(viii)	Category of Assets:				
	Government of India Securities	73.81	2,198.78	73.99	2,192.01
	Equity	0.00	316.89	0.00	161.97
	Corporate Bonds	134.42	5,184.24	142.46	4,605.86
	State Government Securities	248.27	5,363.35	300.91	5,012.41
	Other	1,474.12	3,467.76	1,132.11	3,855.35
	Total	**1,930.62**	**16,531.02**	**1,649.47**	**15,827.60**
(ix)	**Experience Adjustment:**				
	On Plan Liability (Gain)/Loss	315.39	791.71	(-)86.04	808.90
	On Plan Asset (Loss)/Gain	86.25	(-)620.28	100.21	155.64

Other long term employee benefits*

Particulars	31.03.2021		31.03.2020	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,283.57	437.52	846.05	54.62
Leave Travel Concession	62.23	0.14	62.09	(-)1.87
Resettlement Benefits	7.33	(-)0.54	7.87	0.64
Milestone Awards	4.52	0.03	4.49	0.26
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The Parent bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the Parent Bank has contributed ₹ 229.26 (Previous Year ₹ 161.42) towards such fund which is a defined contribution plan.

** The Parent bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Parent bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 1,548.05 (Previous Year ₹ 756.04) and towards Gratuity is ₹ 331.98 (Previous Year: ₹ 428.10).

Surplus/ Deficit in the Plan:

Particular	Gratuity Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	1,935.33	1,747.81	1,683.78	1,754.54	1,410.08
Plan assets	1,930.62	1,649.47	1,592.38	1,319.42	1,360.32
Unrecognised Transitional liability	0.00	0.00	0.00	326.34	0.00
Surplus/(deficit)	(-)4.70	98.34	91.40	108.78	(-) 49.76
Experience Adjustment On Plan Liability (Gain)/Loss	315.39	(-)86.04	54.03	(-)22.79	38.41
Experience Adjustment On Plan Asset (Loss)/Gain	86.25	100.21	14.29	(-)4.76	1.71

Particular	Pension Plan				
	FY2020-21	FY2019-20	FY2018-19	FY2017-18	FY2016-17
Defined benefit obligation	16,837.05	16,065.92	14,709.20	13,716.87	12,851.12
Plan assets	16,531.02	15,827.60	14,314.88	13,330.64	12,321.80
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)306.03	(-)238.32	(-)394.32	(-)386.23	(-)529.32
Experience Adjustment On Plan Liability (Gain)/Loss	791.71	808.90	546.91	(-)66.62	198.92
Experience Adjustment On Plan Asset (Loss)/Gain	(-)620.28	155.64	37.73	33.27	103.05

C. AS-17 "Segment Reporting"

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	17,155.41	15,229.21	15,760.37	17,953.98	15,100.47	16,137.92	48,016.25	49,321.11
Unallocated Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	366.39	203.60
Inter Segment Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	32.64	125.05
Total Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	48,350.00	49,399.66
Results	5,349.02	4,106.86	(-)1,438.25	(-)8,537.03	(-)15.67	755.90	3,895.10	(-)3,674.27
Unallocated Expenses	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)733.32	(-)1,017.19
Profit/(Loss) Before Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	3,161.78	(-)4,691.46
Income Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	1,079.03	(-)1,640.42
Extraordinary profit/loss	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	0.00	0.00
Net Profit	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	2,082.75	(-)3,051.04
Other Information:								
Segment Assets	2,78,786.05	2,36,699.52	240300.78	2,39,264.83	185138.74	1,57,280.34	7,04,225.56	6,33,244.69
Unallocated Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	28,564.53	29,774.15
Total Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	7,32,790.10	6,63,018.84
Segment Liabilities	2,66,000.92	2,27,077.33	2,56,872.42	2,57,652.67	1,51,080.44	1,25,147.64	6,73,933.78	6,09,877.64
Unallocated Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	8,856.09	8,068.05
Total Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	6,82,809.87	6,17,945.69

Note: Information in respect of Non-Banking subsidiaries/joint venture has been included under unallocated segment.

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	45,894.58	45,057.67	2,455.42	4,341.99	48,350.00	49,399.66
Assets	6,45,772.68	5,66,995.92	87,017.42	96,022.92	7,32,790.10	6,63,018.84

The BOI group has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with AS-17.

I. **Primary Segment: Business Segments**

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking:** Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i) Exposure – The maximum aggregate exposure up to ₹ 5

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs

-Expenses directly attributed to particular segment are allocated to the relative segment

-Expenses not directly attributable to specific segment are allocated in proportion to number of employees / business managed.

II. **Secondary Segment: Geographical Segments**

a) Domestic Operations

b) International Operations

D. AS-18 "Related Party Transactions" (Parent Bank):

Key Managerial Personnel:

Managing Director & CEO: Shri Atanu Kumar Das

Executive Directors:
Shri C. G. Chaitanya (superannuated on 31.08.2020)
Shri P. R. Rajagopal
Shri Swarup Dasgupta (From 10.03.2021)
Shri M. Karthikeyan (From 10.03.2021)
Smt. Monika Kalia (From 10.03.2021)

Remuneration paid :

(in ₹)

Sr No	Name	2020-21	2019-20
1	Shri Dinabandhu Mohapatra	-	8,57,839
2	Shri Atanu Kumar Das	30,02,820	27,92,421
3	Shri Neelam Damodharan	-	17,66,707
4	Shri C.G. Chaitanya	47,68,776	26,90,263
5	Shri P. R. Rajagopal	31,52,053	89,146
6	Shri M. Karthikeyan	1,46,801	-
7	Shri Swarup Dasgupta	1,46,801	-
8	Smt. Monika Kalia	1,46,801	-

In terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship, including those with Key Management Personnel and relatives of Key Management Personnel have not been disclosed, since the disclosure would conflict with Bank's duties of confidentiality.

E. AS19 "Lease Financing" (Parent Bank): Nil

F. AS20 "Earnings per Share" in ₹:

Calculation of Basic & Diluted E.P.S.:

S.No.	Particulars	2020-21	2019-20
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	2,082.75	(-)3,051.04
(B)	Weighted Average Number of Equity shares (in crore)	327.69	325.01
(C)	Basic Earnings per Share (A/B) (₹)	6.36	(-)9.39
(D)	Weighted Average number of Equity shares including dilutive potential equity shares (in crore)	327.81	NA
(E)	Dilutive Earnings per share (A/D) (₹)	6.35	(-)9.39
(F)	Nominal Value per Equity Share (₹)	10.00	10.00

G. **AS-22 "Accounting for Taxes on Income":**

The Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Particulars	31.03.2021	31.03.2020
Deferred Tax Assets		
On account of timing difference towards provisions	14,304.04	15,131.49
Others	659.88	626.24
Total Deferred Tax Assets	14,963.92	15,757.73
Deferred Tax Liabilities		
On account of depreciation on fixed assets	279.04	286.98
On account of depreciation on investment	0.00	0.00
On account of interest accrued but not due	943.32	952.07
Others	919.35	759.97
Total Deferred Tax Liabilities	2,141.71	1,999.02
Net Deferred Tax Assets / (Liabilities)	12,822.21	13,758.71

H. **Accounting Standard 24 - Discontinuing Operations:** In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, during Financial year 2019-20, the Parent Bank sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64 and remaining cost of investment of ₹ 19.18 has been fully provided.

I. **AS-27 "Financial Reporting of Interests in Joint Ventures":**

Investments include ₹ 75 (Previous year ₹ 75) representing Parent Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of incorporation	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2021	31.03.2020
Liabilities		
Capital & Reserves	208.63	190.24
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	3,390.38	2,607.69
Total	**3,599.02**	**2,797.93**
Assets		
Cash and Balances with Reserve Bank of India	54.56	10.62
Balances with Banks and Money at call and short notice	-	-
Investments	3,386.41	2,640.40
Advances	3.74	3.03
Fixed Assets	7.51	6.77
Other Assets	146.80	137.11
Total	**3,599.02**	**2,797.93**
Capital Commitments	-	-
Other Contingent Liabilities	27.13	20.99
Income		
Interest Earned	11.30	10.39
Other Income	50.56	29.75
Total	**61.86**	**40.14**
Expenditure		
Interest Expended	-	-
Operating Expenses	37.77	13.27
Provisions & Contingencies	5.14	9.71
Total	**42.91**	**22.98**
Profit / (Loss)	18.95	17.16

J. AS-29 "Provisions, Contingent Liabilities and Contingent Assets": (Parent Bank)

A. *Movement of Provisions for contingent liabilities*

Particulars	Legal cases/contingencies*	
	2020-21	2019-20
Opening Balance	99.19	100.28
Provided during the year	11.01	0.87
Amounts used during the year	9.29	1.96
Closing Balance	100.91	99.19
Timing of outflow/uncertainties	Outflow on settlement / crystallization	

*Excluding provisions for others

B. *Contingent Liabilities*

Such liabilities are dependent upon the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

10. Other Notes:

a) The investments of life insurance joint venture have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by the Bank. The investments of the insurance joint venture constitute approximately 1.77% (previous year 1.63%) of the total investments as on 31st March, 2021.

b) During FY 2020-21, the Parent Bank has made provision of ₹ 460.92 towards the 11th Bi-Partite Wage Settlement effective November 1, 2017.

c) COVID 19 Regulatory Package: The spread of COVID-19 across the globe has resulted in significant decline in Indian as well as global economic activities and increase in volatility in financial markets. The current 'second wave' of COVID-19 pandemic, in which number of cases has increased significantly, has resulted in re-imposition of lockdown measures in various parts of the country. Major challenges for the Bank would arise from extended working capital cycles and probability of increase in customer defaults. The extent to which, including the current 'second wave' will continue to impact Bank's results will depend on ongoing as well as future developments, which are highly uncertain.

In this situation, though the challenges continue to unfold, the Parent Bank is evaluating the same on an ongoing basis and gearing up itself at all fronts to meet the same. The management, however, believes that no adjustments are required for these challenges as they may not significantly impact the financial results of the Parent Bank.

In accordance with RBI guidelines relating to "COVID 19 Regulatory Package" on Asset Classification and Provisioning, dated March 27, 2020, April 17, 2020 and May 23, 2020, the Parent Bank has granted a moratorium on payment of instalments and / or interest as applicable, falling due between March 1, 2020 and August 31, 2020 to eligible borrowers classified as Standard, even if overdue as on February 29, 2020 without considering the same as restructuring. The moratorium period, wherever granted, is excluded by the parent Bank from the number of days the account is past due for the purpose of Asset Classification under RBI's Income Recognition and Assets Classification norms. The disclosures as required by RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 is given below:

Sl. No.	Particulars	Amount
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	29,266.93
2	Respective amount where asset classification benefits is extended	-
3	Provisions made in quarter ended March 31, 2020 and June 30, 2020, in terms of para 5 of the above circular	1,031.82
4	Provisions adjusted during the quarter ended March 31, 2021 against slippages	1,031.82
5	Provision held as on March 31, 2021	-

The Honorable Supreme Court of India, in a public interest litigation case of Gajendra Sharma Vs. Union of India & Another, vide an Interim order dated September 3, 2020 had directed that the accounts which were not declared as Non-Performing Assets (NPA) till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the Parent Bank had not declared any domestic loan accounts as NPA which were Standard as on August 31, 2020.

Pursuant to the Honorable Supreme Court's final order dated March 23, 2021, vacating the above Interim order dated September 3, 2020, and the related RBI notification issued on April 7, 2021, the Parent Bank has classified these borrower accounts as per the extant IRAC norms with effect from September 1, 2020 and utilised the said above-mentioned additional provision towards provision for these accounts.

d) In accordance with the instructions of RBI circular dated April 7, 2021 on "Asset Classification and Income Recognition following the expiry of COVID-19 Regulatory package", the Parent Bank has refunded "interest on interest" charged to all borrowers including those who had availed of working capital facilities during the moratorium period i.e. March 1, 2020 to August 31, 2020, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by the RBI notification, the methodology for calculation of such interest on interest was circulated by the Indian Bank's Association. Accordingly, a liability of ₹ 128.43 towards the same has been created and reduced from interest income for the year ended March 31, 2021.

e) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2021 the Parent Bank holds additional Provision of ₹ 976.21 Cr in respect of 8 borrower accounts, where the viable Resolution Plan has not been implemented within 180 days/365 days of review period.

f) Details of the resolution plan implemented under the Resolution Framework for COVID-19 Stress as per RBI circular dated August 6, 2020 are given below:

Type of Borrower	A) Number of accounts where resolution plan has been implemented under this window	B) Exposure of accounts mentioned at (A) before implementation of the plan	C) Of (B), aggregate amount of debt that was converted into other securities	D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	E) Increase in provisions on account of the implementation of the resolution
Personal Loans	8,401	749.26	-	-	74.92
Corporate Persons	3	743.92	-	-	74.39
of which, MSMEs	-	-	-	-	-
Others	6	44.95	-	-	4.49
Total	8,410	1,538.13	-	-	153.80

g) In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date where review period of 30 days are over but the 180 days of resolution period had not expired as on March 1, 2021, are as under:

Particular	No. of Accounts	Amount
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	6	9,836.64

h) The Parent Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. As both the Banks were holding 100% provision, RBI vide its communication (Ref. DoS.Co.SSM(BOI)/6557/13.37.007/2019-20) dated April 13, 2020 permitted the Parent Bank to maintain a provision of 50% of the disputed amount on an ongoing basis (i.e. 50% of ₹ 291.63) subject to certain conditions. Accordingly, the Parent Bank now holds provision of ₹ 145.81 for the disputed amount.

i) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2021, the Parent Bank holds 100% provision of the outstanding value of ₹ 4,227.96 .

j) Additional information disclosed in the separate financial statements of the Parent bank and the subsidiaries having no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material, have not been disclosed in the Consolidated Financial Statements.

k) Previous Year's figures have been regrouped/rearranged wherever considered necessary.

NBS & Co.	Banshi Jain & Associates	Chaturvedi & Co.
Chartered Accountants 14/2, Western India Building, P.M.Road, Fort, Mumbai – 400 001	Chartered Accountants 5th Floor, La Magasin, Above Roopkala, SV Road, Santacruz West,Mumbai – 400 054	Chartered Accountants Park Centre, 24, Park Street, Kolkata – 700 016

Independent Auditors' Report on Audited Standalone Quarterly Financial Results and Year to Date Financial Results of the Bank of India Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations,2015

To
The Board of Directors,
Bank of India,
Mumbai

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of Standalone Quarterly Financial Results of Bank of India (the '**Bank**') for the quarter ended March 31, 2020 and the year to date Financial Results for the period from April 1, 2019 to March 31, 2020 attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at March 31,2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us. These financials results include the results for the quarter ended 31st March, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to 31st December 2019, which were subject to limited review by us.

The Standalone Financial Results included the returns for the year ended on that date of:-

(i) 20 branches and Treasury Branch audited by us;
(ii) 2387 domestic branches audited by respective Statutory Branch Auditors and
(iii) 23 Foreign branches audited by respective local Auditors

The branches audited by us, and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows are the returns from 2675 branches which have not been subjected to audit. These unaudited branches account for 7.01% of advances, 21.95% of deposits, 5.94% of interest income and 20.68% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Results:

i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at March 31,2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Financial Results and have not been audited by us; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the net loss and other financial information for the quarter ended March 31, 2020 as well as the year to date results for the period from 1st April 2019 to 31st March 2020.

NBS & CO. MUMBAI 110100W CHARTERED ACCOUNTANTS

JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

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Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

a) Note No.9 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its Domestic & International business operations of the Bank on an ongoing basis; and

b) Note No. 11 and 12 regarding provision made in NPA accounts

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Standalone Financial Results

These Standalone Financial Results have been compiled from the Standalone Financial Statements. The Bank's Board of Directors are responsible for the preparation of these Standalone Financial Results that give a true and fair view of the financial position, financial performance, cash flows and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards issued by the Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

These Standalone Financial Results incorporate the relevant returns of 2420 branches including 23 foreign branches audited by the other auditors specially appointed for this purpose. These branches audited by other auditors cover 51.03% of advances, 76.22% of deposits and 49.54% of Non-performing assets as on 31st March 2020 and 42.84% of revenue for the period 1st April 2019 to 31st March 2020.The Financial statements/financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches, are solely based on the report of such branch auditors.

In conduct of our audit, we have taken note of the unaudited returns in respect of 2675 branches certified by the respective branch's management. These unaudited branches cover 7.01% of advances, 21.95% of deposits and 4.04% of Non-performing assets as on 31st March 2020and 6.48% of revenue for the period 1st April 2019 to 31st March 2020.

Our opinion on the Standalone Financial Results is not modified in respect of above matters.

For NBS & Co. **Chartered Accountants** **(FRN 110100W)** **Sharath Shetty** **Partner** **M. No. 132775** **UDIN:-** 20132775AAAAED2811	**For Banshi Jain & Associates** **Chartered Accountants** **(FRN 100990W)** **Vishal Sheth** **Partner** **M. No. 121170** **UDIN:-** 20121170AAAAJS2624	**For Chaturvedi &Co.** **Chartered Accountants** **(FRN 302137E)** **R.K. Nanda** **Partner** **M. No. 510574** **UDIN:-** 20510574AAAADAY3153

Place: Mumbai
Date: June 25, 2020

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BANK OF INDIA

BALANCE SHEET
AS AT 31st MARCH, 2020

&

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2020

Bank of India

BALANCE SHEET AS AT 31st MARCH 2020

(000's Omitted)

		Schedule No	As at 31-03-2020 ₹	As at 31-03-2019 ₹
I.	**CAPITAL AND LIABILITIES**			
	Capital	1	3,27,76,625	2,76,00,285
	Reserves & Surplus	2	40,53,86,540	38,92,11,250
	Share Application Money, pending allotment		-	4,63,80,000
	Deposits	3	5,55,50,49,786	5,20,86,23,485
	Borrowings	4	39,75,24,659	44,24,11,678
	Other Liabilities and Provisions	5	17,92,17,207	13,80,01,739
	TOTAL		6,56,99,54,817	6,25,22,28,437
II.	**ASSETS**			
	Cash and balances with Reserve Bank of India	6	29,23,92,508	29,23,65,626
	Balances with Banks and money at call and short notice	7	57,21,70,546	65,57,49,236
	Investments	8	1,58,57,29,874	1,47,63,90,360
	Advances	9	3,68,88,33,041	3,41,00,59,443
	Fixed Assets	10	8,98,19,999	8,92,00,364
	Other Assets	11	34,10,08,849	32,84,83,416
	TOTAL		6,56,99,54,817	6,25,22,28,437
			0	0
	Contingent Liabilities	12	3,52,30,99,081	3,11,30,92,079
	Bills for Collection		25,05,62,509	28,50,03,999
			(0)	

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra
Chief Financial Officer

P R Rajagopal | C.S. Chaitanya
Executive Director

A.K.Das
Managing Director & CEO

G Padmanabhan
Chairman

DIRECTORS

Dakshita Das | Subrata Das | D Sarkar | D Harish

In terms of our report of even date attached

For NBS & Co.
Chartered Accountants
(FRN 110100W)
Sharath Shetty
Partner
M. No. 132775

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)
Vishal Sheth
Partner
M. No. 121170

For Chaturvedi & Co
Chartered Accountants
(FRN302137E)
R.K.Nanda
Partner
M. No. 510574

Place: Mumbai
Date : 25th June, 2020

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2020

		Schedule No.	For the year ended 31-03-2020 ₹	(000's Omitted) For the Year ended 31-03-2019 ₹
I.	**INCOME**			
	Interest earned	13	42,35,32,668	40,76,78,113
	Other Income	14	6,71,30,741	4,65,88,883
	TOTAL		49,06,63,409	45,42,66,996
II.	**EXPENDITURE**			
	Interest expended	15	27,09,62,884	27,11,01,410
	Operating expenses	16	10,45,14,011	10,22,43,485
	Provisions and Contingencies		14,47,55,376	13,63,91,105
	TOTAL		52,02,32,271	50,97,36,000
III.	**PROFIT**			
	Net Profit/(Loss) for the period		(2,95,68,862)	(5,54,69,005)
	Less: Extra ordinary item			
	Add: Profit brought forward		(20,58,27,390)	(14,96,23,085)
	TOTAL		-23,53,96,252	-20,50,92,090
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		-	-
	Transfer from Investment Fluctuation Reserve			
	Transfer to Revenue Reserve		-	-
	Transfer to Capital Reserve		24,27,630	7,35,300
	Transfer from Revenue & Other Reserves		-	-
	Final Dividend (Including dividend tax)		-	-
	Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	-
	Balance in Profit and Loss Account		(23,78,23,882)	(20,58,27,390)
	TOTAL		(23,53,96,252)	-20,50,92,090
	Significant accounting policies	17		
	Notes to Accounts	18		
	Earnings Per Share (Basic and Diluted)		(9.10)	(29.79)

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra
Chief Financial Officer

P R Rajagopal   C G Chaitanya
Executive Director

A.K.Das
Managing Director & CEO

G Padmanabhan
Chairman

DIRECTORS

Dakshita Das   Subrata Das   D Sarkar   D Harish

In terms of our report of even date attached

For NBS & Co.
Chartered Accountants
(FRN 110100W)

Sharath Shetty
Partner
M. No. 132775

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Vishal Sheth
Partner
M. No. 121170

For Chaturvedi & Co
Chartered Accountants
(FRN302137E)

R.K.Nanda
Partner
M. No. 510574

Place: Mumbai
Date : 25th June, 2020

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March, 2020

(₹ in '000)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A. Cash Flow from Operating Activities:		
Net Profit before taxes	(4,60,27,225)	(87,134,074)
Adjustments for:		
Amortisation/Depreciation on Investments	64,01,160	13,904,597
Profit on sale /redemption of investments in Joint Venture	-	-
Depreciation on Fixed Assets	38,47,777	3,666,741
Profit on sale of Fixed Asset	(4,66,672)	(4,302,226)
Provision for NPA	14,41,53,945	157,696,534
Provision for Standard Assets	85,86,322	1,263,172
Provision for Other Assets	50,54,312	(1,545,929)
Payment / Provision for Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	84,58,195	10,151,050
Dividend received	(2,27,329)	(178,444)
Adjustments for:		
Increase /(Decrease) in Deposits	34,64,26,301	79,702
Increase /(Decrease) in Borrowings	(2,16,37,019)	70,523,925
Increase / (Decrease) in Other Liabilities and Provisions	3,11,59,494	45,078,719
(Increase) / Decrease in Investments	(11,55,19,590)	(119,183,825)
(Increase)/ Decrease in Advances	(42,29,27,543)	(153,954,111)
(Increase) / Decrease in Other Assets	1,29,15,991	5,880,368
Direct Taxes (Paid)/Refund	(85,37,405)	(33,881,562)
Net Cash Flow from Operating Activities (A)	**(4,83,39,286)**	**(91,915,363)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(95,60,455)	(2,865,923)
Sale of Fixed Assets	60,49,891	4,195,650
Additional Investment in Subsidiaries/Joint Ventures/ Associates	(2,21,094)	-
Dividend received	2,27,329	178,444
Net Cash Flow from Investing Activities (B)	**(35,04,329)**	**1,508,171**
C. Cash Flow from Financing Activities:		
Share Capital	51,76,339	10,163,111
Share Premium	4,12,03,661	97,304,903
Share Application	(4,63,80,000)	46,380,000
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	(2,32,50,000)	(64,000,000)
Dividend (Interim & Final) paid	-	-
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II	(84,58,195)	(10,151,050)
Net Cash Flow from Financing Activities (C)	**(3,17,08,195)**	**79,696,964**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(8,35,51,810)**	**(10,710,228)**

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
Cash and Cash Equivalents as at the beginning of the year	94,81,14,864	958,825,092
Cash and Cash Equivalents as at the end of the year	86,45,63,054	948,114,864

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	29,23,92,508	292,365,626
Balances with Banks and money at call and short notice (Schedule 7)	57,21,70,546	655,749,238
Cash and Cash Equivalents as at the end of the year	86,45,63,054	948,114,864

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

K.V.Raghavendra
Chief Financial Officer

P R Rajagopal
Executive Director

C.S.Chaitanya

A.K.Das
Managing Director & CEO

G.Padmanabhan
Chairman

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

In terms of our report of even date attached

M/s. NBS & Co.
Chartered Accountants
(FRN 110100W)

Sharath Shetty
Partner
M. No. 132775

M/s Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Vishal Sheth
Partner
M. No. 121170

M/s Chaturvedi & Co
Chartered Accountants
(FRN302137E)

R.K.Nanda
Partner
M.No. 510574

Place- Mumbai
Date- June 26,2020

	As at 31-03-2020 ₹	(000's Omitted) As at 31-03-2019 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED		
600,00,00,000 (Previous year ended 300,00,00,000) Equity Shares of ₹10 each	6,00,00,000	3,00,00,000
ISSUED AND SUBSCRIBED		
Equity Shares 327,81,00,450 (Previous year ended 276,04,66,522) of ₹10 each	3,27,81,104	2,76,04,665
TOTAL	3,27,81,104	2,76,04,665
PAID-UP CAPITAL		
327,69,23,380 Equity Shares (Previous year ended 275,92,89,422) of Rs.10/- each	3,27,69,234	2,75,92,894
Add: Amount of shares forfeited	7,391	7,391
TOTAL *	3,27,76,625	2,76,00,285

* Of the above, 291,96,90,866 Equity Shares (Previous year ended 240,20,56,938) of ₹10 each fully paid up amounting to ₹ 2919.69 crores (Previous year ended ₹2402.06 crores) is held by Central Government;

SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	7,08,68,842	7,08,68,842
Additions during the period	-	-
TOTAL (I)	7,08,68,842	7,08,68,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	6,27,33,382	5,54,91,649
Add: Addition during the period on Revaluation of Premises	9,40,785	90,16,306
Less: Adjustments during the period	(2,88,568)	(1,03,613)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	7,39,178	18,77,156
Total of (A)	6,32,23,557	6,27,33,382
B) Others		
I) Profit on sales of investments - "Held to Maturity"		
Opening Balance	2,31,35,538	2,24,00,238
Additions during the period	24,27,630	7,35,300
Sub-total of (I)	2,55,63,168	2,31,35,538
II) Foreign Currency Translation Reserve		
Opening Balance	2,00,56,276	1,83,43,885
Add/ (Less) : Additions / adjustments during the period (Net)	33,34,475	17,12,391
Sub-total of (II)	2,33,90,751	2,00,56,276
Total of (B)	4,89,53,919	4,31,91,814
TOTAL (II)	11,21,77,476	10,59,25,196
III. Share Premium :		
Opening Balance	31,21,14,069	21,48,09,166
Add : Additions during the period	4,12,03,661	9,73,04,903
TOTAL (III)	35,33,17,730	31,21,14,069

SCHEDULE - 2 : RESERVES & SURPLUS (contd.)

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	8,44,30,533	8,39,78,582
Add: Additions during the period	7,15,841	16,47,377
Deductions during the period	-	11,95,426
Sub-total of IV(i)	8,51,46,374	8,44,30,533
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(iii)	-	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,17,00,000	2,17,00,000
Additions during the period	-	-
Sub-total of IV(iv)	2,17,00,000	2,17,00,000
TOTAL (IV)	10,68,46,374	10,61,30,533
V. Balance in Profit and Loss Account :	(23,78,23,882)	(20,58,27,300)
TOTAL (I TO V)	40,53,86,540	38,92,11,250

SCHEDULE - 3 : DEPOSITS

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
A. I. Demand Deposits :		
i) From Banks	80,39,596	55,47,152
ii) From Others	29,32,42,193	26,96,76,172
TOTAL (I)	30,12,81,789	27,52,23,324
II. Savings Bank Deposits	1,72,70,06,856	1,59,47,71,454
III. Term Deposits :		
i) From Banks	36,33,39,891	51,27,77,522
ii) From Others	3,17,34,21,248	2,82,58,51,185
TOTAL (III)	3,52,67,61,139	3,33,86,28,707
TOTAL A(I, II, III)	5,55,50,49,786	5,20,86,23,485
B. i) Deposits of branches in India	4,82,53,92,677	4,21,78,32,182
ii) Deposits of branches outside India	72,96,57,109	99,07,91,303
TOTAL (B)	5,55,50,49,786	5,20,86,23,485

SCHEDULE - 4 : BORROWINGS

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
I. Borrowings in India :		
i) Reserve Bank of India	18,87,70,000	11,10,00,000
ii) Other Banks		
a. Tier I Capital (I.P.D.I.)	11,50,000	18,00,000
b. Tier II Capital	2,50,000	50,000
c. Others	0	1,68,00,000
Total (ii)	14,00,000	1,86,50,000
iii) Other Institutions and Agencies		
a. Tier I Capital (I.P.D.I.)	18,50,000	44,50,000
b. Tier II Capital	7,97,50,000	9,99,50,000
c. Others	2,29,36,828	11,75,18,703
Total (iii)	10,45,36,828	22,19,18,703
Total (I)	29,47,06,828	35,15,68,703
II. Borrowings outside India		
a. Tier I Capital (I.P.D.I.)	-	0
b. Upper Tier II Capital	-	
c. Others	10,28,17,831	9,08,42,975
Total (II)	10,28,17,831	9,08,42,975
Total (I, II)	39,75,24,659	44,24,11,678
Secured borrowings included in above	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
I. Bills Payable	1,12,61,126	1,28,01,694
II. Inter-office adjustments (net)	18,16,385	-
III. Interest accrued	1,94,40,790	2,02,38,468
IV. Deferred Tax Liabilities	16,862	28,819
V. Others (including Provisions)*	14,66,92,052	10,49,32,758
TOTAL	17,92,17,207	13,80,01,739

* Includes provision for Standard Assets ₹ 2,70,65,886 thousand (Previous Year ₹ 1,88,83,280 thousand)

	As at 31-03-2020 ₹	(000's Omitted) As at 31-03-2019 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes and gold)	3,23,00,213	2,45,56,246
II. Balances with Reserve Bank of India :*		
i) In Current Account	26,00,92,295	26,78,09,380
ii) In Other Accounts	-	-
TOTAL (II)	26,00,92,295	26,78,09,380
TOTAL (I, II)	29,23,92,508	29,23,65,626

* Including balances with Central Banks outside India

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	16,80,529	15,64,652
b) In Other Deposit Accounts	1,05,93,100	8,33,31,775
ii) Money at call and short notice		
a) With Banks	19,34,710	-
b) With Other Institutions	11,00,00,000	-
TOTAL (I)	12,42,08,339	8,48,96,427
II. Outside India :		
i) In Current Accounts	1,85,05,320	28,62,033
ii) In Other Deposit Accounts	33,50,43,705	36,81,28,701
iii) Money at call and short notice	9,44,13,182	19,98,62,077
TOTAL (II)	44,79,62,207	57,08,52,811
TOTAL (I, II)	57,21,70,546	65,57,49,238
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,39,79,46,003	1,28,55,70,352
ii) Other approved Securities	-	-
iii) Shares	77,64,031	97,93,592
iv) Debentures and Bonds	7,81,24,831	7,93,56,216
v) Subsidiaries and Associates	59,25,284	46,50,063
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund etc.)	2,68,65,163	3,07,95,689
TOTAL (I)	1,51,76,24,312	1,41,01,95,912
Gross	1,55,33,26,590	1,44,87,00,306
Less: Depreciation and Amortisation	3,57,02,278	3,85,04,394
Net	1,51,76,24,312	1,41,01,95,912
II. Investments outside India :		
i) Government Securities (including local authorities)	3,79,19,719	3,21,13,683
ii) In Subsidiaries and/or joint ventures abroad	94,22,633	95,76,760
iii) Other Investments (Debentures, Bonds etc.)	2,08,63,210	2,45,03,995
TOTAL (II)	6,82,05,562	6,61,94,438
Gross	6,85,98,438	6,64,81,458
Less: Depreciation and Amortisation	3,92,876	2,87,020
Net	6,82,05,562	6,61,94,438
TOTAL (I, II)	1,58,58,29,874	1,47,63,90,350

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

N B S & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI FRN 100990W CHARTERED ACCOUNTANTS

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	9,13,14,256	12,27,37,248
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,75,62,32,921	1,47,74,79,360
iii) Term Loans	1,84,12,85,864	1,80,98,42,835
TOTAL (A)	3,68,88,33,041	3,41,00,59,443
B. Particulars of Advances :		
i) Secured by tangible assets (Includes advances against Book Debts)	2,59,20,28,815	2,52,62,60,004
ii) Covered by Bank/Government Guarantees	24,46,22,145	16,18,99,796
iii) Unsecured	85,21,82,081	72,18,99,643
TOTAL (B)	3,68,88,33,041	3,41,00,59,443
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,12,57,57,202	1,12,13,14,164
ii) Public Sector	77,87,64,153	62,97,88,792
iii) Banks	1,125	1,42,920
iv) Others	1,28,37,17,484	1,17,92,74,550
TOTAL (C-I)	3,18,82,39,964	2,93,05,17,426
II. Advances outside India :		
i) Due from Banks	9,87,60,964	9,93,60,579
ii) Due from others		
a) Bills Purchased and Discounted	2,89,92,194	3,27,07,804
b) Syndicated Loans	10,46,99,596	12,96,90,731
c) Others	26,71,40,323	21,77,82,903
TOTAL (C-II)	50,05,93,077	47,95,42,017
TOTAL (C - I, C - II)	3,68,88,33,041	3,41,00,59,443
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	1,71,47,477	1,71,09,272
Additions / Adjustments during the period	1,62,231	2,09,549
Less:Deductions / Adjustments during the period	59,974	1,71,344
Sub-total	1,72,49,734	1,71,47,477
Addition to date on account of revaluation	6,40,08,821	6,35,66,808
Less : Depreciation to date (including on account of revaluation)	47,18,996	44,49,395
TOTAL - (I)	7,65,39,559	7,62,63,890
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	3,47,01,194	3,27,25,686
Additions / Adjustments during the period	64,80,161	22,38,681
Less:Deductions / Adjustments during the period	62,21,842	2,63,173
Sub-total	3,49,59,513	3,47,01,194
Less: Depreciation to date	2,45,95,386	2,37,62,970
TOTAL (II)	1,03,64,127	1,09,38,224
III. CAPITAL WORK IN PROGRESS	29,16,313	19,98,250
TOTAL (I, II, III)	8,98,19,999	8,92,00,364

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	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	0	2,35,75,657
II. Interest accrued	3,06,65,142	3,16,21,737
III. Tax paid in advance/tax deducted at source (net)	5,77,74,856	5,05,32,617
IV. Stationery and Stamps	64,231	54,749
V. Deferred Tax Assets (Net)	13,71,04,034	11,88,84,849
VI. Others	11,64,00,596	10,38,93,807
TOTAL	34,10,08,849	32,84,63,416
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	1,49,93,043	1,50,13,941
II. Liability for partly paid investments	11,37,946	1,66,582
III. Liability on account of outstanding forward exchange contracts	2,94,61,57,983	2,55,15,39,928
IV. Guarantees given on behalf of Constituents :		
a) In India	22,51,43,990	20,91,76,461
b) Outside India	4,15,28,716	3,20,85,993
V. Acceptances, endorsements and other obligations	17,21,26,811	18,94,21,022
VI. Derivative contracts other than listed at III above	10,96,38,304	10,50,90,890
VII. Other items for which the Bank is contingently liable	1,23,72,388	95,93,282
TOTAL	3,52,30,99,061	3,11,30,92,079

N B S & CO.
MUMBAI
110100W
CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES
MUMBAI

SCHEDULES TO PROFIT AND LOSS ACCOUNT

		For the Year ended 31-03-2020 ₹		(000's Omitted) For the Year ended 31-03-2019 ₹

SCHEDULE - 13 : INTEREST EARNED

		For the Year ended 31-03-2020 ₹		For the Year ended 31-03-2019 ₹
I. Interest/Discount on advances/bills		28,80,47,398		27,28,03,460
II. Income on Investments		10,70,41,490		9,97,28,865
III. Interest on balances with Reserve Bank of India and other inter-bank funds		2,43,15,336		2,83,76,583
IV. Others		41,28,444		70,69,205
TOTAL		42,35,32,668		40,79,78,113

SCHEDULE - 14 : OTHER INCOME

		For the Year ended 31-03-2020 ₹		For the Year ended 31-03-2019 ₹
I. Commission, exchange and brokerage		1,38,60,972		1,24,34,825
II. Profit on sale of Investments				
Less : Loss on sale of Investments	(55,49,156)	55,49,156	44,38,104	(44,38,104)
III. Profit on sale of land, buildings and other assets	4,66,672		43,02,226	
Less : Loss on sale of land, buildings and other assets	-	4,66,672	0	43,02,226
IV Profit on exchange transactions	1,50,33,014		1,30,87,282	
Less : Loss on Exchange Transactions	-	1,50,33,014	4	1,30,87,278
V Income earned by way of dividends etc., from subsidiaries / cos.and/or JVs		2,27,329		1,76,444
VI Miscellaneous Income		3,19,93,598		2,10,24,213
TOTAL		6,71,30,741		4,65,86,883

	For the Year ended 31-03-2020 ₹	(000's Omitted) For the Year ended 31-03-2019 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	23,63,68,872	22,99,06,259
II. Interest on Reserve Bank of India / Inter-bank borrowings	2,58,23,954	3,09,57,820
III. Others:	87,70,058	1,02,37,331
TOTAL	27,09,62,884	27,11,01,410
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	6,14,14,517	6,02,10,417
II. Rent, Taxes and Lighting	72,11,408	70,86,359
III. Printing and Stationery	7,62,183	7,49,124
IV. Advertisement and Publicity	2,51,485	1,95,710
V. Depreciation on Bank's property*	38,47,777	36,66,741
VI. Directors' fees, allowances and expenses	5,070	4,569
VII. Auditors' fees and expenses (including branch Auditors' fees & expenses)	7,87,984	7,06,370
VIII. Law Charges	4,93,620	4,04,535
IX. Postage, Telegrams, Telephones, etc.	16,57,425	13,66,133
X. Repairs and Maintenance	7,25,422	6,27,473
XI. Insurance	50,59,416	50,17,978
XII. Other Expenditure	2,22,97,704	2,22,09,046
TOTAL	10,45,14,011	10,22,43,485

*After reversing depreciation charged on land earlier

SCHEDULE-17

SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION:

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

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e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. is to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab initio	25%

Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

* On the outstanding advance

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. 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.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

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5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are categorised under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure of Investments, these are classified in accordance with RBI guidelines & Banking Regulation Act 1949, under six categories viz. a.) Government Securities, b.) Other Approved Securities, c.) Shares, d.) Debentures and Bonds, e.) Subsidiaries and Joint Ventures and f.) Others.

A. <u>Basis of categorisation</u>

Categorisation of an investment is done at the time of its acquisition.

(i) Held to Maturity

These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading

These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:

These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. **Acquisition Cost of Investment:**

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. **Method of valuation:**

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

I) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

II) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) AFS/HFT TO HTM- Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) **AFS TO HFT AND VICE-VERSA** - In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following;

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

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When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

8. DERIVATIVE:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

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9. PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

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e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

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vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS:

A. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. 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.

B. Long Term Employee Benefits:

a. <u>Defined Benefit Plan:-</u>

I.) Gratuity:

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. Defined Contribution Plan:

i.) Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

13. TAXES ON INCOME:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

14. IMPAIRMENT OF ASSETS:

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

15. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and 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.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

16. SHARE ISSUE EXPENSES:

Share issue expenses are charged to the Profit and Loss Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

1. During the year, Bank has made preferential allotment of 51,76,33,928 equity shares of ₹10 each, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:-

Date of Capital Infusion	Name of the Shareholder	No. of equity shares	Issue price per share (in ₹)	Amount	Date of Allotment
21.02.2019	Government of India	51,76,33,928	89.60	4,638.00*	20.04.2019
	Total	**51,76,33,928**		**4,638.00**	

*In terms of Reserve Bank of India (RBI) letter no. DBR.CO.BP.No.8307/21.01.002/2018-19 dated April 2, 2019, the share application money of ₹ 4,638 received on February 21, 2019 has been considered for computation of CET 1 capital as on March 31, 2019.

2. The Govt. of India vide their weekly Gazette Notification dated March 31, 2019 - April 6, 2019 increased the authorised capital from ₹ 3,000 (Rupees Three Thousand) to ₹ 6,000 (Rupees Six Thousand).

3. Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

4. The audited financial results for the period have been arrived at on the basis of the same accounting policies as those followed in the preceding financial year ended 31st March, 2019.

5. The following information is disclosed in terms of guidelines issued by RBI:

5.1. Capital (As per BASEL-III):

Sr. No.	Particulars	31.03.2020	31.03.2019
i)	Common Equity Tier 1 Capital ratio (CET1) (%)	9.88%	11.01%
ii)	Tier I Capital ratio (%)	9.90%	11.07%
iii)	Tier II Capital ratio (%)	3.20%	3.12%
iv)	Total Capital ratio (CRAR) (%)	13.10%	14.19%

Sr. No.	Particulars	31.03.2020	31.03.2019
v)	Percentage of the shareholding of the Government of India	89.10%	87.05%
vi)	Amount of Equity Capital Raised during the year	*4,638.00	10,746.80
vii)	Share application money pending for allotment	0.00	4,638.00
viii)	Amount of Additional Tier 1 capital raised during the year i.e. PDI		
	a) PNCPS	0.00	0.00
	b) PDI	0.00	0.00
ix)	Amount of Tier-II capital raised i.e. Debt Capital Instruments, during the year		
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

* The share application money of ₹4,638 was received in FY 2018-19 and allotment was made in FY 2019-20.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2020.

Details of outstanding Innovative Perpetual Debt Instruments (IPDI) bonds raised to augment Tier-I capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2010-11	IPDI	300.00	60.00
	Total	**300.00**	**60.00**

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2010-11	Upper Tier-II	1,000.00	200.00
2013-14	Tier-II	1,500.00	900.00
2015-16	Tier-II	3,000.00	3,000.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	**8,000.00**	**6,600.00**

Bank has exercised call option and redeemed Upper Tier II Bonds Series III amounting to ₹ 500 on July 28, 2019, Series IV amounting to ₹ 500 on August 28, 2019 and Upper Tier II Bonds Series V amounting to ₹ 1,000 on January 20, 2020. Bank has also exercised call option to redeem Innovative Perpetual Bonds (IPDI) Series V amounting to ₹ 325 on December 9, 2019.

Bank has also redeemed Upper Tier-II Bonds Series VI for an amount of ₹ 1,000 by exercising call option on June 11, 2020. The same has been considered in calculation of Tier II capital as on March 31, 2020 to the extent of ₹ 200.

5.2. **Investments**

Sr. No.	Particulars			As at 31.03.2020	As at 31.03.2019
1			Value of Investments		
	i)		Gross Value of Investments	1,62,182.50	1,51,218.18
		a)	In India	1,55,322.66	1,44,570.03
		b)	Outside India	6,859.84	6,648.15
	ii)		Provisions for Depreciation	3,609.51	3,579.14
		a)	In India	3,570.22	3,550.44
		b)	Outside India	39.29	28.70
	iii)		Net Value of Investments	1,58,573.00	1,47,639.04
		a)	In India	1,51,752.44	1,41,019.59
		b)	Outside India	6,820.56	6,619.45
2			Movement of provisions held towards depreciation on investments		
	i)		Opening balance	3,579.14	3,524.03
	ii)		Add: Provisions made during the year *	928.63	1,267.76
	iii)		Less: Write-off/reduction/write-back of excess provisions during the year	899.74	1,215.94
	iv)		Add/(Less): Adjustments on account of exchange difference	1.48	3.29
	v)		Closing balance	3,609.51	3,579.14

i) Government Securities (Face Value) amounting to ₹ 28,547.42 (previous year ₹ 25,199.35) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

ii) During the year ended March 31, 2020, the Bank has earned a profit of ₹ 27.38 under buyback of 47.25 Lakh shares by Equifax Credit Information Services Private Limited.

5.2.1. **Repo Transactions (in face value terms) undertaken during the year:**

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2020
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	18,928.84 (15,041.10)	1,348.69 (5,144.96)	18,877.00 (12,033.42)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	12,500.00 (12,300.00)	1,819.93 (364.56)	11,000.00 (0.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.2.2. **Non-SLR Investment Portfolio:**

i. Issuer Composition of Non SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	2,035.38	1,284.02	0.00	616.25	0.00
		(2,847.89)	(2,276.20)	(0.00)	(616.25)	(0.00)
ii.	FIs	3,971.28	3,830.22	0.00	0.00	120.10
		(3,214.37)	(3,091.66)	(0.00)	(0.00)	(127.35)
iii.	Banks	1,018.90	570.00	75.91	0.00	0.00
		(1,652.36)	(966.01)	(70.06)	(0.00)	(172.89)
iv.	Private Corporates	5,546.74	4,270.03	861.53	56.35	20.10
		(4,809.68)	(3,576.53)	(823.06)	(56.35)	(27.35)
v.	Subsidiaries/ Joint Ventures**	1,477.61	0.00	0.00	0.00	0.00
		(1,442.96)	(0.00)	(0.00)	(0.00)	(0.00)
vi.	Others * $	30,387.88	22,693.81	0.00	0.19	0.00
		(30,606.37)	(22,518.81)	(0.00)	(0.17)	(0.00)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
	Total	**44,437.83**	**32,648.09**	**937.44**	**672.79**	**140.20**
		(44,573.63)	**(32,429.21)**	**(893.12)**	**(672.77)**	**(327.59)**
vii.	Less: Provision held towards Depreciation	3,609.51	0.00	0.00	0.00	0.00
		(3,441.82)	(0.00)	(0.00)	(0.00)	(0.00)
	Net	**40,828.29**	**32,648.09**	**937.44**	**672.79**	**140.20**
		(41,131.81)	**(32,429.21)**	**(893.12)**	**(672.77)**	**(327.59)**

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

** Investment in Subsidiaries/Joint Ventures/Associates have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 21,699 (previous year ₹ 21,699)

ii. Non-performing Non-SLR Investments:

Particulars	2019-20	2018-19
Opening balance	2,468.11	2,594.60
Additions during the year	235.65	65.29
Less: Reductions during the year	473.00	206.78
Add/(Less): Exchange difference	37.83	15.00
Closing balance	2,268.59	2,468.11
Total provisions held	**2,195.89**	**2,257.42**

5.2.3. **(i) Sale and transfer of securities to/from HTM Category during the financial year 2019-20:**

The total value of sale and transfers of securities from HTM category during April 1, 2019 to March 31, 2020 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2019. The 5 per cent threshold referred to above will exclude:

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year.

Sale of Securities from HTM during FY 2019-20 (Other than one time Shifting & sale under OMO)	4,190.00	Sale in % (<5%) =4.95%
Securities held in HTM Category as on 31.03.2019	84,277.58	

(ii) Details pertaining to Profit on Sale of Investment under HTM and amortisation of premium thereof:

Sr No	Particulars	Amount
1	Sale of Securities from HTM during 2019-20 (Face Value) (Other than one time Shifting & sale under OMO)	4,190.00
2	Profit earned by sale of securities from HTM during 2019-20 (including sale under OMO)	373.16
3	Amortization of premium in HTM securities during 2019-20	298.20

5.3. **Derivatives**

5.3.1. **Forward Rate Agreement/ Interest Rate Swap**

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
i)	The notional principal of swap agreements	10,963.83	10,630.67
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	99.00	94.08
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	
v)	The fair value of the swap book	(-)1.66	6.80

5.3.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/ Reverse Repo transactions and in RRC Account with RBI during the Financial year 2019-20.

5.3.3 Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr No	Particulars	Currency Derivatives		Interest Rate Derivatives	
1	Derivatives (Notional Principal Amount)	16,178.19		10,963.83	
	a) For hedging	6,282.54		10,963.83	
		(9,818.24)		(10,522.15)	
	b) For trading	9,895.65		0.00	
		(1,600.01)		(0.00)	
2	Marked to Market Positions [1]				
	a) Asset (+)	27.87		99.00	
		(25.14)		(92.71)	
	b) Liability (-)	15.93		101.48	
		((-)2.35)		(128.79)	
3	Credit Exposure [2]	179.31		241.22	
		(229.36)		(112.30)	
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00		37.68	
		(0.00)		(50.38)	
	b) On trading derivatives	0.00		0.00	
		(0.40)		(0.00)	
5	Maximum & Minimum of 100*PV01 observed during the year	Max	Min	Max	Min
	a) On hedging	0.00	0.00	2.76	0.20
		(0.00)	(0.00)	(50.38)	(50.35)

Sr No	Particulars	Currency Derivatives		Interest Rate Derivatives	
	b) On trading	0.00	0.00	0.00	0.00
		(0.52)	(0.40)	(0.00)	(0.00)

5.4 Asset Quality

5.4.1 Non-Performing Asset - Non performing Advances

Particulars	2019-20	2018-19
(i) Net NPAs to Net Advances (%)	3.88%	5.61%
(ii) Movement of NPAs (Gross)		
a) Opening balance	60,661.12	62,328.46
b) Additions during the year	16,328.81	24,133.26
c) Reductions during the year	15,440.00	25,800.60
d) Closing balance	61,549.93	60,661.12
(iii) Movement of Net NPAs		
a) Opening balance	19,118.96	28,207.27
b) Additions during the year	5,704.77	7,584.66
c) Reductions during the year	10,503.63	16,672.97
d) Closing balance	14,320.10	19,118.96
(iv) Movement of provision for NPAs (excluding provisions on standard assets)		
a) Opening balance	39,391.69	31,871.97
b) Provisions made during the year	14,248.41	18,425.13
c) Write-off/write-back of excess provisions	8,558.76	10,905.41
d) Closing balance	45,081.34	39,391.69

5.4.2 Non-Performing Asset -
(a) Non performing Investments

Particulars	2019-20	2018-19
(i) Net NPIs to Net Investment (%)	0.05%	0.14%
(ii) Movement of NPIs (Gross)		
a) Opening balance	2,468.12	2,594.60
b) Additions during the year	273.48	84.02
c) Reductions during the year	473.00	210.50
d) Closing balance	2,268.60	2,468.12
(iii) Provision for Depreciation - NPI		
a) Opening balance	2,257.41	1,911.26
b) Additions during the year	341.72	490.86
c) Reductions during the year	403.23	144.71
d) Closing balance	2,195.90	2,257.41
(iv) Movement of provision for NPIs		
a) Opening balance	210.70	683.34
b) Provisions made during the year	68.23	0.60

Particulars	2019-20	2018-19
c) Write-off/write-back of excess provisions	69.77	473.24
d) Closing balance	72.70	210.70

(b) Matured NPI (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particular	2019-20	2018-19
(i) Gross Value of Investments	1,204.94	822.02
(a) In India	740.25	391.95
(b) Outside India	464.69	430.07
(ii) Provision for Depreciation	1,204.94	822.02
(a) In India	740.25	391.95
(b) Outside India	464.69	430.07
(iii) Net Value of Investments	-	-
(a) In India	-	-
(b) Outside India	-	-

(ii) Movement of provisions held towards depreciation on investments:

Particular	2019-20	2018-19
Opening Balance	822.02	794.74
Add: Provisions made during the year	348.30	14.57
Sub-total	1,170.32	809.31
Less: Write off/ write-back of excess provision during the year	3.22	0.00
Add/(Less): Adjustments on account of Exchange Diff	37.84	12.71
Closing Balance	1,204.94	822.02

5.4.3 Particulars of Accounts Restructured- Details of Loan assets subjected to restructuring during 2019-20 (As compiled by the management and relied upon by the Auditors):

Sr No	Type of Restructuring → Details	Asset Classification	Under CDR Mechanism: Standard	Under CDR Mechanism: Sub-standard	Under CDR Mechanism: Doubtful	Under CDR Mechanism: Loss	Under CDR Mechanism: Total	Under SME Debt Restructuring: Standard	Under SME Debt Restructuring: Sub-standard	Under SME Debt Restructuring: Doubtful	Under SME Debt Restructuring: Loss	Under SME Debt Restructuring: Total
			Particulars of Accounts Restructured - F.Y. 2019-20									
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	1	0	21	1	23	14564	142	110	1	14817
			(3)	(3)	(22)	-	(28)	(16)	(1)	(62)	-	(79)
		Amount Outstanding	32	0	3411	948	4391	629	13	406	0	1048
			(115)	(229)	(4549)	-	(4983)	(125)	(3)	(805)	-	(933)
		Provision thereon	-	-	0.29	-	0.29	28.09	0.52	0.18	-	28.79
			(2)	(1)	(10)	(0)	(13)	(1)	(0)	(1)	-	(2)
2	Fresh restructuring during the year	No. of Borrowers	0	0	0	0	0	87789	1422	18	1	89230
								(14557)	(140)	(61)	-	(14758)
		Amount Outstanding*	0	0	10.12	0	10.12	2113.25	141.22	9.87	1.10	2265.44
			(0)	(0)	(28)	(0)	(28)	(483)	(8)	(1)	-	(492)
		Provision thereon	0	0	0	0	0	97.02	2.85	0.07	0	99.94
								(21)	(0)	(7)	-	(28)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	0.00	0.00	0.00	0.00	-1.00	1.00	-1.00	0.00	0.00	0.00
			-	-				(1)	-	(-1)	-	-
		Amount Outstanding	-16.00	0.00	-112.00	0.00	-128.00	1.14	-1.14	0.00	0.00	0.00
			(-24)	-	-	-	(-24)	(52)	-	(-52)	-	-
		Provision thereon	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
			-	-	-	-	-	(7)	-	(-7)	-	-
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 FY	No. of Borrowers										
			(1)	-	-	-	(1)	(4)	-	-	-	(4)
		Amount Outstanding										
			(25)	-	-	-	(25)	(18)	-	-		(18)
		Provision thereon										
			(1)				(1)	(0)	(0)	(0)	(0)	(0)
5	Downgradations of restructured accounts during the FY	No. of Borrowers			-3.00	3.00	0.00	-10.00	6.00	0.00	4.00	0.00
			(-1)	(-3)	(3)	(1)		(-2)	(1)	-	(1)	-
		Amount Outstanding			-963.34	963.34		-68.88	45.63	-5.29	28.54	
			(-36)	(-229)	(-684)	(949)		(-5)	(2)	(2)	(1)	-
		Provision thereon						-1.32	0.53	0.75	0.04	
			(-1)	(-1)	(2)	-	-	0.00	0.00	0.00	0.00	0.00
6	Write-offs of restructured accounts during the FY	No. of Borrowers	-		3.00		3.00	5.00	1.00	6.00	0.00	12.00
			-	-	(4)	-	(4)	(4)	-	(12)	-	(16)
		Amount Outstanding			297.90	3.11	301.01	35.43	0.59	30.61	1.21	67.84
			-	-	(517)	(2)	(519)	(9)	-	(352)	(1)	(362)
		Provision thereon			0.25		0.25	-14.98	0.24	0.72	0.04	-13.98
			-	-	(11)	-	q	(1)	-	(1)	-	(2)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	1		14	4	19	102339	1568	122	6	104035
			(1)	-	(21)	(1)	(23)	(14564)	(142)	(110)	(1)	(14817)
		Amount Outstanding	17		1927.95	1908.02	3852.974	2638.77	198.08	380.43	28.68	3245.96
			(30)	(0)	(3376)	(948)	[illegible]	(629)	(13)	(403)	(0)	(1045)
		Provision thereon			0.04		0.04	138.77	3.66	0.28		142.71
			(0)	(0)	(0)	(0)	[illegible]	(28)	(1)	(0)	(0)	(29)

Sr No	Type of Restructuring — Details	Asset Classification	Others: Standard	Others: Sub-standard	Others: Doubtful	Others: Loss	Others: Total	Total: Standard	Total: Sub-standard	Total: Doubtful	Total: Loss	Total: Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	2635	12046	853	8	15542	17200	12188	984	10	30382
			(13700)	(12046)	(902)	(2)	(26650)	(13719)	(12050)	(986)	(2)	(26757)
		Amount Outstanding	1697.72	1179.56	9952.84	496.18	13326.3	2358.41	1192.52	13770.37	1444.22	18765.52
			(3137)	(1908)	(9827)	(264)	(15137)	(3377)	(2141)	(15181)	(264)	(20964)
		Provision thereon	62.47	13.86	11.85	0	88.18	90.56	14.38	12.32	0	117.26
			(132)	(29)	(41)	-	(202)	(135)	(30)	(52)	-	(217)
2	Fresh restructuring during the year	No. of Borrowers	6				6	87795	1422	18	1	89236
			(25)	(1)		-	(26)	(14582)	(141)	(61)	-	(14784)
		Amount Outstanding*	520.52		10.4		530.92	2633.77	141.22	30.39	1.1	2806.48
			(155)	(498)	(162)	-	(815)	(638)	(506)	(191)	-	(1336)
		Provision thereon	12.79		3.18		15.97	109.81	2.85	3.25		115.91
			(1)	-	(0)	(0)	(1)	(22)	(0)	(7)	(0)	(30)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	1		-2		-1	2	-1	-3	0	-2
			(2)	-	(-2)	-	-	(3)	-	(-3)	-	-
		Amount Outstanding	120.14		-173.14		-53	105.28	-1.14	-285.14		-181
			(91)	(0)	(-117)	(-1)	(-27)	(119)	-	(-169)	(-1)	(-51)
		Provision thereon	4.69		-4.69			4.69		-4.69		
			(1)	-	(-1)	-		(7)	-	(-7)	-	-
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 FY	No. of Borrowers	2590				2590	2590				2590
			(11072)	-	(0)	-	(11072)	(11077)	-	-	-	(11077)
		Amount Outstanding	26.02				26.02	26.02				26.02
			(292)	-	-	-	(292)	(335)	-	-	-	(335)
		Provision thereon	1.3				1.3	1.3				1.3
			(9)	-	-	-	(9)	(11)	-	-	-	(11)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-3	-4	-5	12		-13	2	-8	19	0
			(-8)	(-1)	(3)	(6)	-	(-11)	(-3)	(6)	(8)	
		Amount Outstanding	-361.15	-818.87	12.21	967.81		-230.03	-773.24	-956.42	1959.69	
			(-577)	(-1258)	(1618)	(217)	0	(-619)	(-1485)	(935)	(1168)	
		Provision thereon	-3.61	-2.51	-0.26	6.38		-4.93	-1.98	0.49	6.42	
			(-9)	(-14)	(23)		-	(-10)	(-15)	(24)	-	-
6	Write-offs of restructures accounts during the FY	No. of Borrowers	2	0	12	0	14	7	1	21	0	29
			(11)	(1)	(50)		(62)	(13)	(1)	(66)		(82)
		Amount Outstanding	128.62	16.47	1079.48	9.19	1233.76	164.05	17.06	1407.99	13.51	1602.61
			(775)	(17)	(1576)	(2)	(2371)	(784)	(17)	(2446)	(5)	(3252)
		Provision thereon	26.54	2.85	2.51	6.38	38.28	11.56	3.09	3.48	6.42	24.55
			(53)	(1)	(52)	-	(106)	(54)	(1)	(64)		(119)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	47	12042	834	20	12943	102387	13610	970	30	116997
			(2636)	(12045)	(853)	(8)	(15542)	(17201)	(12187)	(984)	(10)	(30282)
		Amount Outstanding	2021.59	344.22	8622.83	1454.8	12443.44	4677.36	542.3	10931.23	3391.5	19542.37
			(1739)	(1132)	(9913)	(478)	(13261)	(2397)	(1145)	(13692)	(1426)	(18661)
		Provision thereon	48.5	8.5	7.57		64.57	187.27	12.16	7.89		207.32
			(62)	(14)	(12)	-	(88)	(91)	(14)	(12)	-	(117)

5.4.3.2. Disclosure on Stressed Assets

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	0	0.00	0.00	0	0
Current Financial Year (From April 2019 to March 2020)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

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(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr. No.	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
3	278.22	131.33	146.89	61.21
Classified as NPA				
4	336.14	112.82	223.32	265.18
Total				
7	614.35	244.14	370.21	326.39

5.4.4 Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

A. **Details of Sales:**

Sr. No.	Particulars	2019-20	2018-19
i.	Number of accounts	04	19
ii.	Aggregate value (net of provision) of accounts sold to SC/RC	36.59	1,689.56
iii.	Aggregate consideration	85.33	1,774.12
iv.	Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00
v.	Aggregate gain/(loss) over net book value	48.74	84.55

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B. Details of Investments in Security Receipts against NPAs sold to Securitisation Company (SC) / Reconstruction Company (RC):

Book Value of Investments in Security Receipts:

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/NBFC as underlying		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Book Value of investments in securities receipts	2,305.43	2,858.48	0.00	0.00	2,305.43	2,858.48

C. Disclosure on Provision in respect of sale of NPA to SCs/RCs:

S.No	Amount	Provision made during the year	Unamortised provision debited from 'other reserves' as on 31.03.2020
NIL			

D. Profit from sale of NPA:

Sr. No.	Particular	2019-20	2018-19
1	Profit booked in respect of sale of NPA	48.74	84.55

E. Disclosure of Investment in Security Receipts:

Book value of Security Receipts backed by NPAs sold by the Bank:

Particulars	SRs issued within past 5 Years	SRs issued more than 5 years ago but within past 8 Years ago	SRs issued more than 8 Years ago	Total
(i) Book value of SRs backed by NPAs sold by the bank as underlying	387.31 (1,289.57)	1,767.62 (1,418.42)	150.49 (150.49)	2,305.43 (2858.48)
Provision held against (i) above	357.26 (450.94)	1,085.55 (658.87)	150.49 (150.49)	1,593.31 (1260.31)

(ii) Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Provision held against (ii) above	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.4.5 Details of non-performing financial assets purchased/sold (from/to other banks)

(a) Details of non-performing financial assets purchased:

Particulars	2019-20	2018-19
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

(b) Details of non-performing financial assets sold:

Particulars	2019-20	2018-19
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.4.6 Provisions on Standard Assets:

Particulars	As at 31.03.2020	As at 31.03.2019
Provisions towards Standard Assets held as per RBI Norms	2,766.56	1,888.33

5.4.7 Divergence in Asset Classification, and Provisioning for NPAs:

As per RBI circular No.DBR.BPBC.No.32.21.04.018.2018-19 dated April 1, 2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and for additional gross NPAs identified by RBI exceeds 15% of published incremental gross NPAs for the reference period, then the Banks are required to disclose divergence from prudential norms on income recognition, assets classification and provisioning. In view of the above, details of divergence of our Bank is as under:

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S.No	Particulars	Amount
1	Gross NPA as on 31st March, 2019 as reported by the Bank	60,661.11
2	Gross NPA as on 31st March, 2019 as assessed by the RBI	61,778.11
3	Divergences in Gross NPA (2-1)*	1,117.00
4	Net NPA as on 31st March, 2019 as reported by the Bank	19,118.95
5	Net NPA as on 31st March, 2019 as assessed by the RBI	20,235.95
6	Divergences in Net NPA (5-4)	1,117.00
7	Provision for NPA as on 31st March, 2019 as reported by the Bank	39,391.70
8	Provision for NPA as on 31st March, 2019 as assessed by the RBI	40,837.70
9	Divergences in Provisioning (8-7)*	1,446.00
10	Reported Net Profit after tax (PAT) for the year ended 31st March 2019	(-)5,546.90
11	Adjusted (Notional) Profits after Tax (PAT) for the year ended 31st March 2019 after taking into account divergence in provisioning	(-)6,992.90

* Impact of the divergence in Gross NPA and Provisioning is given in the accounts for the year ended on March 31, 2020.

5.5 Business Ratios:

Sr. No.	Particulars	31.03.2020 (in %)	31.03.2019 (in %)
(i)	Interest Income as a percentage to average Working Funds	6.14	6.11
(ii)	Non-interest income as a percentage to average Working Funds	0.70	0.97
(iii)	Operating Profit as a percentage to average Working Funds	1.22	1.66
(iv)	Return on Assets	(-)0.84	(-)0.43
(v)	Business per employee(deposits plus advances including interbank deposits)	18.39	19.40
(vi)	Profit per employee	(-)0.112	(-)0.059

5.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31st March, 2020

Details	Day 1 (01/04/2019)	2to 7 days (02/04/2019 To 07/04/2019)	8 TO 14 DAYS (08/04/2019 to 14/04/2019)	15 TO 28 DAYS (15/04/2018 to 28/04/2018)	Over 28 days up to 3 months (29/04/2018 to 30/06/2018)	Over 3 months and up to 6 months (01/07/2018 to 30/09/2018)	Over 6 months and up to 1 year. (01/10/2018 to 31/03/2019)	Over 1 year and upto 3 years. (01/04/2019 to 31/03/2021)	Over 3 years and up to 5years. (01/04/2021 to 31/03/2023)	Over 5 years (After 31/03/2023)	TOTAL (1 TO 10)
Deposits	13,794.07	15,815.30	12,337.73	18,308.09	42,855.90	23,968.48	18,057.22	1,34,034.43	93,076.41	1,83,257.35	5,55,504.98
	(13,059.04)	(20,551.39)	(10,989.61)	(17,260.63)	(57,045.27)	(38,780.11)	(43,484.04)	(1,16,710.56)	(80,921.22)	(1,22,060.48)	(5,20,862.35)
Advances	14,345.63	4,863.44	4,938.30	6,877.62	21,871.07	11,000.43	18,739.01	1,47,515.56	45,830.55	92,901.68	3,68,883.30
	(20,214.38)	(3,878.12)	(6,709.26)	(5,839.57)	(65,547.16)	(30,904.11)	(40,542.35)	(1,08,355.23)	(33,510.28)	(25,505.48)	(3,41,005.94)
Investments	0.00	901.90	275.23	443.94	5,455.33	1,531.22	8,071.68	19,127.76	22,351.24	1,00,414.68	1,58,572.99
	0.00	(660.17)	(17.10)	(280.01)	(3,822.34)	(3,099.11)	(2,497.28)	(12,945.89)	(24,917.28)	(99,399.86)	(1,47,639.04)
Borrowings	824.70	3,379.94	8,500.00	10.49	5,675.93	150.45	3,893.49	9,017.46	1,500.00	6,800.00	39,752.47
	(57.88)	(20,921.42)	(3,002.01)	(3.45)	(106.12)	(14.28)	(80.00)	(9,132.97)	(0.10)	(10,922.94)	(44,241.17)
(a) Foreign Currency Assets	2,777.42	2,028.95	1,334.84	8,539.80	24,622.65	9,170.14	14,413.44	7,943.67	9,630.96	14,578.65	95,040.52
	(2,741.63)	(10,518.39)	(2,842.02)	(9,207.15)	(17,191.35)	(10,601.62)	(15,739.06)	(13,537.63)	(5,730.44)	(11,136.42)	(99,245.71)
(b) Foreign Currency Liabilities	5,615.00	3,477.49	2,840.75	8,344.92	43,766.77	21,347.83	14,288.85	7,093.07	3,308.09	2,200.60	1,14,283.35
	(3,410.08)	(11,892.24)	(1,962.64)	(5,712.28)	(49,037.83	(26,245.99)	(22,584.29)	(15,752.15)	(1,788.96)	(1,902.78)	(1,40,289.24)

5.7 Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

5.7.1 Exposure to Real Estate Sector, as compiled by the management

Sr. No.	Category		31.03.2020	31.03.2019
1	Direct Exposure		48,452.49	43,967.39
	(a)	Residential Mortgages	42,942.12	39,363.92
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	25,731.79	22,900.43
		(ii) Individual housing loans eligible for inclusion in priority sector	17,210.33	16,463.49
	(b)	Commercial Real Estate-	5,260.32	4,354.84
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	5,260.32	4,354.84
	(c)	Investments in Mortgage Backed duties (MBS) and other securitised Exposures	250.05	248.63
		a) Residential b) Commercial Real Estate	1.42 248.63	0.00 248.63
2	Indirect Exposure		27,360.06	18,956.71
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		27,360.06	18,956.71
Total exposure to Real Estate Sector (1+2)			75,812.55	62,924.10

5.7.2 Exposure to Capital Market

Sr. No	Category	31.03.2020	31.03.2019
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of	1,022.96	1,026.31

Sr. No	Category	31.03.2020	31.03.2019
	equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
ii)	Advances against shares/bonds/debentures or 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;	4.16	8.34
iii)	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;	4.32	7.69
iv)	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;	0.24	0.69
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,102.46	1,297.87
vi)	Loans sanctioned to corporates 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;	0.00	9.58
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.00
viii)	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;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.86	6.70
x)	All exposures to Venture Capital Funds (both registered and unregistered)	261.65	314.86
	Total Exposure to Capital Market	**2,396.65**	**2,672.04**

5.7.3 Risk Category wise Country Exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.

Sr. No.	Risk Category	As at 31.03.2020		As at 31.03.2019	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	46,417.29	38.29	47,256.54	40.16
2	Low	22,932.16	18.98	17,877.75	10.02
3	Moderate	53.56	0.00	176.65	0.00
4	High	6,029.39	0.00	5,592.87	0.00
5	Very High	4.51	0.00	134.49	0.00
6	Restricted	0.00	0.00	1.00	0.00
7	Off credit	0.45	0.00	0.00	00.0
	Total	**75,437.36**	**57.27**	**71,039.30**	**50.19**

5.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2020
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
	Group Borrower			
2.	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

5.7.5 Unsecured Advances:

Particulars	2019-20	2018-19
Total Unsecured Advances	85,218.21	72,189.96
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	731.88	653.32

Particulars	2019-20	2018-19
ii) The estimated value of such intangible securities (as in (i) above)	2,284.30	480.38

5.7.6 MSME Restructuring -

RBI vide circular no.DBRNo.BP.BC.18/21.04.048/2018-19 dated 01.01.2019 regarding restructuring of advances wherein one- time restructuring of existing MSME Loan has been classified as "Standard" under this scheme, are as under:

No. of Account Restructured	Amount
1,01,868 (14,757)	2,555.96 (479.25)

5.7.7 Miscellaneous: Nil

5.7.8 Amount of Provisions made for Income-tax during the year

Particulars	2019-20	2018-19
Current Tax	177.28	(-)446.19
Deferred Tax	(-)1,823.12	(-)2,720.32
Total Tax Expense	**(-)1,645.84**	**(-)3,166.51**

Government of India has pronounced section 115 BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Act, 2019 which provides domestic companies a non-reversible option to pay corporate tax at reduced rate effective 1st April, 2019 subject to certain conditions. The Bank has evaluated the options available under section 115BAA of the Act and opted to continue to recognise the taxes on income for the year ended 31st March, 2020 as per the earlier provisions of Income-tax Act.

5.7.9 Disclosures of Penalties imposed by RBI & Other Regulators

Particulars	2019-20	2018-19
Penalty imposed under Section 46(4) of The Banking-Regulation Act, 1949 and under other regulations	6.98	2.37

During the year Bank has paid penalties of ₹ 1.98 towards violation of RBI guidelines on frauds classification & on currency chest (Total Instances 204). While on May 27, 2020 penalty of ₹ 5.00 was levied on Bank by RBI towards non-compliance of certain direction issued by RBI on "Income Recognition, Assets Classification and Provisioning pertaining to Advances - Divergence in NPA Accounts", "Opening of Current Accounts by Banks - Need for Discipline", and "Classification and reporting of frauds'.

6. Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:

There is no change in the Significant Accounting Policies adopted during the year ended 31st March 2020 as compared to those followed in the previous financial year 2018-19.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	6.82%	6.59%	7.79%	7.48%
	Rate of Return on Plan Assets	8.65%	8.62%	7.38%	8.28%
	Salary Escalation Current	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing change in benefit obligation:**				
	Liability at the beginning of the period	1,683.78	14,709.20	1,754.54	13,716.87
	Interest Cost	102.87	925.49	124.14	979.58
	Current Service Cost	75.36	729.39	65.58	656.28
	Benefit Paid	350.68	1,330.55	321.93	1,241.69
	Actuarial (gain)/loss on Obligation	236.48	1,032.39	61.45	598.16

Sr. No	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Pension	Gratuity	Pension
	Liability at the end of the year	**1,747.81**	**16,065.92**	**1,683.78**	**14,709.20**
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the Beginning of the period	1,592.38	14,314.88	1,319.42	13,330.64
	Expected return on Plan Assets	137.74	1,233.94	97.37	1,103.78
	Contributions	335.84	1,405.03	490.87	1,077.76
	Benefit Paid	350.68	1,330.55	321.93	1,241.69
	Actuarial gain/(loss) on Plan Assets	(-)65.81	204.30	6.65	44.39
	Fair Value of Plan Assets at the end of the year	1,649.47	15,827.60	1,592.38	14,314.88
	Total Actuarial Gain/(Loss) to be recognised	**(-)302.29**	**(828.09)**	**(-)54.80**	**(-)553.77**
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	137.74	1,233.94	97.37	1,103.78
	Actuarial gain/(loss) on Plan Assets	(-)65.81	204.30	6.65	44.39
	Actual return on Plan Assets	**71.93**	**1,438.24**	**104.02**	**1,148.17**
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the period	1,747.81	16,065.92	1,683.78	14,709.20
	Fair Value of Plan Assets at the end of the year	1,649.47	15,827.60	1,592.38	14,314.88
	Amount Recognised in the Balance Sheet	**98.34**	**238.32**	**91.40**	**394.32**
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	75.36	729.39	65.58	656.28
	Interest Cost	102.87	925.49	124.14	979.58
	Expected Return on Plan Assets	(-)137.74	(-)1,233.94	(-)97.37	(-)1,103.78
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	302.29	828.09	54.80	553.77
	Expense Recognised in P & L	**342.78**	**1,249.03**	**147.15**	**1,085.85**
	Unamortised expenses (not charged to P&L Account)	**0.00**	**0.00**	**0.00**	**0.00**

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Sr. No	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Pension	Gratuity	Pension
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	91.39	394.32	435.11	386.23
	Expenses as above	342.78	1,249.03	147.15	1,085.85
	Employer's Contribution	(-)335.83	(-)1,405.03	(-)490.87	(-)1,077.76
	Amount Recognised in Balance Sheet	**98.34**	**238.32**	**91.39**	**394.32**
(viii)	**Category of Assets **:**				
	Government of India Securities	73.99	2,192.01	71.88	1,986.75
	Equity	0.00	161.97	0.00	196.25
	Corporate Bonds	142.46	4,605.86	176.03	4,102.59
	State Government	300.91	5,012.41	340.09	4,504.91
	Other	1,132.11	3,855.35	1,004.38	3,524.37
	Total	**1,649.47**	**15,827.60**	**1,592.38**	**14,314.87**
(ix)	**Experience Adjustment:**				
	On Plan Liability (Gain)/Loss	**(-)86.04**	**808.90**	**54.03**	**546.91**
	On Plan Asset (Loss)/Gain	**100.21**	**155.64**	**14.29**	**37.73**

Other long term employee benefits*:

Particulars	31.03.2020		31.03.2019	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	846.05	54.62	791.43	83.02
Leave Travel Concession	62.09	(-)1.87	63.97	6.27
Resettlement Benefits	7.87	0.64	7.23	(-)0.21
Milestone Awards	4.49	0.26	4.24	(-)0.14
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 161.42 (Previous Year ₹ 134.80) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of

Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 756.04 (Previous Year ₹ 823.14) and towards Gratuity is ₹ 428.10 (Previous Year: ₹ 212.31).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	FY2019-20	FY2018-19	FY2017-18	FY2016-17	FY2015-16
Defined benefit obligation	1,747.81	1,683.78	1,754.54	1,410.08	1,370.70
Plan assets	1,649.47	1,592.38	1,319.42	1,360.32	1,223.87
Unrecognised Transitional liability	0.00	0.00	326.34	0.00	0.00
Surplus/(deficit)	98.35	91.40	108.78	(-) 49.76	(-)146.83
Experience Adjustment On Plan Liability (Gain)/Loss	(-)86.04	54.03	(-)22.79	38.41	146.31
Experience Adjustment On Plan Asset (Loss)/Gain	100.21	14.29	(-)4.76	1.71	(-)6.41

	Pension Plan				
Particular	FY2019-20	FY2018-19	FY2017-18	FY2016-17	FY2015-16
Defined benefit obligation	16,065.92	14,709.20	13,716.87	12,851.12	11,076.48
Plan assets	15,827.60	14,314.88	13,330.64	12,321.80	10,515.60
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)238.32	(-)394.32	(-)386.23	(-)529.32	(-)560.88
Experience Adjustment On Plan Liability (Gain)/Loss	808.90	546.91	(-)66.62	198.92	930.23
Experience Adjustment On Plan Asset (Loss)/Gain	155.64	37.73	33.27	103.05	101.74

6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		(*)Other Banking Operations		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue	15,237.64	13,611.87	17,953.98	15,607.04	15,872.39	16,578.61	0.00	0.00	49,064.01	45,797.52
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	127.38	366.15
Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	125.05	(-) 263.85
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	49,066.34	45,899.82
Results	4,237.12	1,797.02	(-)8,537.03	(-)10,462.2	736.79	931.05	0.00	0.00	(-)3,563.12	(-)7,734.13
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)1,039.61	(-) 979.28
Profit/(Loss) before tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)4,602.73	(-) 8,713.41
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)1,645.84	(-) 3,166.51
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)2,956.89	(-) 5,546.90
Other Information :										
Segment Assets	2,35,484.12	2,39,484.92	2,39,264.83	2,14,175.60	1,55,174.22	1,46,370.77	0.00	0.00	6,29,923.17	6,00,031.29
Unallocated Assets									27,072.31	25,191.55
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	6,56,995.48	6,25,222.84
Segment Liabilities	2,27,077.33	2,29,093.29	2,57,652.67	2,30,500.49	1,22,971.51	1,14,950.68	0.00	0.00	6,07,701.51	5,74,544.46
Unallocated Liabilities									5,477.66	4,359.23
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	6,13,179.17	5,78,903.69

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue	44,985.39	40,836.88	4,080.95	5,062.94	49,066.34	45,899.82
Assets	5,63,189.32	5,09,620.78	93,806.16	1,15,602.06	6,56,995.48	6,25,222.84

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury Operations**: 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking**: Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:
i)Exposure – The maximum aggregate exposure up to ₹ 5.
ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers
Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs:
a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments
a) Domestic Operations
b) International Operations

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel:

Managing Director & CEO:	Shri Atanu Kumar Das (from 20.01.2020) Shri Dinabandhu Mohapatra (superannuated on 30.06.2019)

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Executive Directors:
Shri C. G. Chaitanya
Shri P R Rajagopal (from 18.03.2020)
Shri Atanu Kumar Das (upto 19.01.2020)
Shri Neelam Damodharan (superannuated on 30.11.2019)

b. Subsidiaries

i. BOI Shareholding Limited
ii. BOI AXA Investment Managers Private Limited
iii. BOI AXA Trustee Services Private Limited
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited
ix. Bank of India (Botswana) Limited (upto the date of sale-22.11.2019)

c. Associates

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. 3 Regional Rural Banks sponsored by the Bank

i. Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

Star Union Dai-Ichi Life Insurance Co. Limited

a) Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker - Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Transactions during the year 2019-20						
Interest Received	-	-	-	-	-	-
Interest Paid	115.80	73.61	-	-	115.80	73.61
Dividend received	6.57	2.59	-	-	6.57	2.59
Other Income	79.88	85.65	-	-	79.88	85.65
Sale of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Purchase of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	-	-	-	-	-	-
Matured Deposits	-	-	-	-	-	-
Loans Provided	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-
Sale of NPA	-	-	-	-	-	-
Investments made	-	-	-	-	-	-
Equity shares issued under Employee's Stock Purchase Scheme (ESPS)	-	-	-	0.24	-	0.24
Outstanding as on 31.03.2020						
Payable	-	-	-	-	-	-
Deposits accepted	15.17	43.28	-	-	15.17	43.28
Borrowing	-	-	-	-	-	-
Loans given	-	-	-	-	-	-
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	3.25	3.52	-	-	3.25	3.52
Receivables (Advances)	-	-	-	-	-	-
Investments	183.28	183.28	-	-	183.28	183.28
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	7.37	11.58	-	-	7.37	11.58

b) **Key Management Personnel: Remuneration paid in ₹:**

Sr. No	Particulars	2019-20	2018-19
1	Shri Dinabandhu Mohapatra	8,57,839	29,07,051
2	Shri Atanu Kumar Das	27,92,421	25,61,116
3	Shri Neelam Damodharan	17,66,707	25,33,503
4	Shri C. G. Chaitanya	26,90,263	24,74,949
5	Shri P. R. Rajagopal	89,146	0

6.6 Accounting Standard 19 – Lease Financing: - Nil

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2019-20	2018-19
1.	Basic & Diluted *	(-)9.10	(-)29.79

Calculation of Basic & Diluted E.P.S.

Sr. No.	Particulars	2019-20	2018-19
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	(-)2,956.89	(-)5,546.90
(B)	Weighted Average Number of Equity shares	325.01	186.22
(C)	Basic Earnings per Share (A/B) (₹)	(-)9.10	(-)29.79
(D)	Nominal Value per Share (₹)	10.00	10.00

* Basic & Diluted E.P.S. are same as there are no dilutive potential equity shares.

6.8 Accounting Standard 22 – Accounting for Taxes on Income

The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr No	Particulars	31.03.2020	31.03.2019
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	14,949.33	13,123.92
ii)	On account of timing difference towards other provisions/items	132.21	79.01
iii)	On account of Foreign Currency Translation Reserve (FCTR)	234.08	214.70
iv)	Others	392.16	422.10
	Total Deferred Tax Assets	**15,707.78**	**13,839.73**
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	287.02	265.58

Sr No	Particulars	31.03.2020	31.03.2019
ii)	On account of interest accrued but not due on investments	952.07	927.38
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	758.28	758.28
iv)	Others	1.69	2.88
	Total Deferred Tax Liabilities	**1,999.06**	**1,954.12**
	Net Deferred Tax Assets / (Liabilities)	**13,708.72**	**11,885.61**

* ₹ 431.67 out of past reserves and balance out of profit

6.9 Accounting Standard 24 - Discontinuing Operations: During the year ended March 31, 2020 Bank has sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for which consideration received is ₹ 14.64. The remaining cost of investment of ₹ 19.18 is fully provided.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 75 (Previous year ₹ 75) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2020	31.03.2019
Liabilities		
Capital & Reserves	190.24	173.80
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	2,607.69	2,349.17
Total	**2,797.93**	**2,522.97**
Assets		
Cash and Balances with Reserve Bank of India	10.62	38.16
Balances with Banks and Money at call and short notice	-	-

Particulars	31.03.2020	31.03.2019
Investments	2,640.40	2,313.18
Advances	3.03	2.44
Fixed Assets	6.77	4.98
Other Assets	137.11	164.21
Total	**2,797.93**	**2,522.97**
Capital Commitments	-	-
Other Contingent Liabilities	20.99	25.66
Income		
Interest Earned	10.39	9.22
Other Income	29.75	29.77
Total	**40.14**	**38.99**
Expenditure		
Interest Expended	-	-
Operating Expenses	13.27	8.54
Provisions & Contingencies	9.71	1.05
Total	**22.98**	**9.59**
Profit / (Loss)	**17.16**	**29.40**

6.11 **Impairment of Assets (Accounting Standard 28): ₹** Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2019-20	2018-19
Opening Balance	100.28	96.43
Provided during the year	0.87	3.85
Amounts used during the year	1.96	0.00
Closing Balance	99.19	100.28
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Additional Disclosures

7.1 Provisions and Contingencies

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2019-20	2018-19
Provision for Depreciation on Investment	341.92	1,064.24
Provision towards NPA	14,415.39	15,769.65
Provision towards Standard Assets	858.63	126.32
Provision made towards Income Tax (including Deferred Tax)	(-)1,645.84	(-)3,166.51
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)34.67	(-)227.83
• Provision for Country Risk	7.08	(-)15.15
• Other Provisions	533.02	88.39
Total	**14,475.53**	**13,639.11**

7.2 Floating Provisions:

Particulars	2019-20	2018-19
Opening Balance in the floating provisions account	232.22	232.22
Add: The quantum of floating provisions made in the accounting year	0.00	0.00
Less: Amount of draw down made during the accounting year	0.00	0.00
Closing Balance in the floating provisions account	232.22	232.22

7.3 Drawdown from Reserves:

There is no drawdown from reserves made during the year ended 31.03.2020.

7.4 Disclosure of complaints

i) *Customer Complaints: As compiled by the management*

Sr. No	Particulars	2019-20	2018-19
(a)	No. of complaints pending at the beginning of the year	281	220
(b)	No. of complaints received during the year	25,455	34,736
(c)	No. of complaints redressed during the year	25,389	34,675
(d)	No. of complaints pending at the end of the year	347	281

ii) *ATM Complaints: As compiled by the management*

Sr. No	Particulars	2019-20	2018-19
(a)	No. of ATMs complaints pending at beginning of the year	9,994	5,631
(b)	No. of ATMs complaints received during the year	4,83,904	3,25,776
(c)	No. of ATMs complaints redressed during the year	4,82,051	3,21,413
(d)	No. of ATMs complaints pending at the end of the year	11,847	9,994

iii) Awards passed by the Banking Ombudsman:

Sr. No	Particulars	2019-20	2018-19
(a)	No. of unimplemented Awards at the beginning of the year	8	2
(b)	No. of Awards passed by the Banking Ombudsman during the year	7	8
(c)	No. of Awards implemented during the year	15	2
(d)	No. of unimplemented Awards at the end of the year	0	8

7.5 Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management)

During the year 2019-20, the bank has not issued any Letter of Comforts on behalf of Subsidiaries. During the year 2011-12, the bank has issued an undertaking to the Governor, Bank of Botswana in respect of its wholly owned subsidiary, Bank of India (Botswana) Ltd to meet its financial commitments if they fall due.

During the year 2010-11, the bank issued parental guarantee in favour of Royal Bank of New Zealand for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2020, no financial obligations have arisen on the above commitments.

7.6 Provisioning Coverage Ratio (PCR)

The Provisioning to Gross Non-Performing Assets of the Bank as on 31st March 2020 is 83.74% (Previous year: 76.95%).

7.7 Fees, remuneration received from Bancassurance business:

Particulars	2019-20	2018-19
Life Insurance Business	78.60	68.73
Non-Life Insurance Business	18.59	23.38
Health Insurance Business	4.16	3.16
Total	**101.35**	**95.27**

7.8 Concentration of Deposits, Advances, Exposures and NPAs

7.8.1 Concentration of Deposits –

Particulars	2019-20	2018-19
Total Deposits of twenty largest depositors	35,480.63	19,603.83
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	6.39%	3.76%

7.8.2 Concentration of Advances –

Particulars	2019-20	2018-19
Total Advances to twenty largest borrowers	76,397	60,815
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	16.59%	14.28%

7.8.3 Concentration of Exposures –

Particulars	2019-20	2018-19
Total Exposure to twenty largest borrowers/customers	69,877	73,161
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	11.22%	12.68%

7.8.4 Concentration of NPAs

Particulars	2019-20	2018-19
Total Exposure to top four NPA accounts	9,731	7,035

7.9 Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)

Sr. No.	Sector	2019-20			2018-19		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	Priority sector						
1	Agriculture & allied activities	50,631.18	11,027.65	21.78	50,337.96	10,534.29	20.93

Sr. No.	Sector	2019-20			2018-19		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
2	Advances to industries sector eligible as priority sector lending	31,106.70	7,769.97	24.98	22,557.81	6,027.20	26.72
3	Services	39,676.84	6,605.99	16.65	32,426.37	5,932.34	18.29
4	Personal loans	15,662.24	746.24	4.76	18,558.18	1,106.01	5.96
	Sub-total (A)	**1,37,076.96**	**26,149.85**	**19.08**	**1,23,880.32**	**23,599.84**	**19.05**
B	**Non Priority Sector**						
1	Agriculture & allied activities	1,191.93	231.19	19.40	1,842.81	318.70	17.29
2	Industry	85,816.60	31,217.46	36.38	1,52,775.78	39,212.85	25.67
3	Services	1,26,180.58	20,576.18	16.31	1,04,372.01	19,531.00	18.71
4	Personal loans	35,804.38	1,764.38	4.93	26,283.32	4,292.60	16.33
	Sub-total (B)	**2,48,993.49**	**53,789.21**	**21.60**	**2,85,273.92**	**63,355.15**	**22.21**
	Total (A+B)	**3,86,070.45**	**79,939.05**	**20.71**	**4,09,154.24**	**86,954.99**	**21.25**

7.9.1 Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):

Purchased during the year	Sold During the Year
0.00 (5,090.00)	0.00 (0.00)

7.10 Movement of NPAs:

Particulars	2019-20	2018-19
Gross NPAs as on 01.04.2019 (Opening Balance)	60,661.12	62,328.46
Additions(Fresh NPAs) during the year	16,328.81	17,902.53
Sub-total(A)	**76,989.93**	**80,230.99**
Less:		
(i) Up gradations	1,303.25	3,368.81

Particulars	2019-20	2018-19
(ii) Recoveries-excluding recoveries made from upgraded accounts	6,509.26	8,784.61
(iii) Technical/Prudential Write Offs	2,781.97	829.43
(iv) Write offs other those under (iii) above	4,845.52	6,587.02
Sub-total (B)	**15,440.00**	**19,569.87**
Gross NPAs as on 31.03.2020 (Closing Balance) (A-B)	**61,549.93**	**60,661.12**

7.11 Movement of Technically/Prudentially written-off accounts:

Particulars	2019-20	2018-19
Opening Balance of Technical/prudential written-off accounts	22,291.32	20,269.15
Add: Technical/prudential written-offs during the year*	7,054.28	4,104.33
Sub-total(A)	29,345.60	24,373.48
Less: Recoveries/regular write off made from previously technical/prudential written-off accounts during the year*(B)	2,815.17	2,082.16
Closing Balance (A-B)	26,530.43	22,291.32

*including exchange difference

7.12 Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2019-20	2018-19
1	Total Assets	93,806.16	1,15,607.39
2	Total NPAs	11,956.14	11,310.39
3	Total Revenue	4,080.95	5,064.83

7.13 Off-Balance Sheet SPVs sponsored:

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

7.14 Disclosure relating to Securitisation:

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2019-20.

7.15 Credit Default Swaps:

The bank has not dealt with any Credit Default Swap.

7.15.1 Intra-Group Exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2019-20	2018-19
A	Total amount of intra group exposures	4,474.40	5,671.59
B	Total amount of top 20 intra group exposure	4,474.40	5,671.59
C	% of Intra group Exposure to total exposure on Borrowers/Customers	0.78%	0.69%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

7.16 Transfers to Depositors Education and Awareness Fund (DEAF)

Particulars	FY 2019-20	FY 2018-19
Opening balance of amounts transferred to DEAF	784.01	539.24
Add : Amounts transferred to DEAF during year	369.73	257.75
Less : Amounts reimbursed by DEAF towards claims	15.80	12.98
Closing balance of amounts transferred to DEAF	**1,137.94**	**784.01**

7.17 Unhedged Foreign Currency Exposure (UFCE):_As compiled by the management

Sr. No.	Particulars	FY 2019-20	FY 2018-19
A	Opening balance provisions account	36.09	34.07
B	The quantum of provisions made in the accounting year	41.33	18.95
C	Amount Reverse during the accounting year	0.67	16.92
D	Closing balance in the provisions account	76.75	36.09

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2020, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional RWA on this exposure is ₹ 950.38 (Previous Year ₹ 399.69). As against this, additional minimum capital requirement is ₹ 103.35 (Previous Year ₹ 43.47).

7.18 COVID 19 Regulatory Package:

The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. The situation continues to be uncertain and the Bank is evaluating the situation on ongoing basis. The major challenge for the Bank would arise from volatility in cash flows. Despite these events and condition, there would not be any significant impact on Bank's results in future and on the going concern assumption.

RBI vide circular no. DOR. No.BP.BC.47/21.04.048/2019-20 dated 27.03.2020; DOR.No.BP.BC.63/21.04.048/2019-20 dated 17.04.2020, and DOR.No.BP.BC.71/21.04.048/2019-20 dated 23.05.2020 has announced measures to mitigate the burden of debt servicing brought out by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable business.

The Impact of above circulars are detailed as under:

S.No.	Particular	Amount
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	74,445.25
2	Respective amount where asset classification benefits is extended	4,144.82
3	Provisions made during the Q4, FY2019-20	414.48
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

8. Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

Bank of India
Risk Management Dept., Head Office

LCR DISCLOSURE TEMPLATE for the Financial year ended March 31, 2020

Amount in INR Crore

	AMOUNT IN RS CRS	As on 31.03.2020*		As on 31.03.2019 *	
		Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		95,695.78		81,406.60
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	3,79,311.23	37,419.47	3,84,601.79	38,041.47
(i)	Stable deposits	10,236.15	511.80	7,942.94	393.94
(ii)	Less stable deposits	3,69,075.08	36,907.68	3,76,658.85	37,647.54
3	Unsecured wholesale funding of which	55,721.87	29,813.41	57,284.99	29,126.99
(i)	Operational deposits (all counterparties)	42.09	10.52	-	-
(ii)	Non -operational deposits (all counterparties)	43,123.34	17,252.55	46,452.64	18,586.66
(iii)	unsecured debts	12,556.44	12,550.34	10,832.35	10,540.33
4	Secured wholesale funding		-		612.39
5	Additional requirements, of which	18,021.06	5,447.80	13,773.10	5,069.89
(i)	Outflows related to derivative exposures and other collateral requirement	3,444.47	3,443.54	3,406.46	3,418.93
(ii)	Outflows related to loss of funding on debt products	-	-	162.27	64.91
(iii)	Credit and liquidity facilities	14,576.59	2,004.27	10,204.37	1,586.05
6	Other contractual funding obligations	24,900.20	24,876.79	25,312.35	25,345.11
7	Other contingent funding obligations	34.641.37	1,043.44	42,324.56	1,583.89
8	TOTAL CASH OUTFLOWS		98,600.92		99,779.75
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	6,824.06	4,470.43	9,301.63	6,701.47
10	Inflows from fully performing exposurs	17,039.02	11,557.83	24,596.62	17,027.94
11	Other cash inflows	12,198.89	10,393.72	11,365.42	10,144.82
12	TOTAL CASH INFLOWS	36,061.96	26,421.98	45,263.67	33,874.23
			Total Adjusted Value 3		Total Adjusted Value 3
21	TOTAL HQLA		95,695.78		81,406.60
22	TOTAL NET CASH OUTFLOWS		72,178.94		65,905.53
23	LIQUIDITY COVERAGE RATIO(%)		132.58		123.52

Note-

** On consolidated basis (including domestic and foreign subsidiaries)*

@ Disclosure as on 31.03.2020 as well as 31.03.2019 has been done by taking simple average of daily observations over previous 4 quarters (i.e. average for the FY 2019-20 & FY 2018-2019 respectively). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.

- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.

- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019	01.01.2020
Minimum LCR	60%	70%	80%	90%	100%	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of HQLA as on date of disclosure is given below:

Cash in hand	3%
Excess CRR balance	8%
Government securities in excess of minimum SLR Requirement	6%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 15 percent of NDTL as allowed for MSF)	9%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	5%
Facility to Avail Liquidity for Liquidity Coverage Ratio	66%
Level 2 Assets	3%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: No such items as per our notice.

9. Other Notes:

a) Income Tax:

(i) Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 581.40 (previous year ₹ 631.93) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(ii) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

b) Movement of Reward Points for 2019-20:

(in Units)

Sr. No.	Particulars	Reward points on Debit Card	Reward points on Credit Card	Total
1	Opening Balance	3,07,55,40,977	33,82,63,818	3,41,38,04,795
		(2,16,61,69,724)	(22,18,64,993)	(2,38,80,34,717)
2	Add: Reward points accrued during the Year by Customers	1,77,26,50,463	14,26,08,013	1,91,52,58,476
		(1,65,41,13,828)	(20,56,73,032)	(1,85,97,86,859)
3	Less: Reward Points availed by customers	36,02,52,229	8,41,28,064	44,43,80,293
		(46,87,87,399)	(8,92,74,206)	(55,80,61,606)
4	Less: Reward Points Expired (FY 2019-20)	66,68,75,174	8,28,08,842	74,96,84,016
		(27,59,55,175)	(0)	(27,59,55,175)
5	Closing Balance	3,82,10,64,037	31,39,34,925	4,13,49,98,962
		(3,07,55,40,977)	(33,82,63,818)	(3,41,38,04,795)

c) **Disclosure regarding frauds:**

Financial Year	Number of frauds	Amount involved	Probable Loss	Quantum of Provision made during the year	Quantum of unamortized provision debited from other reserve
2019-20	203 (211)	8,071.23 (4,172.17)	5,894.48 (3,135.97)	418.93 (3,230.09)	0.00 (0.00)

d) The 11th Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October, 2017. In accordance with the pending execution of agreement for wage revision, to be effective from 1st November 2017, an ad-hoc sum of ₹ 600 (previous year ₹ 600) has been provided during financial year ended March 31, 2020 towards wage arrears. Cumulative provision held as on March 31, 2020 is ₹ 1,090.

e) Ministry of Finance, Department of Financial Service vide its Gazette Notifications dated January 11, 2019, January 25, 2019 and January 31, 2019 affected amalgamation of following Regional Rural Banks w.e.f. April 1, 2019:

i. "Narmada Jhabua Gramin Bank" (Sponsor Bank being Bank of India) with "Central Madhya Pradesh Gramin Bank" (Sponsor Bank being Central Bank of India) to form "Madhya Pradesh Gramin Bank" (Sponsor Bank being Bank of India)."

ii. Gramin Bank of Aryavart" (Sponsor Bank being Bank of India) with "Allahabad UP Gramin Bank" (Sponsor Bank being Allahabad Bank) to form "Aryavart Bank" (Sponsor Bank being Bank of India) and

iii. "Vananchal Gramin Bank" (Sponsor Bank being State Bank of India) with "Jharkhand Gramin Bank" (Sponsor Bank being Bank of India) to form "Jharkhand Rajya Gramin Bank" (Sponsor Bank being State Bank of India).

f) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Bank has made additional Provision of ₹ 271 in 4 (four) Accounts, where the viable Resolution Plan has not been implemented within 180 days of review period.

g) In respect of RBI referred NCLT accounts (List 1 & 2), as on March 31, 2020, Bank holds 100% provision of the outstanding value of ₹ 3,959.34.

h) During the year ended 31.03.2020, due to uncertainty of recovery, Bank has made additional provision of ₹ 3,941.36 in 6 NPA Accounts.

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i) In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 , extended timelines for resolution from the date whereat review period of 30 days are over but the 180 days of resolution period had not expired as on 01.03.2020, are as under:

Particular	Amount
Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	2,419.04

j) In terms of RBI Circular DBR.No.BP.BC.64/21.04.048/2016-17 dated April 18, 2017 regarding stressed sectors identified by Bank, the Board of Directors of the Bank has approved additional standard assets provision of 5 bps to 100 bps in respect of the Bank's stressed sectors identified (which are presently Telecommunication, Textile, Iron & Steel, Commercial Real Estate, Gems & Jewellery, Roads & Ports and Mining & Quarrying) based on SMA classification. Accordingly, an additional provision of ₹ 76.63 has been held as at March 31, 2020.

k) In accordance with the RBI guidelines, during the year ended 31st March 2020, Bank has shifted the Central Government securities with a book value of ₹ 8,765.54 and State Government securities with a book value of ₹ 4,245.05 from HTM to AFS category. Further, Bank has shifted from AFS to HTM category, Central Government securities with a book value of ₹ 3,645.47 and State Government securities with a book value of ₹ 1,944.68 after charging shifting loss of ₹ 197.91. Venture Capital Fund for an amount of ₹ 44.10 has been shifted from HTM to AFS category.

l) In terms of Supreme Court Order and necessary guidelines issued by Reserve Bank of India (RBI), the Bank has kept Delhi Airport Metro Express Pvt. Ltd. "DAMEPL" as standard. However, necessary provision as per IRAC Norms have been made which are detailed as under:-

Amount not treated as NPA as per IRAC norms	Provisions required to be made as per IRAC norms	Provision actually held
(1)	(2)	(3)
189.65	51.39	51.39

m) Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. As both the Banks were holding 100% provision, RBI vide its communication (Ref. DoS. Co. SSM (BOI)/6557/13.37.007/2019-20) dated 13.04.2020 permitted the Bank to maintain a provision of 50% of the disputed amount on-going basis (i.e. 50% of ₹ 291.63) subject to certain conditions. Accordingly, the Bank now holds provision of ₹ 145.81 for the disputed amount.

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n) The Bank has received 08 Investor complaints during the financial year ended March 31, 2020 which has been disposed-off. There are no pending investor complaints at the beginning or end of the quarter.

o) Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not been mentioned.

H

NBS & Co.	Banshi Jain & Associates	Chaturvedi& Co.
Chartered Accountants 14/2, Western India Building, P.M.Road, Fort, Mumbai – 400 001	Chartered Accountants 5th Floor, La Magasin, Above Roopkala, SV Road, Santacruz West,Mumbai – 400 054	Chartered Accountants Park Centre, 24, Park Street, Kolkata – 700 016

Independent Auditors Report on the annual consolidated financial results under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Bank of India
Mumbai

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Bank of India ("the **Parent Bank**") and its subsidiaries, associates and joint ventures (collectively hereinafter referred to as "**the Group**") for the year ended 31st March 2020 ("**the Statement**"),being submitted by the Parent Bank pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to "consolidated Pillar III disclosure" as at 31st March 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us.

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on separate audited financial results of subsidiaries, associates and joint ventures, the aforesaid financial results:

a. include the financial results of the following entities

Subsidiaries:

i. BOI Shareholding Ltd.
ii. BOI AXA Investment Managers Private Limited
iii. BOI AXA Trustee Services Private Limited
iv. BOI Merchant Bankers Ltd.

v. PT Bank of India Indonesia TBK
vi. Bank of India (Tanzania) Ltd.
vii. Bank of India (New Zealand) Ltd.
viii. Bank of India (Uganda) Ltd.
ix. Bank of India (Botswana) Ltd. (upto the date of sale i.e November 22, 2019)

Joint Venture:
i. Star Union Dai-ichi Life Insurance Company Limited

Associates:
i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank
iv. Indo- Zambia Bank Ltd.
v. STCI Finance Ltd.
vi. ASREC (India) Ltd.

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March 2020 including leverage ratio and liquidity coverage ratio under Basel III capital regulations as have been disclosed on the Bank's website and in respect of which link has been provided on the consolidated financial results and have not been audited by us and

c. give a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net loss and other financial information of the group for the year ended 31st March 2020

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and jointly ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

a) Note No.9 regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the management of the Bank is evaluating the situation and impact on its domestic and international business operations of the Bank on an ongoing basis; and

b) Note No. 11 and 12 regarding provision made in NPA accounts

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibility for the Consolidated Financial Results

These Consolidated Financial Results have been compiled from the consolidated Annual audited financial statements. The Bank's Board of Directors are responsible for the preparation and presentation of these consolidated Financial Results that give a true and fair view of the consolidated net loss and other financial information of the Group including its associates and joint ventures in accordance with the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank, as aforesaid.

In preparing the consolidated Financial Results, the respective Board of Directors of the entities included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group and of its associates and Joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

NBS & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI FRN 100990W CHARTERED ACCOUNTANTS

could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Financial Results, including the disclosures, and whether the consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and joint ventures to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results include the audited Financial Results of 8 subsidiaries, 5 associates and 1 joint ventures, whose Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs.12505.35 crore as at 31st March 2020, Group's share of total revenue of Rs.160.37 crore and Rs.441.40 crore and Group's share of total net loss after tax of Rs.27.91 crore and Rs.92.82 crore for the quarter and year ended 31st March 2020 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent Auditors. The independent auditors' reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The consolidated Financial Results include the unaudited Financial Results of 1 associate whose Financial Statements/Financial Results/ Financial information reflect Group's share of total net profit after tax of Rs.0.92 crore and Rs.1.32 crore for the quarter and year ended 31st March 2020 respectively, as considered in the consolidated Financial Results.

These unaudited Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on such unaudited Financial Statements/Financial Results/Financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements/Financial Results / Financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/Financial information certified by the Board of Directors.

N B S & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI FRN 100990W CHARTERED ACCOUNTANTS

The Consolidated Financial Results include the results for the quarter ended 31st March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For NBS & Co. Chartered Accountants (FRN 110100W) Sharath Shetty Partner M. No. 132775 UDIN:- 20132775AAAAEE7451	**For Banshi Jain & Associates Chartered Accountants (FRN 100990W) Vishal Sheth Partner M. No. 121170 UDIN:- 20121170AAAAJT5745**	**For Chaturvedi &Co. Chartered Accountants (FRN 302137E) R.K. Nanda Partner M. No. 510574 UDIN:- 20510574AAAAAZ7894**

Place: Mumbai
Date: June 25, 2020

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BANK OF INDIA

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2020

&

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2020

BANK OF INDIA
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

(000's Omitted)

	Schedule No.	As at 31-03-2020 ₹	As at 31-03-2019 ₹
CAPITAL AND LIABILITIES			
Capital	1	3,27,76,625	2,76,00,285
Reserves & Surplus	2	41,79,54,861	40,25,39,191
Share Application Money, pending allotment		0	4,63,80,000
Minorities Interest	2A	15,14,163	16,21,544
Deposits	3	5,57,38,64,271	5,22,55,49,623
Borrowings	4	39,75,24,659	44,26,51,923
Other liabilities and provisions	5	20,65,53,820	16,24,96,529
TOTAL		6,63,01,88,399	6,30,88,39,095
ASSETS			
Cash and balances with Reserve Bank of India	6	29,44,65,455	29,32,20,915
Balances with Banks and money at call and short notice	7	57,16,25,138	65,53,79,035
Investments	8	1,62,32,29,081	1,50,90,50,173
Advances	9	3,70,64,40,848	3,42,96,63,402
Fixed Assets	10	9,05,79,849	8,99,90,777
Other Assets	11	34,38,48,028	33,15,34,793
TOTAL		6,63,01,88,399	6,30,88,39,095
Contingent Liabilities	12	3,52,32,13,663	3,11,31,72,967
Bills for collection		25,06,32,329	28,50,47,547
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra
Chief Financial Officer

P R Rajagopal
A.K. Das
G. Padmanabhan

Executive Director

C. Chaitanya
MD & CEO
Chairman

DIRECTORS

Dakshita Das
Subrata Das
D Sarkar
D Harish

In terms of our report of even date attached

For NBS & Co.
Chartered Accountants
(FRN 110100W)
Sharath Shetty
Partner
M. No. 132775

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)
Vishal Sheth
Partner
M. No. 121170

For Chaturvedi & Co.
Chartered Accountants
(FRN 302137E)
R.K.Nanda
Partner
M. No. 510574

Place: Mumbai
Date : 25.06.2020

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

(000's Omitted)

		Schedule No.	Year ended 31-03-2020 ₹	Year ended 31-03-2019 ₹
I.	**INCOME**			
	Interest earned	13	42,59,07,743	41,00,48,191
	Other income	14	6,80,88,891	4,79,09,122
	TOTAL		49,39,96,634	45,79,57,313
II.	**EXPENDITURE**			
	Interest expended	15	27,19,14,608	27,20,71,159
	Operating expenses	16	10,61,24,017	10,39,39,250
	Provisions & Contingencies		14,52,52,055	13,69,21,107
	TOTAL		52,32,90,680	51,29,31,516
	Share of earnings/(loss) in Associates	16A	(12,18,330)	7,13,310
	Consolidated Net Profit/(Loss) for the period before deducting Minorities' interest		(3,05,12,377)	(5,42,60,893)
	Less: Minorities' interest		(1,997)	4,770
	Consolidated Net Profit/(Loss) for the period attributable to the group		(3,05,10,379)	(5,42,65,663)
	Add: Brought forward consolidated profit/(loss) attributable to the group		(20,41,45,456)	(14,91,44,493)
	TOTAL		(23,46,55,835)	(20,34,10,156)
III	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		0	-
	Transfer from Investment Fluctuation Reserve			0
	Transfer to/ (from) Revenue Reserve		7,95,817	0
	Transfer to Capital Reserve		24,27,630	7,35,300
	Transfer (from) / to Special Reserve - Currency Swap		0	0
	Interim Dividend (including dividend tax)		0	0
	Final Dividend (including dividend tax)		0	0
	Dividend Tax - for Subsidiary		0	0
	Special Reserve u/s Sec 36(1) (viii) of Income Tax Act, 1961		0	0
	Balance carried over to consolidated Balance sheet		(23,78,79,282)	(20,41,45,456)
	TOTAL		(23,46,55,835)	(20,34,10,156)
	Significant Accounting Policies	17		
	Notes to Accounts	18		
	Earnings Per Share (₹)		(9.39)	(29.14)

The schedules referred to above form an integral part of the Profit and Loss Account

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra	P R Rajagopal	C.C. Chaitanya	A.K. Das	G. Padmanabhan
Chief Financial Officer	Executive Director		MD & CEO	Chairman

DIRECTORS

Dakshita Das | Subrata Das | D Sarkar | D Harish

In terms of our report of even date attached

For NBS & Co.	For Banshi Jain & Associates	For Chaturvedi & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN 110100W)	(FRN 100990W)	(FRN 302137E)
Sharath Shetty	Vishal Sheth	R.K.Nanda
Partner	Partner	Partner
M. No. 132775	M. No. 121170	M. No. 510574

Place: Mumbai
Date : 25.06.2020

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2020

(₹ in 000's)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**(46,914,589)**	**(85,875,642)**
Adjustments for:		
Amortisation / Depreciation on Investments	6,401,160	13,919,098
Depreciation on Fixed Assets	3,919,554	3,728,417
Profit on sale of Assets	(467,462)	(4,303,827)
Provision for NPA	144,462,442	158,151,411
Provision for Standard Assets	8,720,518	1,267,918
Provision for Other Assets	5,054,145	(1,545,141)
Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	8,458,195	10,151,050
Dividend received	(143,038)	(114,861)
Adjustments for:		
Increase /(Decrease) in Deposits	348,314,648	(4,419,414)
Increase /(Decrease) in Borrowings	(21,877,264)	70,669,370
Increase / (Decrease)in Other Liabilities and Provisions	34,282,567	48,623,831
(Increase) / Decrease in Investments	(121,798,399)	(119,045,252)
(Increase)/ Decrease in Advances	(421,239,888)	(154,925,607)
(Increase) / Decrease in Other Assets	13,184,895	5,451,447
Direct Taxes (Paid)/Refund	(8,628,265)	(33,913,819)
Net Cash Flow from Operating Activities (A)	**(48,270,781)**	**(92,181,021)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(9,618,793)	(2,978,162)
Sale of Fixed Assets	6,046,779	4,257,222
Dividend received	143,038	114,861
Impact of consolidation of subsidiaries	1,218,330	(713,310)
Minority Interest	(107,381)	30,073
Net Cash Flow from Investing Activities (B)	**(2,318,026)**	**710,684**
C. Cash Flow from Financing Activities:		
Share Capital	5,176,339	10,163,111
Share Premium	40,991,306	97,435,901
Share Application Money	(46,380,000)	46,380,000
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	(23,250,000)	(64,000,000)
Dividend paid	-	-
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II Bonds	(8,458,195)	(10,151,050)
Net Cash Flow from Financing Activities (C)	**(31,920,550)**	**79,827,962**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(82,509,357)**	**(11,642,375)**

Continued......

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2020

(₹ In 000's)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Cash and Cash Equivalents as at the beginning of the Year	948,599,950	960,242,325
Cash and Cash Equivalents as at the end of the Year	866,090,593	948,599,950

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	294,465,455	293,220,915
Balances with Banks and money at call and short notice (Schedule 7)	571,625,138	655,379,035
Cash and Cash Equivalents as at the end of the year	866,090,593	948,599,950

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

K.V.Raghavendra — Chief Financial Officer

P.R.Rajagopal, C.G.Chaitanya — Executive Director

A.K.Das — Managing Director & CEO

G. Padmanabhan — Chairman

DIRECTORS

Dakshita Das — Subrata Das — D Sarkar — D Harish

In terms of our report of even date attached

M/s. NBS & Co.
Chartered Accountants
(FRN 110100W)
Sharath Shetty
Partner
M.No. 132775

M/s Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)
Vishal Sheth
Partner
M.No. 121170

M/s. Chaturvedi & Co.
Chartered Accountants
(FRN 302137E)
R.K. Nanda
Partner
M.No. 510574

Place- Mumbai
Date- 25th June, 2020

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 300,00,00,000) Equity Shares of ₹10 each	6,00,00,000	3,00,00,000
ISSUED AND SUBSCRIBED CAPITAL		
Equity Shares 327,81,00,450 (Previous year 276,04,66,522) of ₹10 each	3,27,81,104	2,76,04,665
TOTAL	3,27,81,104	2,76,04,665
PAID-UP CAPITAL		
327,69,23,350 Equity Shares (Previous year ended 275,92,89,422) of ₹10 each fully paid-up.	3,27,69,234	2,75,92,894
Add: Amount of shares forfeited	7,391	7,391
TOTAL*	**3,27,76,625**	**2,76,00,285**

* Of the above, 291,96,90,866 Equity Shares (Previous year 240,20,56,938) of ₹10 each fully paid up amounting to ₹2919.69 crores (Previous year ₹2402.06 crores) is held by Central Government

(000's Omitted)

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. **Statutory Reserve :**		
Opening Balance	7,10,45,256	7,10,77,120
Add: Additions/adjustments during the period	23,847	(31,864)
TOTAL (I)	7,10,69,103	7,10,45,256
II. **Capital Reserves :**		
A) Revaluation Reserve :		
Opening Balance	6,32,43,218	5,60,47,354
Add Addition during the period on Revaluation of Premises	9,40,785	90,15,306
Less: Adjustments during the period	(2,67,544)	(57,744)
Less: Depreciation / adjustments on account of revaluation	7,39,178	18,77,186
Total of (A)	6,37,12,369	6,32,43,218
B) Others		
i) Capital Redemption Reserve		
Opening Balance	5,000	5,000
Add /Less: Additions/deductions	-	-
Sub-total of (i)	5,000	5,000
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	2,31,35,537	2,24,00,237
Add: Additions during the period	24,27,630	7,35,300
Sub-total of (ii)	2,55,63,167	2,31,35,537
iii) Capital Reserve on Consolidation		
Opening Balance	2,68,264	2,68,264
Add: Adjustment during the period	4,67,697	-
Sub-total of (iii)	7,35,961	2,68,264
iv) Foreign Currency Translation Reserve		
Opening Balance	1,90,69,170	1,73,65,515
Add/ (Less) : Adjustments during the period (Net)	30,77,895	17,03,655
Sub-total of (iv)	2,21,47,065	1,90,69,170
Total of (B)	4,84,51,193	4,24,77,971
TOTAL (II)	**11,21,63,562**	**10,57,21,189**
III. **Share Premium :**		
Opening Balance	31,80,41,578	22,06,05,677
Additions during the period	4,09,91,306	9,74,35,901
Add: On forfeited shares annulled	-	-
TOTAL (III)	**35,90,32,884**	**31,80,41,578**

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

N B S & CO. MUMBAI CHARTERED ACCOUNTANTS

& ASSOCIATES MUMBAI

	As at 31-03-2020 ₹	(000's Omitted) As at 31-03-2019 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	9,01,76,624	8,98,02,968
Add: Additions during the period	15,11,658	16,47,377
Add: Transfer from Capital Reserve-Surplus on Merger		
Add / (Less): Adjustments	2,08,159	(78,295)
Add: Additions during the year		
Add: Transfer from contingency Reserves		
Less: Deductions during the period	27,847	11,95,426
Sub-total of (i)	9,18,68,594	9,01,76,624
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of (ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of (iii)	-	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,17,00,000	2,17,00,000
Add: Additions during the period	-	-
Sub-total of (iv)	2,17,00,000	2,17,00,000
TOTAL (IV)	11,35,68,594	11,18,76,624
V. Balance in Consolidated Profit and Loss Account	(23,78,79,282)	(20,41,45,456)
TOTAL (I TO V)	**41,79,54,861**	**40,25,39,191**
SCHEDULE - 2A : MINORITIES INTEREST		
Minority interest at the date on which the parent-subsidiary relationship came into existence	4,71,356	4,71,356
Subsequent increase / (decrease)	10,42,807	11,50,188
Minority interest on the date of Balance sheet	**15,14,163**	**16,21,544**
SCHEDULE - 3 : DEPOSITS		
A. **I. Demand Deposits :**		
i) From Banks	80,51,413	55,90,995
ii) From Others	29,53,35,053	27,13,08,483
TOTAL (I)	30,33,86,466	27,68,99,478
II. Savings Bank Deposits	1,72,83,78,449	1,59,61,42,039
III. Term Deposits :		
i) From Banks	35,51,90,565	51,55,14,081
ii) From Others	3,18,69,08,791	2,83,69,94,025
TOTAL (III)	3,54,20,99,356	3,35,25,08,106
TOTAL A (I to III)	**5,57,38,64,271**	**5,22,55,49,623**
B. i) Deposits of branches in India	4,82,48,85,548	4,21,72,80,493
ii) Deposits of branches outside India	74,89,78,723	1,00,82,69,130
TOTAL (B)	**5,57,38,64,271**	**5,22,55,49,623**

बैंक ऑफ इंडिया BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT

N B S & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI FRN 100990W CHARTERED ACCOUNTANTS

	As at 31-03-2020 ₹	(000's Omitted) As at 31-03-2019 ₹
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	18,87,70,000	11,10,00,000
ii) Other Banks		
a. Tier I Capital	11,50,000	18,00,000
b. Tier II Capital	2,50,000	50,000
c. Others	-	1,68,55,947
Total (ii)	14,00,000	1,87,05,947
iii) Other Institutions and Agencies		
a. Tier I Capital	18,50,000	44,50,000
b. Tier II Capital	7,97,50,000	9,99,50,000
c. Others	2,29,36,828	11,75,18,703
Total (iii)	10,45,36,828	22,19,18,703
Total (I)	29,47,06,828	35,16,24,650
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Tier II Capital	-	-
c. Others	10,28,17,831	9,10,27,273
Total (II)	10,28,17,831	9,10,27,273
Total (I & II)	**39,75,24,659**	**44,26,51,923**
Secured borrowings included in above	-	-
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,12,71,665	1,28,24,005
II. Inter-office adjustments (net)	18,16,388	-
III. Interest Accrued	1,95,54,587	2,03,49,043
VI. Deferred Tax liability	16,852	28,819
VII. Others	17,38,94,328	12,92,94,662
TOTAL	**20,65,53,820**	**16,24,96,529**

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N B S & CO. MUMBAI 110100W CHARTERED ACCOUNTANTS

ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

(000's Omitted)

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes & Gold)	3,24,37,563	2,47,73,790
II. Balances with Reserve Bank of India : *		
i) In Current Account	26,18,84,145	26,84,47,125
ii) In Other Accounts	1,43,747	-
TOTAL (II)	26,20,27,892	26,84,47,125
TOTAL (I & II)	**29,44,65,455**	**29,32,20,915**
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) in Current Accounts	16,68,281	15,46,052
b) in Other Deposit Accounts	1,05,93,126	8,33,31,803
ii) Money at call and short notice		
a) With Banks	19,34,710	-
b) With Other Institutions	11,00,00,000	-
TOTAL (I)	12,41,96,117	8,48,77,855
II. Outside India :		
i) In Current Accounts	1,68,86,489	22,92,974
ii) In Other Deposit Accounts	33,58,58,597	36,81,87,033
iii) Money at call and short notice	9,46,83,935	20,00,21,173
TOTAL (II)	44,74,29,021	57,05,01,180
TOTAL (I & II)	**57,16,25,138**	**65,53,79,035**

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N B S & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

... MUMBAI FRN ... CHARTERED ACCOUNTANTS

(000's Omitted)

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,40,67,86,449	1,29,40,27,734
ii) Other approved Securities	38,35,744	33,61,449
iii) Shares	1,13,53,242	1,35,23,061
iv) Debentures and Bonds	8,01,88,145	8,18,15,622
v) Investment in Associates	1,45,49,559	1,50,55,110
vi) Others	3,72,26,620	3,65,21,644
TOTAL (I)	1,55,39,39,759	1,44,43,04,620
II. Investments outside India :		
i) Government Securities (including local authorities)	4,45,80,212	3,62,42,902
ii) Debentures & Bonds	-	-
iii) Investment in Associates	15,82,207	12,67,985
iv) Others	2,31,26,903	2,72,34,666
TOTAL (II)	6,92,89,322	6,47,45,553
TOTAL (I & II)	**1,62,32,29,081**	**1,50,90,50,173**
III. Investments in India :		
i) Gross value of Investments	1,58,96,42,038	1,47,98,09,013
ii) Aggregate provisions for depreciation	3,57,02,279	3,55,04,393
iii) Net Investments	1,55,39,39,759	1,44,43,04,620
IV Investments outside India :		
i) Gross value of Investments	6,96,82,198	6,50,32,573
ii) Aggregate provisions for depreciation	3,92,876	2,87,020
iii) Net Investments	6,92,89,322	6,47,45,553
TOTAL (III & IV)	**1,62,32,29,081**	**1,50,90,50,173**

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BANSHI JAIN & ASSOCIATES
MUMBAI

(000's Omitted)

	As at 31-03-2020 ₹	As at 31-03-2019 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	9,13,14,536	12,27,37,248
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,76,71,26,614	1,48,93,20,012
iii) Term Loans	1,84,79,99,698	1,81,76,06,142
TOTAL (A)	3,70,64,40,848	3,42,96,63,402
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,60,95,64,685	2,54,58,63,964
ii) Covered by Bank/Government Guarantees	24,46,52,401	16,18,99,796
iii) Unsecured	85,22,23,762	72,18,99,642
TOTAL (B)	3,70,64,40,848	3,42,96,63,402
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,12,57,57,202	1,12,13,14,154
ii) Public Sector	77,87,64,153	62,97,85,792
iii) Banks	1,125	1,42,920
iv) Others	1,28,37,47,808	1,17,92,98,987
TOTAL (I)	3,18,82,70,288	2,93,05,41,853
II. Advances outside India :		
i) Due from Banks	9,87,60,964	9,93,80,579
ii) Due from others		
a) Bills Purchased and Discounted	2,99,92,474	3,27,07,804
b) Syndicated Loans	10,46,99,597	12,96,90,731
c) Others	28,47,17,525	23,73,42,435
TOTAL (II)	51,81,70,560	49,91,21,549
TOTAL (I & II)	3,70,64,40,848	3,42,96,63,402
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance at cost	1,78,80,685	1,78,78,425
Add: Additions /Adjustments during the period	1,19,790	2,38,584
Less: Deductions/ Adjustments during the period	64,958	2,36,324
Sub-total	1,79,35,517	1,78,80,685
Addition to date on account of revaluation credited to revaluation reserve	6,40,09,821	6,35,65,808
Less : Depreciation to date (including on account of revaluation)	48,15,048	45,59,437
TOTAL (I)	7,71,30,290	7,68,87,056
II. OTHER FIXED ASSETS : (including Furniture and Fixtures)		
Opening Balance at cost	3,54,07,704	3,33,67,048
Add: Additions /Adjustments during the period	86,01,027	23,21,717
Less: Deductions/ Adjustments during the period	62,82,027	2,81,061
Sub-total	3,77,26,704	3,54,07,704
Less: Depreciation to date	2,72,04,057	2,43,03,941
TOTAL (II)	1,05,22,647	1,11,03,763
III. CAPITAL WORK IN PROGRESS	29,26,912	19,99,958
TOTAL (I to III)	9,05,79,849	8,99,90,777

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NBS & CO. MUMBAI CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI

	As at 31-03-2020 ₹	(000's Omitted) As at 31-03-2019 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter Office Adjustment (Net)	32,105	2,35,75,657
II Interest Accrued	3,14,12,998	3,22,42,467
III Tax paid in advance/tax deducted at source (Net)	5,78,16,265	5,05,64,781
IV Stationery and Stamps	64,359	55,142
V Deferred Tax Assets	13,76,03,952	11,93,57,305
VI Others	11,69,18,349	10,57,39,441
TOTAL	**34,38,48,028**	**33,15,34,793**
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	1,49,93,043	1,50,13,941
II. Liability for partly paid Investments	11,70,051	1,68,582
III. Liability on account of outstanding forward exchange contracts	2,94,62,40,231	2,55,16,20,422
IV. Guarantees given on behalf of Constituents :		
a) In India	22,51,43,990	20,91,78,461
b) Outside India	4,15,28,844	3,20,86,386
V. Acceptances, endorsements and other obligations	17,21,26,811	18,94,21,022
VI. Interest Rate Swaps	10,96,38,304	10,60,90,890
VII. Other items for which the Bank is contingently liable	1,23,72,389	95,93,263
TOTAL	**3,52,32,13,663**	**3,11,31,72,967**

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N B S & CO. MUMBAI 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(000's Omitted)

		Year ended 31-03-2020 ₹	Year ended 31-03-2019 ₹
SCHEDULE - 13 : INTEREST AND DIVIDENDS EARNED			
I.	Interest/Discount on advances/bills	28,97,67,396	27,41,49,940
II.	Income on Investments	10,75,68,885	10,01,81,338
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	2,44,42,496	2,86,47,724
IV.	Others	41,28,966	70,69,189
	TOTAL	**42,59,07,743**	**41,00,48,191**
SCHEDULE - 14 : OTHER INCOME			
I.	Commission, exchange and brokerage	1,37,03,954	1,25,82,769
II.	Profit/(Loss) on sale of Investments	59,21,043	(38,96,080)
III.	Profit / (Loss) on sale of land, buildings and other assets	4,67,462	43,03,827
IV.	Profit / (Loss) on exchange transactions	1,50,87,426	1,31,46,699
V.	Income Earned by way of dividend etc. on subsidiaries/ companies and /or/ joint ventures	1,43,038	1,14,861
VI.	Miscellaneous Income	3,27,65,968	2,16,57,046
	TOTAL	**6,80,88,891**	**4,79,09,122**

BANK OF BARODA H.O. वित्त विभाग FINANCE DEPT.

NBS & CO. MUMBAI

& ASSOCIATES MUMBAI

	Year ended 31-03-2020 ₹	(000's Omitted) Year ended 31-03-2019 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	23,72,75,379	23,08,31,837
II. Interest on Reserve Bank of India / inter-bank borrowings	2,58,69,171	3,10,01,992
III. Interest on Subordinated Debts, IRS etc.	87,70,058	1,02,37,330
TOTAL	**27,19,14,608**	**27,20,71,159**
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	6,19,65,576	6,08,18,246
II. Rent, Taxes and Lighting	73,62,197	72,64,510
III. Printing and Stationery	7,71,831	7,59,429
IV. Advertisement and Publicity	2,58,787	2,09,650
V. Depreciation on Bank's property	39,19,554	37,28,417
VI. Directors' fees, allowances and expenses	47,787	44,462
VII. Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	8,08,462	7,25,772
VIII. Law Charges	5,35,528	5,39,938
IX. Postage, Telegrams, Telephones, etc.	17,27,467	14,48,434
X. Repairs and Maintenance	7,45,228	6,47,663
XI. Insurance	50,88,567	50,44,635
XII. Other Expenditure	2,28,93,033	2,27,08,094
TOTAL	**10,61,24,017**	**10,39,39,250**
SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES		
I. Regional Rural Banks (RRBs)	(16,16,434)	4,65,075
II. Others	3,98,104	2,48,235
TOTAL	**(12,18,330)**	**7,13,310**

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N B S & CO. MUMBAI 110100W CHARTERED ACCOUNTANTS

BAKSHI JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES (Consolidated Financial Statements)

1) ACCOUNTING CONVENTION:

The accompanying consolidated financial statements (CFS) have been prepared following the going concern concept, on historical cost basis unless otherwise stated and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Insurance Regulatory and Development Authority (IRDA), Companies Act 2013, Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevailing in India. In respect of foreign offices/branches/subsidiaries/associates, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2) BASIS OF CONSOLIDATION:

Consolidated financial statements of the group have been prepared on the basis of:

a) The financial statements of Bank of India (the Parent bank) and its subsidiaries in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions, balances, unrealised profit/loss and making necessary adjustments of material nature wherever required to conform to uniform accounting.

b) The difference between cost to the parent bank of its investment in the subsidiaries and parent bank's share in the equity of the subsidiaries is recognised as goodwill/capital reserve. Goodwill, if any, is written off immediately on its recognition.

c) Minority interest in the Consolidated Financial Statement consists of the share of the minority shareholders in the net equity of the subsidiaries.

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d) Accounting for investment in Associate companies is done under Equity method in accordance with Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by ICAI.

e) Accounting for investments in Joint Venture are consolidated on "Proportionate basis" as prescribed in Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" issued by ICAI.

3) REVENUE RECOGNITION:

3.1 Banking entities:

(a) Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/ Expenditure is recognised as per local laws/standards of host country.

(b) Interest income is recognised on time proportion basis except interest on Non-performing Assets.

(c) Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

(d) All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

(e) Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. on interest bearing securities, it is recognised only at the time of sale/ redemption.

ii. on zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

(f) Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

(g) Dividend income is recognised when the right to receive the dividend is established.

(h) Interest income on Income-tax refund is recognised in the year of passing of assessment order.

(i) **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's is to be made in the following order:-

- Charges debited to borrower's account
- Expenses/out of pocket expenses incurred but not debited
- Unrealised interest
- Uncharged interest
- Principal

3.2 Non-Banking entities- Insurance:

a) **Premium Income**:

Premium including rider premium for non-linked business is recognised as income when due. Premium for linked business is recognised when the associated units are created. Premium is recognised net of Goods and Services Tax (GST) as applicable.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premium under linked business is considered as single premium and recognised as income when the associated units are created.
Premium in case of PMJJBY Scheme is recognised at net of administrative charges and reimbursement of expenses (as applicable) payable to the banks.

b) Interest on loans against policies is recognized for on accrual basis.

c) Interest income on investments is recognised on accrual basis except interest income on non-performing investments, which is recognised upon receipt as specified in IRDAI guidelines.

d) **Amortised Income/Cost:**

Premium or discount on acquisition, as the case may be, in respect of debt securities/fixed income securities, pertaining to non-linked investments is amortized on straight line basis over the period of maturity/holding and adjusted against interest income.

e) **Dividend:**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares dividend income is recognised when the right to receive dividend is established.

f) **Income from linked funds**:

Income from linked funds which includes fund management charges, policy administrative charges, mortality charges etc. are recovered from the linked funds in accordance with the terms and conditions of policy and recognised on due basis.

g) **Realized Gain/ (Loss) on Debt Securities for Linked Business:**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

h) **Realized Gain/ (Loss) on Debt Securities for Non-Linked Business:**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

i) **Profit/ (Loss) on sale of Equity Shares/ Mutual Fund/ Exchange Traded Funds (ETFs)/ Additional Tier 1 Bonds (AT 1):**

Profit/ (Loss) on sale of equity shares/ mutual fund units/ ETFs/ Additional Tier 1 Perpetual Bonds is the difference between the sale consideration net of expenses & the book cost computed on weighted average basis as on the date of sale (mutual fund, ETFs sale considerations would be based on the latest available NAV).

In respect of non-linked business the Profit/(Loss) includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

However, revenue recognition is postponed where ultimate collectability lacks reasonable certainty.

j) **Unrealized Gain/ (Loss) for Linked Business:**

Unrealized gains and losses for Linked Business are recognized in the Revenue account of respective fund.

k) **Income from Security Lending and Borrowing:**

Fees received on lending of equity shares under Securities Lending and Borrowing (SLB) mechanism is amortized on a straight-line basis over the period of lending and clubbed with the interest income.

l) **Reinsurance Premium ceded:**

Reinsurance Premium ceded is accounted for on due basis at the time of recognition of premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

3.3 Non-Banking entities – Mutual Fund and Trustee Services:

a) Management fees from the scheme of mutual fund are accounted on an accrual basis in accordance with the investment management agreement and are dependent on the net asset value as recorded by the schemes of BOI AXA Mutual fund.

b) Trustee fees is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably arrangement with the BOI AXA Mutual Fund. Interest and other income, if any, is accounted on accrual basis.

c) Profit or loss on sale of investment is recognised in the Profit & Loss Account on the trade date and determined on weighted average basis for individual security.

3.4 Non-Banking entities– Merchant Banking Services:

a) Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.

b) Brokerage and commission earned on secondary market operations shall be recongnised on the basis of trade dates. Brokerage on online portal operations shall be recognised on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis.

4) **NON BANKING ENTITIES – Insurance : Other Policies:**

a) Benefits paid:

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider, surrender & withdrawal claims are accounted for on receipt of intimation. Under linked Business, surrender also includes amount payable on lapsed policies which are accounted for on expiry of lock in period. Surrenders and terminations are accounted net of charges.

Survival, maturity and annuity benefit claims are accounted for when due.

Reinsurance recoveries on claims are accounted for, in the same period as that of the related claims.

Claims disputed before judicial authorities are provided for on prudent basis as considered appropriate by management based on facts and circumstances in respect of each such claim.

b) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of new and renewal insurance contracts and consist of cost like commission to insurance intermediaries, rewards and incentives, sales staff costs, medical examination costs, policy printing expenses, stamp duty and other related expenses. These are expensed in the period in which they are incurred.

Claw back in future, if any, for the first year commission paid, is accounted for in the year in which it is recovered.

c) Policy Liabilities:

The valuation exercise is done to protect the interests of the existing policyholders. For With Profit policies the reasonable expectations of policyholders (PRE) are also considered. The reserves should be adequate to provide for all the policyholders benefits in various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for inforce policies and for those in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of

Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are the Insurance Act 1938, the IRDA Act 1999, IRDAI (Actuarial Report & Abstract for Life Insurance Business) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

d) Loans:

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalized interest and are subject to impairment if any. Loans are classified as short term in case the maturity is less than 12 months. Loans other than short term are classified as long term.

e) Funds for Future Appropriation:

The balance in the funds for future appropriations account represents funds, the allocation of which, either to policyholders or to shareholders has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. In respect of participating policies, any allocation to the policyholders would also give rise to transfer to the shareholders in the required proportion.
In respect of the Non-participating Group Annuity products, the excess returns, if any as defined in file and use, is considered as funds for future appropriation in the interim financial periods during the year and the same would be distributed between policyholders and shareholders in the proportion prescribed in file and use at the year end.

f) Discontinued Policies fund:

Discontinued policy fund means the segregated fund that is set aside on account of:

i) Non-payment of contracted premium
ii) Upon the receipt of the information by the Company from the policyholder about the discontinuance of the policy.

Fund for discontinued policies is accounted in accordance with the Insurance Regulatory and Development Authority of India (Treatment of Discontinued Linked Insurance Policies) Regulations 2010 and circulars issued thereafter.

5) **ADVANCES:**

i. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

ii. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

iii. Provisions for NPAs are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab-initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

*On the outstanding advance

iv. In respect of foreign entities, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to bank, whichever is stringent.

v. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc., are deducted from total advances to arrive at net advances as per RBI norms.

vi. 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.

vii. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from

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time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset

viii. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign entities provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to the Bank, whichever is stringent.

ix. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

6) FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

7) DEBIT/CREDIT CARD REWARD POINTS:

Provision for reward points in relation to debit cards is provided for on actuarial estimates and Provision for reward points on credit cards is made based on the accumulated outstanding points.

8) INVESTMENTS:

a) Transactions in Government Securities are recognised on settlement date and all other Investments are recognised on trade date.

b) Investments are categorised under `Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure of Investments, these are classified in accordance with RBI guidelines & Banking Regulation Act 1949, under six categories viz.

i) Government Securities,
ii) Other Approved Securities,
iii) Shares,
iv) Debentures and Bonds,

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v) Subsidiaries and Joint Ventures and
vi) Others.

A. Basis of categorisation:

Categorisation of an investment is done at the time of its acquisition.

(i) Held to Maturity:
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading:
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

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1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

(j) HTM to AFS/HFT :

a. If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.
b. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

(ii) AFS/HFT TO HTM: Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

(iii) AFS TO HFT AND VICE-VERSA : In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.
(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.
(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the

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case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following;

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

9) DERIVATIVE

The Bank presently deals Forex Forward Contracts in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

(a) The hedge/non hedge (market making) transactions are recorded separately.

(b) Income/expenditure on hedging derivatives are accounted on accrual basis.

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(c) Forex forward contracts are Marked to market and the resultant gains and losses are recognized in the Profit and Loss Account.

(d) MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

(e) Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

(f) Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

(g) Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

(h) Option fees/premium is amortised over the tenor of the option contract.

10) PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss account and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

11) TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

a) **Translation in respect of Integral Foreign operations:**

Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i) Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii) Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv) Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v) Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi) Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii) Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii) Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

b) **Translation in respect of Non-Integral Foreign operations:**
Transactions and balances of foreign entities are classified as non-integral foreign operations and their financial statements are translated as follows:

i) Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii) Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii) All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign entities.

iv) The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

12) EMPLOYEE BENEFITS:

i. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. 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.

ii. Long Term Employee Benefits:

A. Defined Benefit Plan

a) Gratuity

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules, 1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

b) Pension

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India (Employees) Pension regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank

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makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

B. Defined Contribution Plan:

a. **Provident Fund**

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

b. Pension

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

c. Other Long term Employee Benefits:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

iii.) In respect of overseas branches, offices and subsidiaries, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

13) EARNINGS PER SHARE:

a) Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

14) TAXES ON INCOME:

a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the BOI group. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

b) Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

d) In consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries/joint ventures, as per their applicable laws.

15) IMPAIRMENT OF ASSETS:

Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on revalued assets is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

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16) PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and 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.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

17) SHARE ISSUE EXPENSES:

Share issue expenses are charged to the Profit and Loss Account in the year of issue of shares.

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All figures are in ₹ Crore unless specifically stated. Figures in Brackets relate to previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of Bank of India (the Parent bank) are as under:

Name of Subsidiaries		Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2020	Proportion of Ownership by the Parent bank as on 31.03.2019
Domestic Subsidiaries:				
a)	BOI Shareholding Ltd.	India	100%	100%
b)	BOI AXA Investment Managers Pvt Ltd.	India	51%	51%
c)	BOI AXA Trustee Services Pvt Ltd.	India	51%	51%
d)	BOI Merchant Bankers Ltd	India	100%	100%
Overseas Subsidiaries:				
a)	PT Bank of India Indonesia Tbk	Indonesia	76%	76%
b)	Bank of India (Tanzania) Ltd.	Tanzania	100%	100%
c)	Bank of India (New Zealand) Ltd.	New Zealand	100%	100%
d)	Bank of India (Uganda) Ltd.	Uganda	100%	100%
e)	Bank of India (Botswana) Ltd. (sold on 22.11.2019)	Botswana	-	100%

2. Particulars of associates and joint venture considered in the Consolidated Financial Statements are as under :

(i) Associates:

	Name of Associates	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2020	Proportion of Ownership by the Parent bank as on 31.03.2019
a)	Regional Rural Banks-			
	i) Jharkhand Gramin Bank	India	-	35%
	ii) Madhya Pradesh Gramin Bank (erstwhile Narmada Jhabua Gramin Bank)	India	35%	35%
	iii) Vidharbha Konkan Gramin Bank	India	35%	35%
	iv) Aryavart Bank (erstwhile Gramin Bank of Aryavart)	India	35%	35%
b)	Indo Zambia Bank Limited	Zambia	20%	20%
c)	STCI Finance Ltd.	India	29.96%	29.96%
d)	ASREC (India) Ltd.	India	26.02%	26.02%

(ii) Joint Venture:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2020	Proportion of Ownership by the Parent bank as on 31.03.2019
Star Union Dai-ichi Life Insurance Company Limited	India	28.96%	28.96%

3. The financial statements of the subsidiaries, joint ventures and associates which are used in the consolidation have been drawn upto the same reporting date as that of the Parent Bank i.e. 31st March 2020 except for an associate Indo Zambia Bank Limited (IZBL). IZBL's financial statements are prepared upto 31st December 2019 and its management has reported no significant transactions for the quarter ended 31st March 2020.

4. In case of subsidiaries/joint venture/associates, accounting adjustments arising due to different accounting policies followed by them and the Parent Bank have been carried out on the basis of data provided by subsidiaries/joint venture/associates.

5. The Consolidated Financial Statements have been prepared on the basis of :

(i) Financial statements of PT Bank of India Indonesia Tbk as on 31.03.2020 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

(ii) Financial statements of Bank of India (Tanzania) Ltd. as on 31.03.2020 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

(iii) Financial statements of Bank of India (New Zealand) Ltd. as on 31.03.2020 duly audited as per the local requirements of the country of incorporation.

(iv) Financial statements of Bank of India (Uganda) Ltd. as on 31.03.2020 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

(v) Audited financial statements of BOI Shareholding Ltd., BOI AXA Investment Managers Pvt. Ltd., BOI AXA Trustee Services Pvt. Ltd., BOI Merchant Bankers Ltd., Madhya Pradesh Gramin Bank, Vidharbha Konkan Gramin Bank, Aryavart Bank, STCI Finance Ltd. & Star Union Dai-ichi Life Insurance Company Ltd. for the financial year ended 31.03.2020 and Indo Zambia Bank Ltd. for the twelve months ended 31.12.2019.

(vi) Unaudited financial statements of ASREC (India) Ltd., for the financial year ended 31.03.2020 certified by their management.

6. During the year, Parent Bank has made preferential allotment of 51,76,33,928 equity shares of ₹ 10 each, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009:-

Date of Capital Infusion	Name of the Shareholder	No. of equity shares	Issue price per share (in ₹)	Amount	Date of Allotment
21.02.2019	Government of India	51,76,33,928	89.60	4,638.00*	20.04.2019
	Total	**51,76,33,928**		**4,638.00**	

*In terms of RBI letter no. DBR.CO.BP.No.8307/21.01.002/2018-19 dated April 2, 2019, the share application money of ₹ 4,638 received on February 21, 2019 has been considered for computation of CET 1 capital as on March 31, 2019.

7. The Govt. of India vide their weekly Gazette Notification dated March 31, 2019 - April 6, 2019 increased the authorised capital from ₹ 3,000 (Rupees Three Thousand) to ₹ 6,000 (Rupees Six Thousand).

8. In respect of the Parent bank, balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

9. In accordance with notification issued by Govt. of India, the following amalgamations have taken place between the Regional Rural Banks (RRBs) w.e.f. 01.04.2019:

Name of the Transferor RRBs	Sponsor Bank of Transferor RRBs	New name after amalgamation of RRB	Sponsor Bank of Transferee RRBs
Narmada Jhabua Gramin Bank	Bank of India	Madhya Pradesh Gramin Bank	Bank of India
Central Madhya Pradesh Gramin Bank	Central Bank of India		
Gramin Bank of Aryavart	Bank of India	Aryavart Bank	Bank of India
Allahabad UP Gramin Bank	Allahabad Bank		
Jharkhand Gramin Bank	Bank of India	Jharkhand Rajya Gramin Bank	State Bank of India
Vananchal Gramin Bank	State Bank of India		

Further, by virtue of DFS letter dated 4th January 2018 and 20th December 2018 the transfer of the stake of Sponsor Banks is taken at face value of the shares, as a result during the year Bank has recognized net loss of ₹ 29.79 which is included under the head "Share of earnings/(loss) in associates" in the Consolidated Financial Result and also recognized net Capital Reserve of ₹ 46.77.

10. The following information is disclosed in respect of consolidated financial statements in terms of guidelines issued by Reserve Bank of India:

a) Capital:

Sr. No.	Particulars	31.03.2020	31.03.2019
i)	Common Equity Tier 1 Capital ratio (CET-1) (%)	10.55%	11.71%
ii)	Tier-I Capital ratio (%)	10.57%	11.77%
iii)	Tier-II Capital ratio (%)	3.17%	3.09%
iv)	Total Capital ratio (CRAR) (%)	13.74%	14.86%
v)	Percentage of the shareholding of the Government of India	89.10%	87.05%
vi)	Amount of Equity Capital Raised during the year	*4,638.00	10,746.80
vii)	Share application money pending for allotment	0.00	4,638.00
viii)	Amount of Additional Tier-1 capital raised during the year i.e. PDI	0.00	0.00
	a) PNCPS	0.00	0.00
	b) PDI	0.00	0.00
ix)	Amount of Tier-II capital raised i.e. Debt Capital Instruments, during the year		
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

*The Share application money of ₹ 4,638 was received in FY 2018-19 and allotment was made in FY 2019-20.

Pursuant to RBI Circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016, the parent bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital adequacy Ratios as on March 31, 2020.

Details of outstanding Innovative Perpetual Debt Instruments (IPDI) raised to augment Tier-I capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2010-11	IPDI	300.00	60.00
	Total	**300.00**	**60.00**

Details of outstanding Tier-II Instruments raised to augment Tier-II capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2010-11	Upper Tier-II	1,000.00	200.00
2013-14	Tier-II	1,500.00	900.00
2015-16	Tier-II	3,000.00	3,000.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	**8,000.00**	**6,600.00**

The parent bank has exercised call option and redeemed Upper Tier II Bonds Series III Amounting to ₹ 500 on July 28, 2019, Series IV amounting to ₹ 500 on August 28, 2019 and Upper Tier II Bonds Series V amounting to ₹ 1,000 on January 20, 2020. The Parent Bank has also exercised call option to redeem Innovative Perpetual Bonds (IPDI) Series V amounting to ₹ 325 on December 9, 2019.

Bank has also redeemed Upper Tier-II Bonds Series VI for an amount of ₹ 1,000 by exercising call option on June 11, 2020. The same has been considered in calculation of Tier II capital as on March 31, 2020 to the extent of ₹ 200.

(b) Provisions and Contingencies:

Items	2019-20	2018-19
Provision for NPA	14,446.24	15,815.14
Depreciation in Value of Investments	341.92	1,065.69
Provision for Taxation (including deferred tax)	(-)1,640.42	(-)3,161.00
Provision on Standard Assets	872.05	126.79
Other Provisions (including floating provisions)	505.41	(-)154.51
Total	**14,525.20**	**13,692.11**

c) Floating Provisions - (Parent Bank)

Particulars	2019-20	2018-19
Opening Balance	232.22	232.22
Additions during the year	0.00	0.00
Reductions during the year	0.00	0.00
Closing Balance	232.22	232.22

d) Income-Tax – (Parent Bank)

I. Claims against the Bank not acknowledged as debt appearing under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹581.40 (previous year ₹ 631.93) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such

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disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

II. Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

e) Disclosure of Letter of comfort issued by the Parent bank for subsidiaries (As compiled by Management)

During the year 2019-20, the Parent bank has not issued any letter of comforts on behalf of Subsidiaries. During the year 2011-12, the Parent bank has issued an undertaking to the Governor, Bank of Botswana in respect of its wholly owned subsidiary, Bank of India (Botswana) Ltd to meet its financial commitments if they fall due.

During the year 2010-11, the Parent Bank issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2020 no financial obligations have arisen on the above commitments.

11. Disclosures in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI):

A. AS – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

There are no material prior period items during the year.

(ii) **Change in Accounting Policy (AS-5):** There was no change in the accounting policy during the year 2019-20.

B. AS-15 " Employee Benefits" (Parent Bank)

Sr. No	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	6.82%	6.59%	7.79%	7.48%
	Rate of Return on Plan Assets	8.65%	8.62%	7.38%	8.28%
	Salary Escalation Current	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%

Sr. No	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Pension	Gratuity	Pension
(ii)	**Table showing change in benefit obligation:**				
	Liability at the beginning of the period	1,683.78	14,709.20	1,754.54	13,716.87
	Interest Cost	102.87	925.49	124.14	979.58
	Current Service Cost	75.36	729.39	65.58	656.28
	Benefit Paid	350.68	1,330.55	321.93	1,241.69
	Actuarial (gain)/loss on Obligation	236.48	1,032.39	61.45	598.16
	Liability at the end of the year	**1,747.81**	**16,065.92**	**1,683.78**	**14,709.20**
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the-Beginning of the period	1,592.38	14,314.88	1,319.42	13,330.64
	Expected return on Plan Assets	137.74	1,233.94	97.37	1,103.78
	Contributions	335.84	1,405.03	490.87	1,077.76
	Benefit Paid	350.68	1,330.55	321.93	1,241.69
	Actuarial gain/(loss) on Plan Assets	(-)65.81	204.30	6.65	44.39
	Fair Value of Plan Assets at the end of the year	1,649.47	15,827.60	1,592.38	14,314.88
	Total Actuarial Gain/(Loss) to be recognised	**(-)302.29**	**(-)828.09**	**(-)54.80**	**(-)553.77**
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	137.74	1,233.94	97.37	1,103.78
	Actuarial gain/(loss) on Plan Assets	(-)65.81	204.30	6.65	44.39
	Actual return on Plan Assets	**71.93**	**1,438.24**	**104.02**	**1,148.17**
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the period	1,747.81	16,065.92	1,683.78	14,709.20
	Fair Value of Plan Assets at the end of the year	1,649.47	15,827.60	1,592.38	14,314.88
	Amount Recognised in the Balance Sheet	**98.34**	**238.32**	**91.40**	**394.32**

Sr. No	Particulars	FY 2019-20		FY 2018-19	
		Gratuity	Pension	Gratuity	Pension
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	75.36	729.39	65.58	656.28
	Interest Cost	102.87	925.49	124.14	979.58
	Expected Return on Plan Assets	(-)137.74	(-)1,233.94	(-)97.37	(-)1,103.78
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	302.29	828.09	54.80	553.77
	Expense Recognised in P & L	342.78	1,249.03	**147.15**	**1,085.85**
	Unamortised expenses (not charged to P&L Account)	**0.00**	**0.00**	**0.00**	**0.00**
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	91.39	394.32	435.11	386.23
	Expenses as above	342.78	1,249.03	147.15	1,085.85
	Employer's Contribution	(-)335.83	(-)1,405.03	(-) 490.87	(-)1,077.76
	Amount Recognised in Balance Sheet	**98.34**	**238.32**	**91.39**	**394.32**
(viii)	**Category of Assets **:**				
	Government of India Securities	73.99	2,192.01	71.88	1,986.75
	Equity	0.00	161.97	0.00	196.25
	Corporate Bonds	142.46	4,605.86	176.03	4,102.59
	State Government	300.91	5,012.41	340.09	4,504.91
	Other	1,132.11	3,855.35	1,004.38	3,524.37
	Total	**1,649.47**	**15,827.60**	**1,592.38**	**14,314.87**
(ix)	**Experience Adjustment:**				
	On Plan Liability (Gain)/Loss	(-)86.04	808.90	54.03	546.91
	On Plan Asset (Loss)/Gain	**100.21**	**155.64**	**14.29**	**37.73**

Other long term employee benefits*

Particulars	31.03.2020		31.03.2019	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	846.05	54.62	791.43	83.02
Leave Travel Concession	62.09	(-)1.87	63.97	6.27
Resettlement Benefits	7.87	0.64	7.23	(-)0.21

Milestone Awards	4.49	0.26	4.24	(-)0.14
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The Parent bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the Parent Bank has contributed ₹ 161.42 (Previous Year ₹ 134.80) towards such fund which is a defined contribution plan.

** The Parent bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Parent bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 756.04 (Previous Year ₹ 823.14) and towards Gratuity is ₹ 428.10 (Previous Year: ₹ 212.31).

Surplus/ Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2019-20**	**FY2018-19**	**FY2017-18**	**FY2016-17**	**FY2015-16**
Defined benefit obligation	1,747.81	1,683.78	1,754.54	1,410.08	1,370.70
Plan assets	1,649.47	1,592.38	1,319.42	1,360.32	1,223.87
Unrecognised Transitional liability	0.00	0.00	326.34	0.00	0.00
Surplus/(deficit)	**98.35**	**91.40**	**108.78**	**(-)49.76**	**(-)146.83**
Experience Adjustment On Plan Liability (Gain)/Loss	(-)86.04	54.03	(-)22.79	38.41	146.31
Experience Adjustment On Plan Asset (Loss)/Gain	100.21	14.29	(-)4.76	1.71	(-)6.41

	Pension Plan				
Particular	FY2019-20	FY2018-19	FY2017-18	FY2016-17	FY2015-16
Defined benefit obligation	16,056.92	14,709.20	13,716.87	12,851.12	11,076.48
Plan assets	15,827.60	14,314.88	13,330.64	12,321.80	10,515.60
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)238.32	(-)394.32	(-)386.23	(-)529.32	(-)560.88
Experience Adjustment On Plan Liability (Gain)/Loss	808.90	546.91	(-)66.62	198.92	930.23
Experience Adjustment On Plan Asset (Loss)/Gain	155.64	37.73	33.27	103.05	101.74

C. AS-17 "Segment Reporting"

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue	15,229.21	13,605.51	17,953.98	15,319.33	16,137.92	16,660.94	49,321.11	45,585.78
Unallocated Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	203.60	473.80
Inter Segment Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	125.05	263.85
Total Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	49,399.66	45,795.73
Results	**4,106.86**	**1,861.99**	**(-)8,537.03**	**(-)10,462.20**	**755.90**	**953.00**	**(-)3,674.27**	**(-)7,647.21**
Unallocated Expenses	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)1,017.19	(-)940.36
Profit/(Loss) Before Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)4,691.46	(-)8,587.57
Income Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)1,640.42	(-)3,161.00
Extraordinary profit/loss	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	0.00	0.00

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
Net Profit	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**(-)3,051.04**	**(-)5,426.57**
								Other Information:
Segment Assets	2,36,699.52	2,40,775.39	2,39,264.83	2,14,175.60	1,57,280.34	1,48,307.76	6,33,244.69	6,03,258.75
Unallocated Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	29,774.15	27,625.16
Total Assets	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**6,63,018.84**	**6,30,883.91**
Segment Liabilities	2,27,077.33	2,29,093.29	2,57,652.67	2,30,500.49	1,25,147.64	1,16,941.54	6,09,877.64	5,76,535.32
Unallocated Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	8,068.05	6,696.64
Total Liabilities	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**	**6,17,945.69**	**5,83,231.96**

Note: Information in respect of Non-Banking subsidiaries/joint venture has been included under unallocated segment.

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	**2019-20**	**2018-19**	**2019-20**	**2018-19**	**2019-20**	**2019-18**
Revenue	45,057.67	40,464.06	4,341.99	5,331.67	49,399.66	45,795.73
Assets	5,66,995.92	5,13,247.23	96,022.92	1,17,636.68	6,63,018.84	6,30,883.91

The BOI group has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with AS-17.

I. **Primary Segment: Business Segments**

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking**: Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i) Exposure – The maximum aggregate exposure up to ₹ 5

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs

-Expenses directly attributed to particular segment are allocated to the relative segment

-Expenses not directly attributable to specific segment are allocated in proportion to number of employees / business managed.

II. **Secondary Segment: Geographical Segments**

a) Domestic Operations

b) International Operations

D. AS-18 "Related Party Transactions" (Parent Bank):

Key Managerial Personnel:

Managing Director & CEO:	Shri Atanu Kumar Das (from 20.01.2020) Shri Dinabandhu Mohapatra (superannuated on 30.06.2019)
Executive Directors:	Shri C. G. Chaitanya Shri P. R. Rajagopal (from 18.03.2020) Shri Atanu Kumar Das (up to 19.01.2020) Shri Neelam Damodharan (superannuated on 30.11.2019)

Remuneration paid : (in ₹)

Sr No	Name	2019-20	2018-19
1	Shri Dinabandhu Mohapatra	8,57,839	29,07,051
2	Shri Atanu Kumar Das	27,92,421	25,61,116
3	Shri Neelam Damodharan	17,66,707	25,33,503
4	Shri C.G. Chaitanya	26,90,263	24,74,949
5	Shri P. R. Rajagopal	89,146	0

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In terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship, including those with Key Management Personnel and relatives of Key Management Personnel have not been disclosed, since the disclosure would conflict with Bank's duties of confidentiality.

E. AS19 "Lease Financing" (Parent Bank): Nil

F. AS20 "Earnings per Share" in ₹:

Calculation of Basic & Diluted E.P.S.:

S.No.	Particulars	2019-20	2018-19
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	(-)3,051.04	(-)5,426.57
(B)	Weighted Average Number of Equity shares (in crore)	325.01	186.22
(C)	*Basic & Diluted Earnings per Share (A/B) (₹)	(-)9.39	(-)29.14
(D)	Nominal Value per Equity Share (₹)	10.00	10.00

*Basic and Diluted E.P.S. are same as there are no dilutive potential equity shares.

G. AS-22 "Accounting for Taxes on Income":

The Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Particulars	31.03.2020	31.03.2019
Deferred Tax Assets		
On account of timing difference towards provisions	15,131.49	13,171.31
Others	626.24	715.81
Total Deferred Tax Assets	**15,757.73**	**13,887.12**
Deferred Tax Liabilities		
On account of depreciation on fixed assets	286.98	265.72
On account of depreciation on investment	0.00	0.00
On account of interest accrued but not due	952.07	927.38
Others	759.97	761.16
Total Deferred Tax Liabilities	**1,999.02**	**1,954.26**
Net Deferred Tax Assets / (Liabilities)	**13,758.71**	**11,932.86**

H. Accounting Standard 24 - Discontinuing Operations: In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, during the year the Parent Bank has sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for which consideration received is ₹ 14.64. The remaining cost of investment of ₹ 19.18 is fully provided.

I. AS-27 "Financial Reporting of Interests in Joint Ventures":

Investments include ₹ 75 (Previous year ₹ 75) representing Parent Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of incorporation	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2020	31.03.2019
Liabilities		
Capital & Reserves	190.24	173.80
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	2,607.69	2,349.17
Total	**2,797.93**	**2,522.97**
Assets		
Cash and Balances with Reserve Bank of India	10.62	38.16
Balances with Banks and Money at call and short notice	-	-
Investments	2,640.40	2,313.18
Advances	3.03	2.44
Fixed Assets	6.77	4.98
Other Assets	137.11	164.21
Total	**2,797.93**	**2,522.97**
Capital Commitments	-	-
Other Contingent Liabilities	20.99	25.66
Income		
Interest Earned	10.39	9.22
Other Income	29.75	29.77
Total	**40.14**	**38.99**
Expenditure		
Interest Expended	-	-
Operating Expenses	13.27	8.54
Provisions & Contingencies	9.71	1.05
Total	**22.98**	**9.59**
Profit / (Loss)	**17.16**	**29.40**

J. AS-29 "Provisions, Contingent Liabilities and Contingent Assets": (Parent Bank)

A. Movement of Provisions for contingent liabilities

Particulars	Legal cases/contingencies*	
	2019-20	2018-19
Opening Balance	100.28	96.43
Provided during the year	0.87	3.85
Amounts used during the year	1.96	0.00
Closing Balance	99.19	100.28
Timing of outflow/uncertainties	Outflow on settlement / crystallization	

*Excluding provisions for others

B. Contingent Liabilities

Such liabilities are dependent upon the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

12. Other Notes:

a) The investments of life insurance joint venture have been accounted for in accordance with the IRDAI guidelines instead of restating the same in accordance with the accounting policy followed by the Bank. The investments of the insurance joint venture constitute approximately 1.63% (previous year 1.53%) of the total investments as on 31st March, 2020.

b) Government of India has pronounced section 115BAA of Income Tax Act 1961 through Taxation Laws (Amendment) Act, 2019 which provides domestic companies a non-reversible option to pay corporate tax at reduced rate effective 1st April, 2019 subject to certain conditions. The Parent Bank has evaluated the options available under section 115BAA of the Act and opted to continue to recognise the taxes on income for the year ended 31st March, 2020 as per the earlier provisions of Income-tax Act.

c) The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. The situation continues to be uncertain and the Parent Bank is evaluating the situation on ongoing basis. The major challenge for the Parent Bank would arise from volatility in cash flows. Despite these events and conditions, there would not be any significant impact on Parent Bank's results in future and on the going concern assumption.

RBI vide circular no. DOR. No.BP.BC.47/21.04.048/2019-20 dated 27.03.2020; DOR.No.BP.BC.63/21.04.048/2019-20 dated 17.04.2020, and DOR.No.BP.BC.71/ 21.04.048/2019-20 dated 23.05.2020 has announced measures to mitigate the burden of debt servicing brought out by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable business.

The Impact of above circulars in case of Parent Bank are detailed as under:

S.No.	Particular	Amount
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	74,445.25
2	Respective amount where asset classification benefits is extended	4,144.82
3	Provisions made during the Q4, FY2019-20	414.48
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	Nil

d) The 11th Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October, 2017. In accordance with the pending execution of agreement for wage revision, to be effective from 1st November 2017, an ad-hoc sum of ₹ 600 (previous year ₹ 600) has been provided by Parent bank during financial year ended March 31, 2020 towards wage arrears. Cumulative provision held as on March 31, 2020 is ₹ 1,090.

e) As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, Parent Bank has made additional Provision of ₹ 271 in 4 (four) Accounts, where the viable Resolution Plan has not been implemented within 180 days of review period.

f) In respect of RBI referred NCLT accounts (List 1 & 2), as on March 31, 2020, Parent Bank holds 100% provision of the outstanding value of ₹ 3,959.34.

g) During the year ended 31.03.2020, due to uncertainty of recovery, Parent Bank has made additional provision of ₹ 3,941.36 in 6 NPA Accounts.

h) In terms of RBI Cir No DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020, extended timelines for resolution from the date whereat review period of 30 days are over but the 180 days of resolution period had not expired as on 01.03.2020, are as under:

Particular	Amount

Revised Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets	2,419.04

i) In terms of RBI Circular DBR.No.BP.BC.64/21.04.048/2016-17 dated April 18, 2017 regarding stressed sectors identified by Parent Bank, the Board of Directors of the Parent Bank has approved additional standard assets provision of 5 bps to 100 bps in respect of the Parent Bank's stressed sectors identified (which are presently Telecommunication, Textile, Iron & Steel, Commercial Real Estate, Gems & Jewellery, Roads & Ports and Mining & Quarrying) based on SMA classification. Accordingly, an additional provision of ₹ 76.63 has been held as at March 31, 2020.

j) Bank was holding 100% provision in a particular account, recovery of which is under dispute with another PSU Bank. The account has been reported as fraud to RBI. As both the Banks were holding 100% provision, RBI vide its communication (Ref. DoS. Co. SSM (BOI)/6557/13.37.007/2019-20) dated 13.04.2020 permitted the Bank to maintain a provision of 50% of the disputed amount on-going basis (i.e. 50% of ₹ 291.63) subject to certain conditions. Accordingly, the Bank now holds provision of ₹ 145.81 for the disputed amount.

k) Additional information disclosed in the separate financial statements of the Parent bank and the subsidiaries having no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material, have not been disclosed in the Consolidated Financial Statements.

l) Previous Year's figures have been regrouped/rearranged wherever considered necessary.

Auditors' Report on Standalone Quarterly Financial Results and Year to Date Results of the Bank of India pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015

To
The Board of Directors,
Bank of India,
Mumbai

1. We have audited the standalone quarterly financial results of Bank of India (the 'Bank') for the quarter ended March 31, 2019 and the year to date results for the period April 2018 to March 2019, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared from the financial statements, which are the responsibility of the bank's management and have been approved by Board of Directors of the Bank. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with Banking Regulation Act 1949, Reserve Bank of India Guidelines and relevant accounting standards issued by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. These financial results incorporate the relevant returns of 20 branches and Treasury branch audited by us, 2807 branches including 24 foreign branches audited by the other auditors specially appointed for this purpose and unaudited returns in respect of 2289 branches.

4. Without qualifying our conclusion, we draw attention to:

    a. Note No. 13 regarding change in accounting policies in appropriation of recovery in NPA accounts.

    b. Note No. 15 and 16 regarding provision made in NPA accounts.

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5. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:
   (i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
   (ii) give a true and fair view of the net profit for the quarter ended March 31, 2019 and net loss for the year ended March 31, 2019 and other financial information.

6. The "Pillar 3 disclosures under the Basel III Capital Regulation" as set out in Note 21 of the statement have not been subjected to our audit.

7. These financials results include the results for the quarter ended 31st March, 2019 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figure up to 31st December of the relevant financial year, which were subject to limited review by us.

For NBS & Co. Chartered Accountants (FRN 110100W) Pradeep Shetty Partner M. No. 046940	For Banshi Jain & Associates Chartered Accountants (FRN 100990W) Parag Jain Partner M. No. 078548	For Chaturvedi & Co. Chartered Accountants (FRN 302137E) S.C. Chaturvedi Partner M. No. 012705

Place: Mumbai

Date: May 16, 2019.

NBS & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

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Bank of India

BALANCE SHEET AS AT 31st MARCH 2019

(000's Omitted)

		Schedule No	As at 31-03-2019 ₹	As at 31-03-2018 ₹
I.	**CAPITAL AND LIABILITIES**			
	Capital	1	27,600,285	17,437,175
	Reserves & Surplus	2	389,211,250	337,969,278
	Share Application Money, pending allotment		46,380,000	-
	Deposits	3	5,208,623,485	5,208,543,783
	Borrowings	4	442,411,678	435,887,753
	Other Liabilities and Provisions	5	138,001,739	95,910,271
	TOTAL		6,252,228,437	6,095,748,260
II.	**ASSETS**			
	Cash and balances with Reserve Bank of India	6	292,365,626	313,478,449
	Balances with Banks and money at call and short notice	7	655,749,238	645,346,643
	Investments	8	1,476,390,350	1,371,111,122
	Advances	9	3,410,059,443	3,413,801,866
	Fixed Assets	10	89,200,364	82,652,874
	Other Assets	11	328,463,416	269,357,306
	TOTAL		6,252,228,437	6,095,748,260
	Contingent Liabilities	12	3,113,092,079	3,426,539,857
	Bills for Collection		285,003,999	321,026,665
			0.38	

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra
Chief Financial Officer

G.Chaitanya   A.K.Das   N. Damodharan
Executive Director

Dinabandhu Mohapatra
Managing Director & CEO

G Padmanabhan
Chairman

DIRECTORS

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

Dakshita Das   S C Murmu   Veni Thapar   D Sarkar   D Harish

In terms of our report of even date attached

For NBS. & Co.
Chartered Accountants
(FRN 110100W)

Pradeep Shetty
Partner
M. No. 046940

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Parag Jain
Partner
M. No. 078548

For Chaturvedi & Co
Chartered Accountants
(FRN302137E)

S.C.Chaturvedi
Partner
M. No. 012705

Place: Mumbai
Date : 16th May, 2019

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED		
300,00,00,000 (Previous year ended 300,00,00,000) Equity Shares of ₹10 each	30,000,000	30,000,000
ISSUED AND SUBSCRIBED		
Equity Shares 276,04,66,522 (Previous year ended 174,41,55,469) of ₹10 each	27,604,665	17,441,555
TOTAL	27,604,665	17,441,555
PAID-UP CAPITAL		
275,92,89,422 Equity Shares (Previous year ended 174,29,78,369) of Rs.10/- each	27,592,894	17,429,784
Add: Amount of shares forfeited	7,391	7,391
TOTAL *	27,600,285	17,437,175
* Of the above, 240,20,56,938 Equity Shares (Previous year ended 144,82,98,073) of ₹10 each fully paid up amounting to ₹2402.06 crores (Previous year ended ₹1448.30 crores) is held by Central Government;		
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	70,868,842	70,868,842
Additions during the period	-	-
TOTAL (I)	70,868,842	70,868,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	55,491,649	56,867,087
Add: Addition during the period on Revaluation of Premises	9,015,306	23,680
Less: Adjustments during the period	(103,613)	(161,746)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	1,877,186	1,560,864
Total of (A)	62,733,382	55,491,649
B) Others		
i) Profit on sales of Investments - "Held to Maturity"		
Opening Balance	22,400,238	18,782,638
Additions during the period	735,300	3,617,600
Sub-total of (i)	23,135,538	22,400,238
ii) Foreign Currency Translation Reserve		
Opening Balance	18,343,885	14,875,004
Add/ (Less) : Additions / adjustments during the period (Net)	1,712,391	3,468,881
Sub-total of (ii)	20,056,276	18,343,885
Total of (B)	43,191,814	40,744,123
TOTAL (II)	105,925,196	96,235,772
III. **Share Premium :**		
Opening Balance	214,809,166	112,152,824
Add : Additions during the period	97,304,903	102,656,342
		-
TOTAL (III)	312,114,069	214,809,166

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
		(000's Omitted)
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	83,978,582	87,419,271
Add: Additions during the period	1,647,377	2,209,928
Deductions during the period	1,195,426	5,650,617
Sub-total of IV(i)	84,430,533	83,978,582
ii) Investment Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	-	-
Add: Transfer from Profit & Loss Appropriations	-	-
Less:Transfer to Profit & Loss Appropriations	-	-
Sub-total of IV(iii)	-	-
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	21,700,000	21,700,000
Additions during the period	-	-
Sub-total of IV(iv)	21,700,000	21,700,000
TOTAL (IV)	106,130,533	105,678,582
V. Balance in Profit and Loss Account :	(205,827,390)	(149,623,085)
TOTAL (I TO V)	389,211,250	337,969,278

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	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	5,547,152	6,434,045
ii) From Others	269,676,172	288,988,406
TOTAL (I)	275,223,324	295,422,451
II. Savings Bank Deposits	1,594,771,454	1,481,198,277
III. Term Deposits :		
i) From Banks	512,777,522	454,862,600
ii) From Others	2,825,851,185	2,977,060,455
TOTAL (III)	3,338,628,707	3,431,923,055
TOTAL A(I, II, III)	5,208,623,485	5,208,543,783
B. i) Deposits of branches in India	4,217,832,182	4,212,113,302
ii) Deposits of branches outside India	990,791,303	996,430,481
TOTAL (B)	5,208,623,485	5,208,543,783

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बैंक ऑफ इंडिया
BANK OF INDIA
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(000's Omitted)

SCHEDULE - 4 : BORROWINGS

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
I. Borrowings in India :		
i) Reserve Bank of India	111,000,000	133,580,000
ii) Other Banks		
a. Tier I Capital (I.P.D.I.)	1,800,000	5,428,000
b. Tier II Capital	50,000	50,000
c. Others	16,800,000	-
Total (ii)	18,650,000	5,478,000
iii) Other Institutions and Agencies		
a. Tier I Capital (I.P.D.I.)	4,450,000	59,822,000
b. Tier II Capital	99,950,000	104,950,000
c. Others	117,518,703	6,515,053
Total (iii)	221,918,703	171,287,053
Total (I)	351,568,703	310,345,053
II. Borrowings outside India		
a. Tier I Capital (I.P.D.I.)	-	
b. Upper Tier II Capital	-	-
c. Others	90,842,975	125,542,700
Total (II)	90,842,975	125,542,700
Total (I, II)	442,411,678	435,887,753
Secured borrowings included in above	-	-

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
I. Bills Payable	12,801,694	13,783,047
II. Inter-office adjustments (net)	-	-
III. Interest accrued	20,238,468	21,584,304
IV. Deferred Tax Liabilities	28,819	1,837
V. Others (Including Provisions)	104,932,758	60,541,084
TOTAL	138,001,739	95,910,272

(000's Omitted)

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (Including foreign currency notes and gold)	24,556,246	25,807,047
II. Balances with Reserve Bank of India : *		
i) In Current Account	267,809,380	287,671,402
ii) In Other Accounts	-	-
TOTAL (II)	267,809,380	287,671,402
TOTAL (I, II)	292,365,626	313,478,449

* Including balances with Central Banks outside India

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India ;		
i) Balances with Banks		
a) in Current Accounts	1,564,652	1,470,164
b) in Other Deposit Accounts	83,331,775	55,072,875
ii) Money at call and short notice		
a) With Banks	-	-
b) With Other Institutions	-	60,000,000
TOTAL (I)	84,896,427	116,543,039
II. Outside India :		
i) In Current Accounts	2,862,033	4,713,460
ii) In Other Deposit Accounts	368,128,701	302,958,284
iii) Money at call and short notice	199,862,077	221,131,860
TOTAL (II)	570,852,811	528,803,604
TOTAL (I, II)	655,749,238	645,346,643

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,285,570,352	1,183,704,530
ii) Other approved Securities	-	-
iii) Shares	9,793,592	15,466,662
iv) Debentures and Bonds	79,386,216	80,521,525
v) Subsidiaries and Associates	4,650,063	4,650,063
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund etc.)	30,795,689	27,679,330
TOTAL (I)	1,410,195,912	1,312,022,110
Gross	1,445,700,306	1,347,022,279
Less: Depreciation and Amortisation	35,504,394	35,000,169
Net	1,410,195,912	1,312,022,110
II. Investments outside India ;		
i) Government Securities (including local authorities)	32,113,683	24,570,821
ii) In Subsidiaries and/or joint ventures abroad	9,576,760	9,760,843
iii) Other Investments (Debentures, Bonds etc.)	24,503,995	24,757,348
TOTAL (II)	66,194,438	59,089,012
Gross	66,481,458	59,329,100
Less: Depreciation and Amortisation	287,020	240,088
Net	66,194,438	59,089,012
TOTAL (I, II)	1,476,390,350	1,371,111,122

बैंक ऑफ इंडिया
BANK OF INDIA
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वित्त विभाग
FINANCE DEPT.

(000's Omitted)

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	122,737,248	450,851,629
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,477,479,360	1,417,280,666
iii) Term Loans	1,809,842,835	1,545,669,571
TOTAL (A)	3,410,059,443	3,413,801,866
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	2,526,260,004	2,332,397,555
ii) Covered by Bank/Government Guarantees	161,899,796	413,412,715
iii) Unsecured	721,899,643	667,991,596
TOTAL (B)	3,410,059,443	3,413,801,866
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,121,314,154	1,015,893,551
ii) Public Sector	629,785,792	474,814,830
iii) Banks	142,920	450,652
iv) Others	1,179,274,560	1,166,334,900
TOTAL (C-I)	2,930,517,426	2,657,493,933
II. Advances outside India :		
i) Due from Banks	99,380,579	355,314,730
ii) Due from others		
a) Bills Purchased and Discounted	32,707,804	12,812,291
b) Syndicated Loans	129,690,731	159,707,915
c) Others	217,762,903	228,472,997
TOTAL (C-II)	479,542,017	756,307,933
TOTAL (C - I, C - II)	3,410,059,443	3,413,801,866
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	17,109,272	16,196,958
Additions / Adjustments during the period	209,549	912,580
Less:Deductions / Adjustments during the period	171,344	266
Sub-total	17,147,477	17,109,272
Addition to date on account of revaluation	63,565,808	59,052,451
Less : Depreciation to date (including on account of revaluation)	4,449,395	7,029,155
TOTAL -(I)	76,263,890	69,132,568
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	32,725,686	30,147,886
Additions / Adjustments during the period	2,238,681	2,852,204
Less:Deductions / Adjustments during the period	263,173	274,404
Sub-total	34,701,194	32,725,686
Less: Depreciation to date	23,762,970	20,785,937
TOTAL (II)	10,938,224	11,939,749
III. CAPITAL WORK IN PROGRESS	1,998,250	1,580,557
TOTAL (I, II, III)	89,200,364	82,652,874

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	23,575,657	10,036,968
II. Interest accrued	31,521,737	28,716,089
III. Tax paid in advance/tax deducted at source (net)	50,532,617	12,776,333
IV. Stationery and Stamps	54,749	60,400
V. Deferred Tax Assets (Net)	118,884,849	91,654,656
VI. Others	103,893,807	126,112,860
TOTAL	328,463,416	269,357,306

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	15,013,941	13,938,129
II. Liability for partly paid Investments	168,582	233,461
III. Liability on account of outstanding forward exchange contracts	2,551,539,928	2,717,618,610
IV. Guarantees given on behalf of Constituents :		
a) In India	209,178,461	220,560,690
b) Outside India	32,085,993	182,145,295
V. Acceptances, endorsements and other obligations	189,421,022	200,749,961
VI. Derivative contracts other than listed at III above	106,090,890	83,298,574
VII. Other items for which the Bank is contingently liable	9,593,262	7,995,137
TOTAL	3,113,092,079	3,426,539,857

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2019

		Schedule No.	For the year ended 31-03-2019 ₹	(000's Omitted) For the Year ended 31-03-2018 ₹
I.	**INCOME**			
	Interest earned	13	407,678,113	380,714,089
	Other income	14	51,320,059	57,337,571
	TOTAL		458,998,172	438,051,660
II.	**EXPENDITURE**			
	Interest expended	15	271,101,410	275,650,707
	Operating expenses	16	106,974,662	91,011,698
	Provisions and Contingencies		136,391,105	131,826,306
	TOTAL		514,467,177	498,488,711
III.	**PROFIT**			
	Net Profit/(Loss) for the period		(55,469,005)	(60,437,051)
	Less: Extra ordinary Item			
	Add: Profit brought forward		(149,623,085)	(85,568,434)
	TOTAL		(205,092,090)	(146,005,485)
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		-	-
	Transfer from Investment Fluctuation Reserve			
	Transfer to Revenue Reserve		-	-
	Transfer to Capital Reserve		735,300	3,617,600
	Transfer from Revenue & Other Reserves		-	-
	Final Dividend (including dividend tax)		-	-
	Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	-
	Balance in Profit and Loss Account		(205,827,390)	(149,623,085)
	TOTAL		(205,092,090)	(146,005,485)
	Significant accounting policies	17		
	Notes to Accounts	18		
	Earnings Per Share (Basic and Diluted)		(29.79)	(52.55)

The schedules referred to above form an integral part of the Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act 1949.

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

K.V. Raghavendra, Chief Financial Officer
C.G.Chaitanya | A.K.Das | N. Damodharan — Executive Director
Dinabandhu Mohapatra, Managing Director & CEO
G Padmanabhan, Chairman

DIRECTORS

Dakshita Das | S C Murmu | Veni Thapar | DSarkar | D Harish

In terms of our report of even date attached

For NBS. & Co.
Chartered Accountants
(FRN 110100W)

Pradeep Shetty
Partner
M. No. 046940

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Parag Jain
Partner
M. No. 078548

For Chaturvedi & Co
Chartered Accountants
(FRN302137E)

S.C.Chaturvedi
Partner
M. No. 012705

Place: Mumbai
Date : 16th May, 2019

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(000's Omitted)

		For the Year ended 31-03-2019 ₹		For the Year ended 31-03-2018 ₹
SCHEDULE - 13 : INTEREST EARNED				
I. Interest/Discount on advances/bills		272,503,460		252,952,988
II. Income on Investments		99,728,865		91,535,458
III. Interest on balances with Reserve Bank of India and other inter-bank funds		28,376,583		27,317,015
IV. Others		7,069,205		8,908,628
TOTAL		407,678,113		380,714,089

		For the Year ended 31-03-2019 ₹		For the Year ended 31-03-2018 ₹
SCHEDULE - 14 : OTHER INCOME				
I. Commission, exchange and brokerage		12,434,825		13,330,827
II. Profit on sale of Investments			14,792,575	
Less : Loss on sale of Investments	4,438,104		70,488	
		(4,438,104)		14,379,783
III. Profit on sale of land, buildings and other assets	4,302,226		-	
Less : Loss on sale of land, buildings and other assets	-		0	
		4,302,226		526,745
IV Profit on exchange transactions	13,087,282		9,804,442	
Less : Loss on Exchange Transactions	4		347,851	
		13,087,278		14,013,211
V Income earned by way of dividends etc., from subsidiaries / cos.and/or JVs		178,444		120,915
VI Miscellaneous Income		25,755,390		14,966,090
TOTAL		51,320,059		57,337,571

बैंक ऑफ इंडिया
BANK OF INDIA
H.O.
प्र.का.
वित्त विभाग
FINANCE DEPT.

	For the Year ended 31-03-2019 ₹	(000's Omitted) For the Year ended 31-03-2018 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	229,906,259	243,249,349
II. Interest on Reserve Bank of India / inter-bank borrowings	30,957,820	22,087,454
III. Others:	10,237,331	10,313,904
TOTAL	271,101,410	275,650,707
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	60,210,417	49,032,666
II. Rent, Taxes and Lighting	7,085,369	6,698,504
III. Printing and Stationery	749,124	764,087
IV. Advertisement and Publicity	195,710	242,120
V. Depreciation on Bank's property*	3,666,741	5,199,840
VI. Directors' fees, allowances and expenses	4,569	3,603
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	706,370	694,033
VIII. Law Charges	404,535	333,330
IX. Postage, Telegrams, Telephones, etc.	1,366,133	1,066,543
X. Repairs and Maintenance	627,473	649,971
XI. Insurance	5,017,978	5,167,133
XII. Other Expenditure	26,940,223	21,159,868
TOTAL	106,974,662	91,011,698

*After reversing depreciation charged on land earlier

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March, 2019

(₹ in '000)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**(87,134,074)**	**(86,334,904)**
Adjustments for:		
Amortisation/Depreciation on Investments	13,904,597	18,428,209
Profit on sale /redemption of investments in Joint Venture	-	-
Depreciation on Fixed Assets	3,666,741	5,199,840
Profit on sale of Fixed Asset	(4,302,226)	(526,745)
Provision for NPA	157,696,534	150,953,169
Provision for Standard Assets	1,263,172	(6,712,492)
Provision for Other Assets	(1,545,929)	(1,202,909)
Payment / Provision for Interest on Subordinated Bonds, IPDI, Upper Tier II Bonds	10,151,050	10,433,533
Dividend received	(178,444)	(120,914)
Adjustments for:		
Increase /(Decrease) in Deposits	79,702	(191,776,295)
Increase /(Decrease) in Borrowings	70,523,925	48,899,690
Increase / (Decrease) in Other Liabilities and Provisions	45,078,719	(35,951,203)
(Increase) / Decrease in Investments	(119,183,825)	(108,680,378)
(Increase)/ Decrease in Advances	(153,954,111)	100,061,635
(Increase) / Decrease in Other Assets	5,880,368	48,081,488
Direct Taxes (Paid)/Refund	(33,861,562)	(14,982,056)
Net Cash Flow from Operating Activities (A)	**(91,915,363)**	**(64,230,332)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(2,865,923)	(3,379,945)
Sale of Fixed Assets	4,195,650	857,982
Additional investment in Subsidiaries/Joint Ventures/ Associates	-	(2,590,321)
Dividend received	178,444	120,914
Net Cash Flow from Investing Activities (B)	**1,508,171**	**(4,991,370)**
C. Cash Flow from Financing Activities:		
Share Capital	10,163,111	6,882,833
Share Premium	97,304,903	102,656,342
Share Application	46,380,000	(17,219,175)
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	(64,000,000)	(7,068,588)
Dividend (Interim & Final) paid	-	-
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II	(10,151,050)	(16,084,150)
Net Cash Flow from Financing Activities (C)	**79,696,964**	**69,167,262**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(10,710,228)**	**(54,440)**

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

Particulars	Year ended	Year ended
	31.03.2019	31.03.2018
Cash and Cash Equivalents as at the beginning of the year	958,825,092	958,879,532
Cash and Cash Equivalents as at the end of the year	948,114,864	958,825,092

Particulars	Year ended	Year ended
	31.03.2019	31.03.2018
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	292,365,626	313,478,449
Balances with Banks and money at call and short notice (Schedule 7)	655,749,238	645,346,643
Cash and Cash Equivalents as at the end of the year	**948,114,864**	**958,825,092**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

K.V Raghavendra — Chief Financial Officer

C.G.Chaitanya, A.K.Das, N Damodharan — Executive Director

Dinabandhu Mohapatra — Managing Director & CEO

G.Padmanabhan — Chairman

DIRECTORS

Dakshita Das, S C Murmu, Veni Thapar, D Sarkar, D Harish

In terms of our report of even date attached

M/s. NBS & Co.
Chartered Accountants
(FRN 110100W)

Pradeep Shetty
Partner
M.No. 046940

M/s Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Parag Jain
Partner
M.No. 078548

M/s Chaturvedi & Co
Chartered Accountants
(FRN302137E)

S.C.Chaturvedi
Partner
M.No. 012705

Place- Mumbai
Date- May 16, 2019

SCHEDULE-17

SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION:

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

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e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. is to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions are made at the rates given as under:

Category of NPAs	**Provision % on net outstanding advance**
Sub Standard:*	
Exposures, which are unsecured ab initio	25%

Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

* On the outstanding advance

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. 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.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are categorised under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure of Investments, these are classified in accordance with RBI guidelines & Banking Regulation Act 1949, under six categories viz. **a.)** Government Securities, **b.)** Other Approved Securities, **c.)** Shares, **d.)** Debentures and Bonds, **e.)** Subsidiaries and Joint Ventures and **f.)** Others.

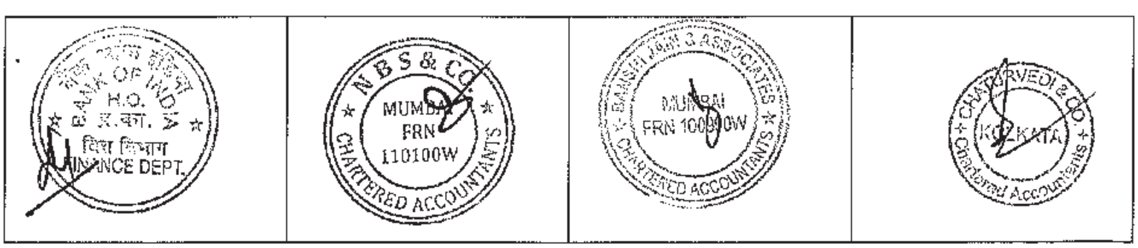
A. <u>Basis of categorisation</u>

Categorisation of an investment is done at the time of its acquisition.

(i) Held to Maturity
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.



B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) Held to Maturity:

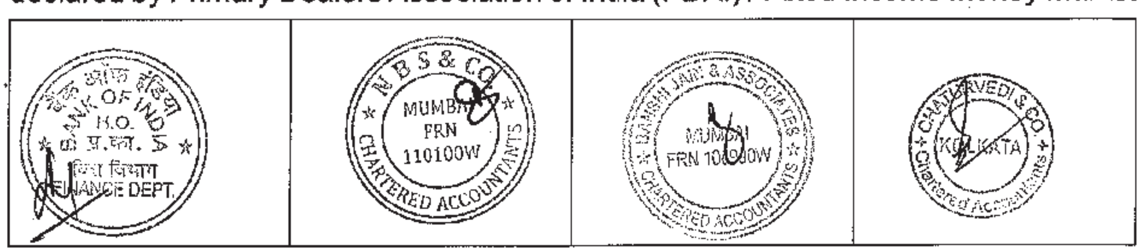
1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) Held for Trading / Available for Sale:

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market



and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

i) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) AFS/HFT TO HTM- Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) **AFS TO HFT AND VICE-VERSA -** In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following;

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

8. DERIVATIVE:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

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9. PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS:

A. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. 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.

B. Long Term Employee Benefits:

a. <u>Defined Benefit Plan:-</u>

i.) Gratuity:

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank

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makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. Defined Contribution Plan:

i.) Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

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iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

13. TAXES ON INCOME:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

14. IMPAIRMENT OF ASSETS:

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

15. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

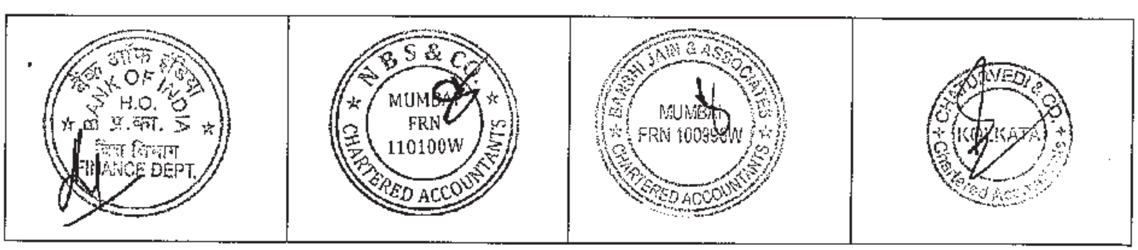
As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

16. SHARE ISSUE EXPENSES:

Share issue expenses are charged to the Profit and Loss Account in the year of issue of shares.



SCHEDULE 18

All figures are in ₹ crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

1. During the year, Government of India has infused ₹ 14,724 capital for fresh equity shares, out of which bank has made preferential allotment of 95,37,58,865 equity shares of ₹ 10 each, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The details are as under:-

Date of Capital Infusion	**Name of the Shareholder**	**Type of Issue**	**Issue Price per share (in ₹.)**	**Amount**	**Date of Allotment**
26.12.2018	Govt. of India	Preferential Issue	105.75	10,086.00	16.02.2019
21.02.2019	Govt. of India	Preferential Issue	89.60	4,638.00	20.04.2019*
		Total		**14,724.00**	

* In terms of RBI letter no. DBR.CO.BP.No. 8307/21.01.002/2018-19 dated April 2, 2019, the share application money of ₹ 4,638 received on February 21, 2019 has been considered for computation of CET-1 capital as on March 31, 2019.

Further, the Bank under Bank of India- Employee Stock Purchase Scheme (ESPS) has raised an amount of ₹ 660.80. Under this scheme, the Bank has allotted 6,25,52,188 new equity shares having face value of ₹ 10/- each at a discount of 24.28% on the floor price of ₹ 105.64 per share i.e. at an offer price of ₹ 80/- each. The details are as under:

Name of the Shareholder	**Type of Issue**	**Issue Price per share (in ₹)**	**Amount**	**Date of Allotment**
Bank's Employees (Offer Price ₹ 80/- Share)	ESPS Issue	105.64	660.80	07.03.2019

2. The Govt. of India vide their weekly Gazette Notification dated March 31, 2019 - April 6, 2019 increased the authorised capital from ₹ 3,000 (Rupees Three Thousand) to ₹ 6,000 (Rupees Six Thousand).

3. Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

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4. The audited financial results for the period have been arrived at on the basis of the same accounting policies as those followed in the preceding financial year ended 31st March, 2018 except appropriation of recovery in NPA accounts as mentioned in para 3(i) of Schedule 17 - Significant Accounting Policies.

5. The following information is disclosed in terms of guidelines issued by RBI:

5.1. Capital (As per BASEL-III):

Sr. No.	Particulars	31.03.2019	31.03.2018
i)	Common Equity Tier 1 Capital ratio (CET1) (%)	11.01%	7.87%
ii)	Tier I Capital ratio (%)	11.07%	9.73%
iii)	Tier II Capital ratio (%)	3.12%	3.21%
iv)	Total Capital ratio (CRAR) (%)	14.19%	12.94%
v)	Percentage of the shareholding of the Government of India	87.05%	83.09%
vi)	Amount of Equity Capital Raised during the year	10,746.80	*10,953.92
vii)	Share application money pending for allotment **	4,638	0.00
viii)	Amount of Additional Tier 1 capital raised during the year i.e. PDI		
	a) PNCPS	0.00	0.00
	b) PDI	0.00	500.00
ix)	Amount of Tier-II capital raised i.e. Debt Capital Instruments, during the year		
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

* The amount includes share application money of ₹ 1,721.92 received during FY 2016-17 and allotted during FY 2017-18.

** In terms of RBI letter no. DBR.CO.BP.No. 8307/21.01.002/2018-19 dated April 2, 2019, the share application money of ₹ 4,638 received on February 21, 2019 has been considered for computation of CET-1 capital as on March 31, 2019.

Details of outstanding Innovative Perpetual Debt Instruments (IPDI) bonds raised to augment Tier-I capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2009-10	IPDI	325.00	97.50
2010-11	IPDI	300.00	90.00
	Total	**625.00**	**187.50**

Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2009-10	Upper Tier-II	2,000.00	600.00
2010-11	Upper Tier-II	1,000.00	300.00
2013-14	Tier-II	1,500.00	1,200.00
2015-16	Tier-II	3,000.00	3,000.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	**10,000.00**	**7,600.00**

Pursuant to RBI circular No. DBR.NO.BP.13018/21.04.048/2015-16 dated March 1, 2016, the bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratio as on March 31, 2019.

Bank has exercised the regulatory call option and redeemed Additional Tier-1 Bonds amounting ₹ 5,500 (Series 1 to 5) on April 21, 2018 and has also exercised the call option to redeem the Upper Tier-II Bonds amounting to ₹ 500 on October 16, 2018 and IPDI bonds (Tier-1) amounting to ₹ 400 on February 11, 2019.

5.2. Investments

Sr. No.	Particulars			As at 31.03.2019	As at 31.03.2018
1			Value of Investments		
	i)		Gross Value of Investments	151,218.18	1,40,635.14
		a)	In India	144,570.03	1,34,702.23
		b)	Outside India	6,648.15	5,932.91
	ii)		Provisions for Depreciation	3,579.14	3,524.03
		a)	In India	3,550.44	3,500.02
		b)	Outside India	28.70	24.01
	iii)		Net Value of Investments	147,639.04	1,37,111.11
		a)	In India	141,019.59	1,31,202.21
		b)	Outside India	6,619.45	5,908.90
2			Movement of provisions held towards depreciation on investments		
	i)		Opening balance	3,524.03	1,128.11
	ii)		Add: Provisions made during the year *	1,267.76	3,242.70
	iii)		Less: Write-off/reduction/write-back of excess provisions during the year	1,215.94	859.35
	iv)		Add/(Less): Adjustments on account of exchange difference	3.29	12.57
	v)		Closing balance	3,579.14	3,524.03

* ₹ 1,010.76 pertaining to FY2017-18 has been amortised during the year ended March 31, 2019 and ₹ 2.04 has been write-off during the year.

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Government Securities (Face Value) amounting to ₹ 25,199.35 (previous year ₹ 24924.35) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

During the year, Bank has sold entire stake held by Bank in Central Depository Services Limited (CDSL) and earned profit of ₹ 129.34. Bank has sold 5.41 lakh shares of BSE Ltd. and earned a profit of ₹ 13.02.

During the year ended March 31, 2019, the Bank has earned a profit of ₹ 0.82 under buyback of 1.20 Lakh shares by Acuite Rating & Research Ltd. Post Buyback the investment has reduced to ₹ 0.28 as on March 31, 2019.

5.2.1. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2019
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	15,041.10 (22,443.10)	5,144.96 (5,654.09)	12,033.42 (13,772.34)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	12,300.00 (39,692.64)	364.56 (15,079.12)	0.00 (5,787.11)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.2.2. Non-SLR Investment Portfolio:

i. Issuer Composition of Non SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	2,847.89	2,276.20	0.00	616.25	0.00
		(2,940.85)	(2,378.99)	(0.00)	(698.54)	(0.00)
ii.	FIs	3,214.37	3,091.66	0.00	0.00	127.35
		(3,209.44)	(3,160.77)	(0.00)	(0.00)	(134.20)
iii.	Banks	1,652.36	966.01	70.06	0.00	172.89

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Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
		(800.86)	(271.85)	(0.00)	(0.00)	(162.94)
iv.	Private Corporates	4,809.68	3,576.53	823.06	56.35	27.35
		(4,638.89)	(3,439.28)	(1,035.15)	(56.35)	(34.20)
v.	Subsidiaries/ Joint Ventures**	1,442.96	0.00	0.00	0.00	0.00
		(1,442.96)	(0.00)	(0.00)	(0.00)	(0.00)
vi.	Others * $	30,606.37	22,518.81	0.00	0.17	0.00
		(15,571.89)	(7969.81)	(0.00)	(45.35)	(0.00)
	Total	**44,573.63**	**32,429.21**	**893.12**	**672.77**	**327.59**
		(28,604.88)	**(17220.60)**	**(1035.15)**	**(800.24)**	**(331.34)**
vii.	Less: Provision held towards Depreciation	3,441.82	0.00	0.00	0.00	0.00
		(2,538.40)	(0.00)	(0.00)	(0.00)	(0.00)
	Net	41,131.81	32,429.21	893.12	672.77	327.59
		(26,066.48)	(17,220.60)	(1,035.15)	(800.24)	(331.34)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

** Investment in Subsidiaries/Joint Ventures/Associates have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 21,699 (previous year ₹ 6975)

ii. Non-performing Non-SLR Investments:

Particulars	**2018-19**	**2017-18**
Opening balance	2,594.60	1,066.99
Additions during the year	65.29	1,564.15
Less: Reductions during the year	206.78	44.55
Add/(Less): Exchange difference	15.00	8.01
Closing balance	2,468.11	2,594.60
Total provisions held	2,257.42	1,911.27

5.2.3. (i) Sale and transfer of securities to/from HTM Category during the financial year 2018-19:

The total value of sale and transfers of securities from HTM category during April 1, 2018 to March 31, 2019 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2018. The 5 per cent threshold referred to above will exclude

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year.

Sale of Securities from HTM during FY 2018-19 (Other than one time Shifting & sale under OMO)	3,974.80	Sale in % (<5%) =4.95%
Government Securities held in HTM Category as on 31.03.2018	80,346.19	

(ii) Details pertaining to Profit on Sale of Investment under HTM and amortisation of premium thereof:

Sr No	Particulars	Amount
1	Sale of Securities from HTM during 2018-19 (Face Value) (Other than one time Shifting & sale under OMO)	4,108.29
2	Profit earned by sale of securities from HTM during 2018-19 (including sale under OMO)	113.02
3	Amortization of premium in HTM securities during 2018-19	326.22

5.3. Derivatives

5.3.1. Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
i)	The notional principal of swap agreements	10,630.67	12,993.80
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	94.08	119.42

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Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties were either banks or premiere corporates	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	
v)	The fair value of the swap book	6.80	159.66

5.3.2 Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/ Reverse Repo transactions and in RRC Account with RBI during the Financial year 2018-19.

5.3.3 Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr No	Particulars	Currency Derivatives		Interest Rate Derivatives	
1	Derivatives (Notional Principal Amount)	11,418.25		10,522.15	
	a) For hedging	9818.24		10522.15	
		(6709.71)		(12993.80)	
	b) For trading	1600.01		0.00	
		(1007.85)		(0.00)	
2	Marked to Market Positions [1]				
	a) Asset (+)	25.14		92.71	
		(18.19)		(119.42)	
	b) Liability (-)	(-)2.35		128.79	
		(1.08)		(177.35)	
3	Credit Exposure [2]	229.36		112.30	
		(162.55)		(431.56)	
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00		50.38	
		(0.00)		(44.17)	
	b) On trading derivatives	0.40		0.00	
		(1.28)		(0.00)	
5	Maximum & Minimum of 100*PV01 observed during the year	Max	Min	Max	Min
	a) On hedging	0.00	0.00	50.38	50.35
		(0.00)	(0.00)	(44.17)	(2.14)

Sr No	Particulars	Currency Derivatives		Interest Rate Derivatives	
	b) On trading	0.52	0.40	0.00	0.00
		(1.46)	(1.28)	(0.25)	(0.00)

5.4 Asset Quality

5.4.2 Non-Performing Assets

(a) Non performing Advances –

Particulars	2018-19	2017-18
(i) Net NPAs to Net Advances (%)	5.61%	8.28%
(ii) Movement of NPAs (Gross)		
a) Opening balance	62,328.46	52,044.52
b) Additions during the year	24,133.26	39,074.54
c) Reductions during the year	25,800.60	28,790.60
d) Closing balance	60,661.12	62,328.46
(iii) Movement of Net NPAs		
a) Opening balance	28,207.27	25,305.03
b) Additions during the year	7,584.66	7,498.43
c) Reductions during the year	16,672.97	4,596.19
d) Closing balance	19,118.96	28,207.27
(iv) Movement of provision for NPAs (excluding provisions on standard assets)		
a) Opening balance	31,871.97	24,681.76
b) Provisions made during the year	18,425.13	11,483.16
c) Write-off/write-back of excess provisions	10,905.41	4,292.95
d) Closing balance	39,391.69	31,871.97

(b) Non performing Investments

Particulars	2018-19	2017-18
(i) Net NPIs to Net Investment (%)	0.14%	0.50%
(ii) Movement of NPIs (Gross)		
a) Opening balance	2,594.60	1,066.99
b) Additions during the year	84.02	1,572.16
c) Reductions during the year	210.50	44.55
d) Closing balance	2,468.12	2,594.60
(iii) Provision for Depreciation - NPI		
a) Opening balance	1,911.26	767.20
b) Additions during the year	489.65	1,196.05
c) Reductions during the year	144.71	51.99
d) Closing balance	2,256.20	1,911.26
(iv) Movement of provision for NPIs		
a) Opening balance	683.34	299.79
b) Provisions made during the year	0.60	376.11
c) Write-off/write-back of excess provisions	472.02	(-)7.44
d) Closing balance	211.92	683.34

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(c) Matured NPI (included in Schedule 11 'Other Assets'):

(1) Value of Investments:

Particular	2018-19	2017-18
(i) Gross Value of Investments	822.02	794.74
(a) In India	391.95	377.38
(b) Outside India	430.07	417.36
(ii) Provision for Depreciation	822.02	794.74
(a) In India	391.95	377.38
(b) Outside India	430.07	417.36
(iii) Net Value of Investments	-	-
(a) In India	-	-
(b) Outside India	-	-

(2) Movement of provisions held towards depreciation on investments:

Particular	2018-19	2017-18
Opening Balance	794.74	737.68
Add: Provisions made during the year	14.57	49.05
Sub-total	809.31	786.73
Less: Write off/ write-back of excess provision during the year	0.00	0.00
Add/(Less): Adjustments on account of Exchange Diff	12.71	8.01
Closing Balance	822.02	794.74

5.4.3 Particulars of Accounts Restructured- Details of Loan assets subjected to restructuring during 2018-19 (As compiled by the management and relied upon by the Auditors):

Sr No	Type of Restructuring / Details	Asset Classification	Under CDR Mechanism: Standard	Sub-standard	Doubtful	Loss	Total	Under SME Debt Restructuring: Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	3	3	22	0	28	16	1	62	0	79
			(7)	(4)	(50)	(0)	(61)	(11)	(5)	(82)	(0)	(98)
		Amount Outstanding	115	229	4549	0	4893	125	3	805	0	933
			(622)	(465)	(6782)	(0)	(7869)	(90)	(15)	(968)	(0)	(1072)
		Provision thereon	2	1	10	0	13	1	0	1	0	2
			(17)	(7)	(99)	(0)	(123)	(2)	(0)	(8)	(0)	(10)
2	Fresh restructuring during the year	No. of Borrowers	0	0	0	0	0	14557	140	61	0	14758
			(0)	(0)	(0)	(0)	(0)	(3)	(0)	(1)	(0)	(4)
		Amount Outstanding*	0	0	28	0	28	483	8	1		492
			(-49)	(-6)	(122)	(0)	(67)	(10)	(0)	(68)	(0)	(78)
		Provision thereon	0	0	0	0	0	21	0	7		28
			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	0	0	0	0	0	1	0	-1	0	0
			(1)	(-1)	(0)	(0)	(0)	(4)	(-2)	(-2)	(0)	(0)
		Amount Outstanding	-24	0	0	0	-24	52	0	-52	0	0
			(25)	(-31)	(0)	(0)	(-6)	(34)	(-2)	(-32)	(0)	(0)
		Provision thereon	0	0	0	0	0	7	0	-7	0	0
			(1)	(-1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(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 FY	No. of Borrowers	1	0	0	0	1	4	0	0	0	4
			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
		Amount Outstanding	25	0	0	0	25	18	0	0	0	18
			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
		Provision thereon	1	0	0	0	1	0	0	0	0	0
			(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-1	-3	3	1	0	-2	1	0	1	0
			(-3)	(0)	(3)	(0)	(0)	(-1)	(-1)	(2)	(0)	(0)
		Amount Outstanding	-36	-229	-684	949	0	-5	2	2	1	0
			(-244)	(-171)	(409)	(0)	(-6)	(-3)	(-5)	(8)	(0)	(0)
		Provision thereon	-1	-1	2	0	0	0	0	0	0	0
			(-1)	(-3)	(4)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
6	Write-offs of restructured accounts during the FY	No. of Borrowers	0	0	4	0	4	4	0	12	0	16
			(2)	(0)	(31)	(0)	(33)	(1)	(1)	(21)	(0)	(23)
		Amount Outstanding	0	0	517	2	519	9	0	352	1	362
			(240)	(29)	(2790)	(0)	(3059)	(5)	(5)	(210)	(0)	(220)
		Provision thereon	0	0	11	0	11	1	0	1	0	2
			(15)	(2)	(93)	(0)	(110)	(1)	(0)	(6)	(0)	(7)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	1	0	21	1	23	14564	142	110	1	14817
			(3)	(3)	(22)	(0)	(28)	(16)	(1)	(62)	(0)	(79)
		Amount Outstanding	30	0	3376	948	4354	629	13	403	0	1045
			(115)	(229)	(4549)	(0)	(4893)	(125)	(3)	(805)	(0)	(933)
		Provision thereon	0	0	0	0	0	28	1	0	0	29
			(2)	(1)	(10)	(0)	(13)	(1)	(0)	(1)	(0)	(2)

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Sr No	Type of Restructuring: Details	Asset Classification	Others: Standard	Others: Sub-standard	Others: Doubtful	Others: Loss	Others: Total	Total: Standard	Total: Sub-standard	Total: Doubtful	Total: Loss	Total: Total
1	Restructured Account As on April 1 of FY (Opening Figure)	No. of Borrowers	13700	12046	902	2	26650	13719	12050	986	2	26757
			(27961)	(7632)	(875)	(2)	(36470)	(27979)	(7641)	(1007)	(2)	(36629)
		Amount Outstanding	3137	1908	9827	264	15137	3377	2141	15181	264	20964
			(5309)	(686)	(7324)	(271)	(13590)	(6021)	(1166)	(15073)	(271)	(22531)
		Provision thereon	132	29	41	0	202	135	30	52	0	217
			(111)	(21)	(57)	(0)	(188)	(129)	(28)	(163)	(0)	(320)
2	Fresh restructuring during the year	No. of Borrowers	25	1	0	0	26	14582	141	61	0	14784
			(2604)	(22)	(45)	(0)	(2671)	(2607)	(22)	(46)	(0)	(2675)
		Amount Outstanding*	155	498	162	0	815	638	506	191	0	1336
			(728)	(140)	(2487)	(-10)	(3345)	(689)	(134)	(2678)	(-10)	(3491)
		Provision thereon	1	0	0	0	1	22	0	7	0	30
			(76)	(0)	(14)	(0)	(90)	(77)	(0)	(15)	(0)	(92)
3	Upgradations to restructured standard category during the FY	No. of Borrowers	2	0	-2	0	0	3	0	-3	0	0
			(2)	(-1)	(-2)	(0)	(-1)	(7)	(-4)	(-4)	(0)	(-1)
		Amount Outstanding	91	0	-117	-1	-27	119	0	-169	-1	-51
			(60)	(-3)	(-105)	(-1)	(-49)	(119)	(-36)	(-136)	(-1)	(-54)
		Provision thereon	1	0	-1	0	0	7	0	-7	0	0
			(4)	(0)	(-4)	(0)	(0)	(5)	(-1)	(-4)	(0)	(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 FY	No. of Borrowers	11072	0		0	11072	11077	0	0	0	11077
			(12432)	(0)	(0)	(0)	(12432)	(12432)	(0)	(0)	(0)	(12432)
		Amount Outstanding	292	0		0	292	335	0	0	0	335
			(203)	(0)	(0)	(0)	(203)	(203)	(0)	(0)	(0)	(203)
		Provision thereon	9	0		0	9	11	0	0	0	11
			(11)	(0)	(0)	(0)	(11)	(11)	(0)	(0)	(0)	(11)
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-8	-1	3	6	0	-11	-3	6	8	0
			(-4423)	(4397)	(26)	(0)	(0)	(-4427)	(4396)	(31)	(0)	(0)
		Amount Outstanding	-577	-1258	1618	217	0	-619	-1485	935	1168	0
			(-2498)	(1145)	(1335)	(0)	(-18)	(-2745)	(969)	(1753)	(0)	(-23)
		Provision thereon	-9	-14	23	0	0	-10	-15	24	0	0
			(-30)	(16)	(15)	(0)	(1)	(-31)	(13)	(18)	(0)	(0)
6	Write-offs of restructures accounts during the FY	No. of Borrowers	11	1	50	0	62	15	1	66	0	82
			(12)	(4)	(42)	(0)	(58)	(15)	(5)	(94)	(0)	(114)
		Amount Outstanding	775	17	1576	2	2371	784	17	2446	5	3252
			(265)	(60)	(1218)	(0)	(1543)	(510)	(94)	(4218)	(0)	(4822)
		Provision thereon	53	1	52	0	106	54	1	64	0	119
			(17)	(8)	(41)	(0)	(66)	(34)	(10)	(140)	(0)	(184)
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of Borrowers	2636	12045	853	8	15542	17201	12187	984	10	30382
			(13700)	(12046)	(902)	(2)	(26650)	(13719)	(12050)	(986)	(2)	(26757)
		Amount Outstanding	1739	1132	9913	478	13261	2397	1145	13692	1426	18661
			(3137)	(1908)	(9827)	(264)	(15136)	(3377)	(2141)	(15181)	(264)	(20963)
		Provision thereon	62	14	12	0	88	91	14	12	0	117
			(132)	(29)	(41)	(0)	(202)	(135)	(30)	(52)	(0)	(217)

* Includes increase in outstanding which were also there in the Books as at March 31, 2018.

5.4.3.2. Disclosure on Stressed Assets

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	5	585.01	247.83	13.30 Yrs	18.85 Yrs
Current Financial Year (From April 2018 to March 2019)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr No	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
3	313.59	163.78	149.81	113.94
Classified as NPA				
4	340.17	116.86	223.31	233.72

5.4.4 Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

A. **Details of Sales:**

Sr. No.	Particulars	2018-19	2017-18
i.	Number of accounts	19	15
ii.	Aggregate value (net of provision) of accounts sold to SC/RC	1,689.56	319.18
iii.	Aggregate consideration	1,774.12	669.74
iv.	Additional consideration realized in respect of accounts transferred in earlier years	0.00	1.74
v.	Aggregate gain/(loss) over net book value	84.55	352.30

B. **Book Value of Investments in Security Receipts:**

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/NBFC as underlying		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Book Value of investments in securities receipts	2,858.48	3,090.40	0.00	0.00	2,858.48	3,090.40

C. **Disclosure on Provision in respect of sale of NPA to SCs/RCs:**

S.No	Amount	Provision made during the year	Unamortised provision debited from 'other reserves' as on 31.03.2019
NIL			

D. **Profit from sale of NPA:**

Sr. No.	Particular	2018-19	2017-18
1	Profit booked in respect of sale of NPA	84.55	66.93

E. **Book value of Security Receipts backed by NPAs sold by the Bank:**

Particulars	SRs issued within past 5 Years	SRs issued more than 5 years ago but within past 8 Years ago	SRs issued more than 8 Years ago	Total
(i) Book value of SRs backed by NPAs sold by the bank as underlying	1,289.57 (2939.91)	1,418.42 (0.00)	150.49 (150.49)	2,858.48 (3090.40)
Provision held against (i) above	450.94 (599.22)	658.87 (0.00)	150.49 (150.49)	1,260.31 (749.71)
(ii) Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Provision held against (ii) above	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

5.4.5 Details of non-performing financial assets purchased/sold (from/to other banks)

(a) Details of non-performing financial assets purchased:

Particulars	2018-19	2017-18
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

BANK OF INDIA H.O. FINANCE DEPT. बैंक ऑफ इंडिया प्र.का. वित्त विभाग

N B S & Co. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI FRN 100990W CHARTERED ACCOUNTANTS

CHATURVEDI & CO. KOLKATA Chartered Accountants

(b) Details of non-performing financial assets sold:

Particulars	2018-19	2017-18
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.4.6 Provisions on Standard Assets:

Particulars	As at 31.03.2019	As at 31.03.2018
Provisions towards Standard Assets held as per RBI Norms	1,888.33	1,738.89

5.4.7 Divergence in Asset Classification, and Provisioning for NPAs:

In compliance with the Risk Assessment Report (RAR) for the year ended 2017-18, non-performing assets as per report have duly been classified and additional provision has been made. In conformity with RBI Circular No. BR.BP.BC.NO.63/21.04.018/2016-17 dated 18th April, 2017 & DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 and SEBI Circular No. CIR/CFD/CMD/80/2017 dated July 18, 2017, the required disclosure is detailed below:-

S.No	Particulars	Amount
1	Gross NPA as on 31st March, 2018 as reported by the Bank	62,328.46
2	Gross NPA as on 31st March, 2018 as assessed by the RBI	62,573.46
3	Divergences in Gross NPA (2-1)	245.00
4	Net NPA as on 31st March, 2018 as reported by the Bank	28,207.27
5	Net NPA as on 31st March, 2018 as assessed by the RBI	27,033.37
6	Divergences in Net NPA (5-4)	(-)1,173.90
7	Provision for NPA as on 31st March, 2018 as reported by the Bank	15,095.32
8	Provision for NPA as on 31st March, 2018 as assessed by the RBI	16,514.22
9	Divergences in Provisioning (8-7)	1,418.90
10	Reported Net Profit after tax (PAT) for the year ended 31st March 2018	(-)6,043.71
11	Adjusted (Notional) Profits after Tax (PAT) for the year ended 31st March 2018 after taking into account divergence in provisioning	(-)7,533.50

The impact of the above mentioned slippages due to divergences noted by Reserve Bank of India has been duly reflected in the results for the year ended 31st March 2019.

बैंक ऑफ इंडिया BANK OF INDIA H.O. प्र.का. वित्त विभाग FINANCE DEPT.

N B S & Co. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

MUMBAI FRN 109[illegible]W CHARTERED ACCOUNTANTS

CHATURVEDI & CO. KOLKATA Chartered Accountants

5.5 Business Ratios:

Sr. No.	Particulars	31.03.2019 (in %)	31.03.2018 (in %)
(i)	Interest Income as a percentage to average Working Funds	6.14	5.73
(ii)	Non-interest income as a percentage to average Working Funds	0.77	0.86
(iii)	Operating Profit as a percentage to average Working Funds	1.22	1.08
(iv)	Return on Assets	(-)0.84)	(-)0.91
(v)	Business per employee(deposits plus advances including interbank deposits) (in ₹ crore)	18.39	18.29
(vi)	Profit per employee (in ₹ crore)	(-)0.113	(-)0.123

5.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31st March, 2019

Details	Day 1 (01/04/2019)	2to 7 days (02/04/2019 To 07/04/2019)	8 TO 14 DAYS (08/04/2019 to 14/04/2019)	15 TO 28 DAYS (15/04/2018 to 28/04/2018)	Over 28 days up to 3 months (29/04/2018 to 30/06/2018)	Over 3 months and up to 6 months (01/07/2018 to 30/09/2018)	Over 6 months and up to 1 year. (01/10/2018 to 31/03/2019)	Over 1 year and upto 3 years. (01/04/2019 to 31/03/2021)	Over 3 years and up to 5years. (01/04/2021 to 31/03/2023)	Over 5 years (After 31/03/2023)	TOTAL (1 TO 10)
Deposits	13,059.04	20,551.39	10,989.61	17,260.63	57,045.27	38,780.11	43,484.04	116,710.56	80,921.22	122,060.48	520,862.35
	(15,171.04)	(17,126.17)	(18,832.98)	(22,592.58)	(59,992.22)	(42,778.59)	(35,759.26)	(105,560.84)	(76,085.47)	(126,955.22)	(520,854.38)
Advances	20,214.38	3,878.12	6,709.26	5,839.57	65,547.16	30,904.11	40,542.35	108,355.23	33,510.28	25,505.48	341,005.94
	(22,070.37)	(8,179.18)	(6,629.52)	(11,655.22)	(58,473.31)	(37,480.98)	(27,533.65)	(58,204.07)	(54,442.74)	(56,711.13)	(341,380.18)
Investments	0.00	660.17	17.10	280.01	3,822.34	3,099.11	2,497.28	12,945.89	24,917.28	99,399.86	147,639.04
	(0.00)	(611.78)	(739.87)	(216.80)	(1,752.65)	(5,741.89)	(5,551.20)	(9,565.70)	(22,853.61)	(90,077.61)	(137,111.11)
Borrowings	57.88	20,921.42	3,002.01	3.45	106.12	14.28	80.00	9,132.97	0.10	10,922.94	44,241.17
	(11.48)	(7,363.61)	(6,108.37)	(169.58)	(464.29)	(3,345.76)	(149.27)	(8,794.07)	(70.22)	(17,112.12)	(43,588.78)
(a) Foreign Currency Assets	2,741.63	10,518.39	2,842.02	9,207.15	17,191.35	10,601.62	15,739.06	13,537.63	5,730.44	11,136.42	99,245.71
	(6,266.56)	(3,716.90)	(3,063.45)	(24,323.59)	(21,802.51)	(29,663.47)	(18,931.79)	(11,673.94)	(5,952.92)	(14,168.03)	(139,563.15)
(b) Foreign Currency Liabilities	3,410.08	11,892.24	1,962.64	5,712.28	49,037.83	26,245.99	22,584.29	15,752.15	1,788.96	1,902.78	140,289.24
	(1,723.48)	(8,420.68)	(8,575.27)	(8,356.27)	(38,538.43)	(22,766.35)	(10,817.03)	(16,603.97)	(2,689.34)	(1,116.02)	(119,604.85)

5.7 Exposures

5.7.1 Exposure to Real Estate Sector, as compiled by the management

Sr. No.	Category		31.03.2019	31.03.2018
1	Direct Exposure		43,967.39	37,886.58
	(a)	Residential Mortgages	39,363.92	32,577.21
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	22,900.43	20,104.55
		(ii) Individual housing loans eligible for inclusion in priority sector	16,463.49	12,472.66
	(b)	Commercial Real Estate-	4,354.84	5,010.74
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	4,354.84	5,010.74
	(c)	Investments in Mortgage Backed duties (MBS) and other securitised Exposures	248.63	298.63
		a) Residential b) Commercial Real Estate	0.00 248.63	0.00 298.63
2	Indirect Exposure		18,956.71	12,801.73
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		18,956.71	12,801.73
Total exposure to Real Estate Sector (1+2)			62,924.10	50,688.31

5.7.2 Exposure to Capital Market

Sr. No	Category	31.03.2019	31.03.2018
i)	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;	1,026.31	1,058.82
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs),	8.34	132.10

Sr. No	Category	31.03.2019	31.03.2018
	convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		
iii)	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;	7.69	5.83
iv)	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;	0.69	9.13
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,297.87	1,948.26
vi)	Loans sanctioned to corporates 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;	9.58	0.00
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.00
viii)	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;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	6.70	6.70
x)	All exposures to Venture Capital Funds (both registered and unregistered)	314.86	356.49
	Total Exposure to Capital Market	**2,672.04**	**3,517.33**

5.7.3 Risk Category wise Country Exposure

Sr. No.	Risk Category	As at 31.03.2019		As at 31.03.2018	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	47,256.54	40.16	59,935.55	56.79
2	Low	17,877.75	10.02	20,732.18	8.55
3	Moderate	176.65	0.00	4,191.99	0.00
4	High	5,592.87	0.00	687.95	0.00
5	Very High	134.49	0.00	861.00	0.00
6	Restricted	1.00	0.00	0.06	0.00

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7	Off credit	0.00	00.0	0.00	0.00
	Total	**71,039.30**	**50.19**	**86,408.71**	**65.34**

5.7.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2019
1.	Single Borrower			
	None	(NIL)	(NIL)	(NIL)
2.	Group Borrower			
	None	(NIL)	(NIL)	(NIL)

5.7.5 Unsecured Advances:

Particulars	2018-19	2017-18
Total Unsecured Advances	72,189.96	66,799.16
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	653.32	605.52
ii) The estimated value of such intangible securities (as in (i) above)	480.38	757.99

5.7.6 MSME RESTRUCTURING -

RBI vide circular no.DBRNo.BP.BC.18/21.04.048/2018-19 dated 01.01.2019 regarding restructuring of advances wherein one- time restructuring of existing MSME Loan has been classified as "Standard" under this scheme, are as under:

No. of Account Restructured	Amount
14,757	479.25

5.7.7 Miscellaneous: Nil

5.7.8 Amount of Provisions made for Income-tax during the year

Particulars	2018-19	2017-18
Current Tax	(-)446.19	1170.02
Deferred Tax	(-)2,720.32	(-)3759.81
Total Tax Expense	**(-)3,166.51**	**(-)2589.79**

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5.7.9 Disclosures of Penalties imposed by RBI & Other Regulators

Particulars	2018-19	2017-18
Penalty imposed under Section 46(4) of The Banking-Regulation Act, 1949 and under other regulations	2.37	25.72

6. Disclosure requirements as per Accounting Standards (AS) where RBI has issued guidelines in respect of disclosure items for Notes to Accounts:

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

There are no material prior period items during the year.

(ii) Change in Accounting Policy (AS-5):

During the financial year ended March 31, 2019, bank has changed the method of appropriation of recovery in NPA accounts, where recoveries are now being adjusted against charges, Unrealised Interest (URI), Uncharged Interest (UCI) and lastly against principal as against the earlier method of adjusting recoveries against charges, URI, principal and lastly UCI. This has resulted in increase of interest income by ₹ 598.76, and Profit before tax by ₹ 165.07. The change in accounting policy is not system driven in case of Packing Credit, Bills, and Freezed accounts. The management is in the process of strengthening the system in order to make the process system driven. The management is of the opinion, that the impact, if any, of the same may not be material.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No	Particulars	FY 2018-19		FY 2017-18	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	7.79%	7.48%	7.85%	7.68%
	Rate of Return on Plan Assets	7.38%	8.28%	7.96%	8.23%
	Salary Escalation Current	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%

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Sr. No	Particulars	FY 2018-19		FY 2017-18	
		Gratuity	Pension	Gratuity	Pension
(ii)	**Table showing change in benefit obligation:**				
	Liability at the beginning of the period	1,754.54	13,716.87	1,410.08	12,851.13
	Interest Cost	124.14	979.58	101.35	945.76
	Current Service Cost	65.58	656.28	541.01	566.92
	Benefit Paid	321.93	1,241.69	238.07	1,073.17
	Actuarial (gain)/loss on Obligation	61.45	598.16	(-)59.83	426.23
	Liability at the end of the year	**1,683.78**	**14,709.20**	**1,754.54**	**13,716.87**
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the-Beginning of the period	1,319.42	13,330.64	1,360.32	12,321.80
	Expected return on Plan Assets	97.37	1,103.78	108.28	1,014.08
	Contributions	490.87	1,077.76	110.03	1,322.04
	Benefit Paid	321.93	1,241.69	238.07	1,073.17
	Actuarial gain/(loss) on Plan Assets	6.65	44.39	(-)21.14	(-)254.11
	Fair Value of Plan Assets at the end of the year	1,592.38	14,314.88	1,319.42	13,330.64
	Total Actuarial Gain/(Loss) to be recognised	**(-)54.80)**	(-)553.77	38.69	**(-)680.34**
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	97.37	1,103.78	108.28	1,014.08
	Actuarial gain/(loss) on Plan Assets	6.65	44.39	(-)21.14	(-)254.11
	Actual return on Plan Assets	**104.02**	**1,148.17**	**87.13**	**759.97**
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the period	1,683.78	14,709.20	1,754.54	13,716.87
	Fair Value of Plan Assets at the end of the year	1,592.38	14,314.88	1,319.42	13,330.64
	Amount Recognised in the Balance Sheet	**91.40**	**394.32**	**435.13**	**386.23**
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	65.58	656.28	541.01	566.92
	Interest Cost	124.14	979.58	101.35	945.76
	Expected Return on Plan Assets	(-)97.37	(-)1,103.78	(-)108.28	(-)1,014.08

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Sr. No	Particulars	FY 2018-19		FY 2017-18	
		Gratuity	Pension	Gratuity	Pension
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	54.80	553.77	(-)38.69	680.34
	Expense Recognised in P & L	**147.15**	**1,085.85**	**169.05**	**1,178.94**
	Unamortised expenses (not charged to P&L Account)	0.00	0.00	326.34	0.00
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	435.11	386.23	49.75	529.33
	Expenses as above	147.15	1,085.85	495.39	1,178.94
	Employer's Contribution	(-)490.87	(-)1,077.76	(-)110.03	(-)1,322.04
	Amount Recognised in Balance Sheet	**91.39**	**394.32**	**435.11**	**386.23**
(viii)	**Category of Assets **:**				
	Government of India Securities	71.88	1,986.75	71.34	1,951.31
	Equity	0.00	196.25	0.00	102.97
	Corporate Bonds	176.03	4,102.59	184.97	3,809.54
	State Government	340.09	4,504.91	348.10	3,745.26
	Other	1,004.38	3,524.37	715.00	3,721.56
	Total	**1,592.38**	**14,314.87**	**1,319.42**	**13,330.63**
(ix)	**Experience Adjustment:**				
	On Plan Liability (Gain)/Loss	54.03	546.91	(-)22.79	(-)66.62
	On Plan Asset (Loss)/Gain	14.29	37.73	(-)4.76	33.27

Other long term employee benefits*:

Particulars	31.03.2019		31.03.2018	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	791.43	83.02	708.41	(-)52.62
Leave Travel Concession	63.97	6.27	57.70	0.04
Resettlement Benefits	7.23	(-)0.21	7.44	0.41
Milestone Awards	4.24	(-)0.14	4.38	0.29
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

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The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 134.80 (Previous Year ₹ 110.99) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 823.14 (Previous Year ₹ 1,030) and towards Gratuity is ₹ 212.31 (Previous Year: ₹ 517.19).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2018-19**	**FY2017-18**	**FY2016-17**	**FY2015-16**	**FY2014-15**
Defined benefit obligation	1,683.78	1,754.54	1,410.08	1,370.70	1,310.99
Plan assets	1,592.38	1,319.42	1,360.32	1,223.87	1,265.18
Unrecognised Transitional liability	0.00	326.34	0.00	0.00	0.00
Surplus/(deficit)	91.40	108.78	(-) 49.76	(-)146.83	(-)45.81
Experience Adjustment On Plan Liability (Gain)/Loss	54.03	(-)22.79	38.41	146.31	(-)7.79
Experience Adjustment On Plan Asset (Loss)/Gain	14.29	(-)4.76	1.71	(-)6.41	19.27

	Pension Plan				
Particular	**FY2018-19**	**FY2017-18**	**FY2016-17**	**FY2015-16**	**FY2014-15**
Defined benefit obligation	14,709.20	13,716.87	12,851.12	11,076.48	9,420.03
Plan assets	14,314.88	13,330.64	12,321.80	10,515.60	9,041.48
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)394.32	(-)386.23	(-)529.32	(-)560.88	(-)378.55
Experience Adjustment On Plan Liability (Gain)/Loss	546.91	(-)66.62	198.92	930.23	592.91
Experience Adjustment On Plan Asset (Loss)/Gain	37.73	33.27	103.05	101.74	312.64

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6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

(*) The Bank does not have any significant "Other Banking Operations":

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		(*)Other Banking Operations		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue	13,611.87	14,610.29	15,607.04	15,182.93	16,578.61	13,845.17	0.00	0.00	45,797.52	43,638.39
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	366.15	445.996
Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	263.85	279.18
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	45,899.82	43,805.17
Results	1,797.02	2,233.86	(-)10,462.20	(-)13,637.44	931.05	3,313.80	0.00	0.00	(-)7,734.13	(-)8,089.78
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)979.28	(-)543.72
Operating Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)8,713.41	(-)8,633.50
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)3,166.51	(-)2,589.79
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)5,546.90	(-)6,043.71
Other Information :										
Segment Assets	239,484.92	221,716.34	214,175.60	220,336.55	146,370.77	147,961.60	0.00	0.00	600,031.29	590,014.49
Unallocated Assets									25,191.55	19,560.34
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	625,222.84	609,574.83
Segment Liabilities	229,093.29	214,023.60	230,500.49	237,554.10	114,950.68	118,298.87	0.00	0.00	574,544.46	569,876.57
Unallocated Liabilities									4,359.23	4,157.62
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	578,903.69	574,034.19

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Revenue	40,836.88	39,237.14	5,062.94	4,568.03	45,899.82	43,805.17
Assets	509,620.78	489,186.90	115,602.06	120,387.93	625,222.84	609,574.83

The Bank has recognised Business Segments as Primary Reporting Segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury Operations**: 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking**: Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:
i) Exposure – The maximum aggregate exposure up to ₹ 5 crore.
ii) The total annual turnover is less than ₹ 50 crore i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

Pricing of Inter-Segmental transfers:

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

Allocation of Costs:

a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments:

a) Domestic Operations
b) International Operations

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel:

Managing Director & CEO:	Shri Dinabandhu Mohapatra
Executive Directors:	Shri Neelam Damodharan Shri Atanu Kumar Das Shri C. G. Chaitanya

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b. **Subsidiaries**

i. BOI Shareholding Limited
ii. BOI AXA Investment Managers Private Limited
iii. BOI AXA Trustee Services Private Limited
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited
ix. Bank of India (Botswana) Limited

c. **Associates**

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. **4 Regional Rural Banks sponsored by the Bank**

i. Gramin Bank of Aryavart
ii. Jharkhand Gramin Bank;
iii. Narmada Jhabua Gramin Bank
iv. Vidharbha Konkan Gramin Bank

e. **Joint Venture:**

Star Union Dai-Ichi Life Insurance Co. Limited

II) *a) Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)*

Transactions with Related Parties (As compiled by Management and relied upon by the auditors)						
Particulars	**With Subsidiaries/ Associates/Joint Ventures**		**Key Management Personnel & their relatives**		**TOTAL**	
	2018-19	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Transactions during the year 2018-19						
Interest Received	16.65	1.27	-	-	16.65	1.27
Interest Paid	73.69	61.10	-	-	73.69	61.10
Dividend received	11.70	6.22	-	-	11.70	6.22
Other Income	86.41	89.47	-	-	86.41	89.47
Sale of Govt. Securities/Treasury Bills	345.16	558.65	-	-	345.16	558.65
Purchase of Govt. Securities/Treasury Bills	1,123.80	638.62	-	-	1,123.80	638.62
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	1.08	1.02	-	-	1.08	1.02
Matured Deposits	-	12.35	-	-	-	12.35
Loans Provided	810.63	1,569.77	-	-	810.63	1,569.77
Loans Repaid	562.37	1,818.21	-	-	562.37	1,818.21
Sale of NPA	-	-	-	-	-	-
Investments made	-	-	-	-	-	-
Equity shares issued under Employee's Stock Purchase Scheme (ESPS)	-	-	0.24	-	-	-
Outstanding as on 31.03.2019		-				
Payable	-	-	-	-	-	-
Deposits accepted	44.43	38.34	-	-	44.43	38.34
Borrowing	-	-	-	-	-	-
Loans given	248.00	-	-	-	248.00	-
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	3.57	2.69	-	-	3.57	2.69
Receivables (Advances)	-	-	-	-	-	-
Investments	313.38	313.38	-	-	313.38	313.38
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	11.71	9.50	-	-	11.71	9.50

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

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b) *Key Management Personnel: Remuneration paid in ₹:*

Sr. No	Particulars	2018-19	2017-18
1	Shri Dinabandhu Mohapatra	2,907,051	2,396,529
2	Shri Melwyn O Rego	0	452,824
3	Shri Neelam Damodharan	2,533,503	2,283,849
4	Shri Atanu Kumar Das	2,561,116	2,283,722
5	Shri C. G. Chaitanya	2,474,949	1,085,733
6	Shri R. A. Sankara Narayanan	0	969,286

6.6 Accounting Standard 19 – Lease Financing: - Nil

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2018-19	2017-18
1.	Basic & Diluted *	(-)29.79	(-)52.55

Calculation of Basic & Diluted E.P.S.

Sr. No.	Particulars	2018-19	2017-18
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	(-)5,546.90	(-)6,043.71
(B)	Weighted Average Number of Equity shares (in crore)	186.22	115.02
(C)	Basic Earnings per Share (A/B) (₹)	(-)29.79	(-)52.55
(D)	Nominal Value per Share (₹)	10.00	10.00

* Basic & Diluted E.P.S. are same as there are no dilutive potential equity shares.

6.8 Accounting Standard 22 – Accounting for Taxes on Income

The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr No	Particulars	31.03.2019	31.03.2018
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	13,123.92	10,329.10
ii)	On account of timing difference towards other provisions/items	79.01	76.15
iii)	On account of Foreign Currency Translation Reserve (FCTR)	214.70	154.86
iv)	Others	422.10	456.79
	Total Deferred Tax Assets	**13,839.73**	**11,016.90**

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	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	265.58	251.42
ii)	On account of interest accrued but not due on investments	927.38	839.99
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961 *	758.28	758.28
iv)	Others	2.88	1.92
	Total Deferred Tax Liabilities	**1,954.12**	**1,851.61**
	Net Deferred Tax Assets / (Liabilities)	**11,885.61**	**9,165.29**

* ₹ 431.67 out of past reserves and balance out of profit

6.9 Accounting Standard 24 - Discontinuing Operations:

In consonance with the Government of India directives and as a part of strategic initiatives for rationalization of Overseas Operations, the Bank has decided to exit from certain foreign operations. During the year 2018-19, the Bank has initiated closure of its subsidiary namely Bank of India (Botswana) Ltd. The impact of closure of operations in this territory on the business of the Bank, is not material.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹75 (Previous year ₹75) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2019	31.03.2018
Liabilities		
Capital & Reserves	173.80	152.36
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	2,349.17	2,013.07
Total	**2,522.97**	**2,165.43**
Assets		
Cash and Balances with Reserve Bank of India	38.16	25.80
Balances with Banks and Money at call and short notice	-	-

Particulars	31.03.2019	31.03.2018
Investments	2,313.18	1,993.27
Advances	2.44	2.58
Fixed Assets	4.98	5.67
Other Assets	164.21	138.11
Total	**2,522.97**	**2,165.43**
Capital Commitments	-	-
Other Contingent Liabilities	25.66	7.38
Income		
Interest Earned	9.22	6.98
Other Income	29.77	23.32
Total	**38.99**	**30.30**
Expenditure		
Interest Expended	-	-
Operating Expenses	8.54	8.32
Provisions & Contingencies	1.05	-
Total	**9.59**	**8.32**
Profit / (Loss)	**29.40**	**21.98**

6.11 Impairment of Assets (Accounting Standard 28): ₹ Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2018-19	**2017-18**
Opening Balance	96.43	97.14
Provided during the year	3.85	1.94
Amounts used during the year	0.00	2.65
Closing Balance	100.28	96.43
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Additional Disclosures

7.1 Provisions and Contingencies

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2018-19	2017-18
Provision for Depreciation on Investment	1,064.24	1,468.64
Provision towards NPA	15,769.65	15,095.32
Provision towards Standard Assets	126.32	(-)671.25
Provision made towards Income Tax (including Deferred Tax)	(-)3,166.51	(-)2,589.79
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)227.83	(-)188.09
• Provision for Country Risk	(-)15.15	(-)12.14
• Other Provisions	88.39	79.94
Total	**13,639.11**	**13,182.63**

7.2 Floating Provisions:

Particulars	2018-19	2017-18
Opening Balance in the floating provisions account	232.22	232.22
Add: The quantum of floating provisions made in the accounting year	0.00	0.00
Less: Amount of draw down made during the accounting year	0.00	0.00
Closing Balance in the floating provisions account	232.22	232.22

7.3 Drawdown from Reserves:

There is no drawdown from reserves made during the year ended 31.03.2019.

7.4 Disclosure of complaints

i) *Customer Complaints: As compiled by the management*

Sr. No	Particulars	2018-19	2017-18
(a)	No. of complaints pending at the beginning of the year	220	255
(b)	No. of complaints received during the year	34,736	35,874
(c)	No. of complaints redressed during the year	34,675	35,909
(d)	No. of complaints pending at the end of the year	281	220

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ii) *ATM Complaints: As compiled by the management*

Sr. No	Particulars	2018-19	2017-18
(a)	No. of ATMs complaints pending at beginning of the year	5,631	2,285
(b)	No. of ATMs complaints received during the year	3,25,776	1,92,132
(c)	No. of ATMs complaints redressed during the year	3,21,413	1,88,786
(d)	No. of ATMs complaints pending at the end of the year	9,994	5,631

iii) *Awards passed by the Banking Ombudsman:*

Sr. No	Particulars	2018-19	2017-18
(a)	No. of unimplemented Awards at the beginning of the year	2	0
(b)	No. of Awards passed by the Banking Ombudsman during the year	8	2
(c)	No. of Awards implemented during the year	2	0
(d)	No. of unimplemented Awards at the end of the year	8	2

7.5 Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management)

During the year 2018-19, the bank has not issued any Letter of Comforts on behalf of Subsidiaries. During the year 2011-12, the bank has issued an undertaking to the governor, Bank of Botswana in respect of its wholly owned subsidiary, Bank of India (Botswana) Ltd to meet its financial commitments if they fall due.

During the year 2010-11, the bank issued parental guarantee in favour of Royal Bank of New Zealand for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2019, no financial obligations have arisen on the above commitments.

7.6 Provisioning Coverage Ratio (PCR)

The Provisioning to Gross Non-Performing Assets of the Bank as on 31st March 2019 is 76.95% (Previous year: 65.85%).

7.7 Fees, remuneration received from Bancassurance business:

Particulars	2018-19	2017-18
Life Insurance Policies	68.73	75.79
Non-Life Insurance Policies	23.38	28.15
Health Insurance Business	3.16	2.48
Total	**95.27**	**106.42**

7.8 Concentration of Deposits, Advances, Exposures and NPAs

7.8.1 Concentration of Deposits –

Particulars	2018-19	2017-18
Total Deposits of twenty largest depositors	19,603.83	22,668.35
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.76%	4.35%

7.8.2 Concentration of Advances -

Particulars	2018-19	2017-18
Total Advances to twenty largest borrowers	60,815	54,226
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	14.28%	12.43%

7.8.3 Concentration of Exposures –

Particulars	2018-19	2017-18
Total Exposure to twenty largest borrowers/customers	73,161	71,086
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	12.68%	12.32%

7.8.4 Concentration of NPAs

Particulars	2018-19	2017-18
Total Exposure to top four NPA accounts	7,035	7,985

7.9 Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)

Sr. No.	Sector	2018-19			2017-18		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	**Priority sector**						
1	Agriculture & allied activities	50,337.96	10,534.29	20.93	44,140.19	6,256.40	14.17
2	Advances to industries sector eligible as priority sector lending	22,557.81	6,027.20	26.72	33,798.55	7,026.97	20.79
3	Services	32,426.37	5,932.34	18.29	19,667.73	2,812.67	14.30
4	Personal loans	18,558.18	1,106.01	5.96	9,254.61	396.80	4.29
	Sub-total (A)	**1,23,880.32**	**23,599.84**	**19.05**	**1,06,861.08**	**16,492.84**	**15.43**

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B	**Non Priority Sector**						
1	Agriculture & allied activities	1,842.81	318.70	17.29	2,600.06	298.74	11.49
2	Industry	1,52,775.78	39,212.85	25.67	1,17,566.64	45,091.65	38.35
3	Services	1,04,372.01	19,531.00	18.71	51,731.03	7,406.45	14.32
4	Personal loans	26,283.32	4,292.60	16.33	21,609.36	1,182.10	5.47
	Sub-total (B)	**2,85,273.92**	**63,355.15**	**22.21**	**1,93,507.09**	**53,978.94**	**27.90**
	Total (A+B)	**4,09,154.24**	**86,954.99**	**21.25**	**3,00,368.17**	**70,471.78**	**23.46**

7.9.1 Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):

Purchased during the year	Sold During the Year
5,090.00	0.00

Bank has purchased 20360 units of PSLCs amounting to ₹ 5090.00 during the year ended 31st March 2019, by paying a premium of ₹ 34.09 to bridge the gap under agriculture in reaching 18% of ANBC mandatory target.

7.10 Movement of NPAs:

Particulars	2018-19	2017-18
Gross NPAs as on 01.04.2018 (Opening Balance)	62,328.46	52,044.52
Additions(Fresh NPAs) during the year	17,902.53	25,580.50
Sub-total(A)	**80,230.99**	**77,625.02**
Less:		
(i) Up gradations	3,368.81	2,212.43
(ii) Recoveries-excluding recoveries made from upgraded accounts	8,784.61	4,039.33
(iii) Technical/Prudential Write Offs	829.43	6,591.50
(iv) Write offs other those under (iii) above	6,587.02	2,453.30
Sub-total (B)	**19,569.87**	**15,296.56**
Gross NPAs as on 31.03.2019 (Closing Balance) (A-B)	**60,661.12**	**62,328.46**

7.11 Movement of Technically/Prudentially written-off accounts:

Particulars	2018-19	2017-18
Opening Balance of Technical/prudential written-off accounts	20,269.15	13,640.98
Add: Technical/prudential written-offs during the year	4,104.33	8,148.16
Sub-total(A)	24,373.48	21,789.14
Less: Recoveries made from previously technical/prudential written-off accounts during the year(B)	2,082.16	1,519.99
Closing Balance (A-B)	22,291.32	20,269.15

7.12 Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2018-19	2017-18
1	Total Assets	1,15,607.39	1,20,387.93
2	Total NPAs	11,310.39	11,892.66
3	Total Revenue	5,064.83	4,568.37

7.13 Off-Balance Sheet SPVs sponsored:

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

7.14 Disclosure relating to Securitisation:

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2018-19.

7.15Credit Default Swaps:

The bank has not dealt with any Credit Default Swap.

7.15.1 Intra-Group Exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2018-19	2017-18
A	Total amount of intra group exposures	5,671.59	4,640.52
B	Total amount of top 20 intra group exposure	5,671.59	4,640.52
C	% of Intra group Exposure to total exposure on Borrowers/Customers	0.69%	0.57%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

7.16 Transfers to Depositors Education and Awareness Fund (DEAF)

Particulars	FY 2018-19	FY 2017-18
Opening balance of amounts transferred to DEAF	539.24	292.26
Add : Amounts transferred to DEAF during year	257.75	261.90
Less : Amounts reimbursed by DEAF towards claims	12.98	14.92
Closing balance of amounts transferred to DEAF	**784.01**	**539.24**

7.17 Unhedged Foreign Currency Exposure (UFCE): As compiled by the management

Sr. No.	Particulars	FY 2018-19	FY 2017-18
A	Opening balance provisions account	34.07	57.75
B	The quantum of provisions made in the accounting year	18.95	3.64
C	Amount Reverse during the accounting year	16.92	27.32
D	Closing balance in the provisions account	36.09	34.07

The bank has duly approved policies by the Board on Capital and Provisioning Requirement for exposures to entities with UFCE which is based on RBI circulars.

As on 31.03.2019, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional RWA on this exposure is ₹ 399.69 (Previous Year ₹ 926.37). As against this, additional minimum capital requirement is ₹ 43.47 (Previous Year ₹ 100.74).

8. Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

	LCR COMPONENTS	As on 31.03.2019*		As on 31.03.2018 *	
		Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		81,406.60		97,491.02
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	384,601.79	38,041.47	375,378.63	37,414.07
(i)	Stable deposits	7,942.94	393.94	7,308.20	397.53
(ii)	Less stable deposits	376,658.85	37,647.54	368,070.43	37,016.54
3	Unsecured wholesale funding of which:	57,284.99	29,126.99	63,934.97	31,693.12
(i)	Operational deposits (all counterparties)	-	-	2,128.17	421.13
(ii)	Non -operational deposits (all counterparties)	46,452.64	18,586.66	54,011.28	23,433.08
(iii)	unsecured debts	10,832.35	10,540.33	7,795.53	7,838.92
4	Secured wholesale funding		612.39		-
5	Additional requirements, of which	13,773.10	5,069.89	23,064.97	7,171.68
(i)	Outflows related to derivative exposures and other collateral requirement	3,406.46	3,418.93	4,014.83	4,209.29
(ii)	Outflows related to loss of funding on debt products	162.27	64.91	-	-
(iii)	Credit and liquidity facilities	10,204.37	1,586.05	19,050.14	2,962.39
6	Other contractual funding obligations	25,312.35	25,345.11	12,203.89	11,717.81
7	Other contingent funding obligations	42,324.56	1,583.89	50,948.12	2,252.64
8	TOTAL CASH OUTFLOWS		99,779.75		90,249.32
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	9,301.63	6,701.47	18,785.28	11,032.89
10	Inflows from fully performing exposurs	24,596.62	17,027.94	7,596.24	4,879.10
11	Other cash inflows	11,365.42	10,144.82	18,911.44	18,210.45
12	TOTAL CASH INFLOWS	45,263.67	33,874.23	45,292.95	34,122.44
			Total Adjusted Value 3		Total Adjusted Value 3
21	TOTAL HQLA		81,406.60		97,491.02
22	TOTAL NET CASH OUTFLOWS		65,905.53		56,126.87
23	LIQUIDITY COVERAGE RATIO(%)		123.52		173.70

Note-

*** On consolidated basis (including domestic and foreign subsidiaries)**

@ Disclosure as on 31.03.2019 as well as 31.03.2018 has been done by taking simple average of daily observations over previous 4 quarters (i.e. average for the FY 2018-19 & FY 2017-2018 respectively). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR:

W.e.f. 1st January 2015, the Bank has implemented guidelines on Liquidity Coverage Ratio (LCR) as directed by Reserve Bank of India.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need.

- Net cash outflows are excess of total inflows over total outflows under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors.

- In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

- With effect from 01.01.2015, Banks are required to maintain minimum 60% LCR on an ongoing basis. The same shall reach 100% as on 01.01.2019 with incremental increase of 10% each year.

	01.01.2015	01.01.2016	01.01.2017	01.01.2018	01.01.2019
Minimum LCR	60%	70%	80%	90%	100%

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

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The composition of HQLA as on date of disclosure is given below:

Cash in hand	4%
Excess CRR balance	8%
Government securities in excess of minimum SLR Requirement	7%
Government securities within the mandatory SLR Requirement, to the extent allowed by RBI under MSF including FALLCR (presently to the extent of 15 percent of NDTL as allowed for MSF)	11%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	5%
Facility to Avail Liquidity for Liquidity Coverage Ratio	61%
Level 2 Assets	4%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers (about 60%) therefore the stressed outflows are comparatively lower. However, in absence of any non-callable option for term deposits, the Bank has considered almost all deposits under outflow section as per RBI guidelines. Bank also does not have funding concentration from any significant counterparty. A significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the bank's total liabilities.

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. In our case, USD is the only significant currency. Therefore, Bank also calculates LCR in USD currency.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO on regular intervals. The entire liquidity management process of the Bank is being governed by ALM Policy of the Bank.

The liquidity management for domestic operations is the central function, being managed at Head Office level. The overseas liquidity management is being handled at each centre, jurisdiction wise to keep close monitoring and control and also to comply with the local regulatory requirements as well. International Division of the Bank keeps watch on the overseas liquidity position and the overall liquidity monitoring is done at Head Office level centrally.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: No such items as per our notice.

9. Other Notes:

a) Income Tax:

(i) Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 631.93 (previous year ₹ 653.42) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(ii) Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

b) Movement of Reward Points for 2018-19:

(in Units)

Sr. No.	Particulars	Reward points on Debit Card	Reward points on Credit Card	Total
1	Opening Balance	2166169724	221864993	2388034717
		(1389590266)	(59043930)	(1448634196)
2	Add: Reward points accrued during the Year by Customers	1654113828	205673032	1859786859
		(1328898249)	(211830022)	(1540728271)
3	Less: Reward Points availed by customers	468787399	89274206	558061606
		(324187381)	(49008959)	(373196340)
4	Less: Reward Points Expired (FY 2018-19)	275955175	0	275955175
		(228131410)	(0)	(228131410)
5	Closing Balance	3075540977	338263818	3413804795
		(2166169724)	(221864993)	(2388034717)

c) Disclosure regarding frauds:

Financial Year	Number of frauds	Amount involved	Probable Loss	Quantum of Provision made during the year	Quantum of unamortized provision debited from other reserve
2018-19	211	4,172.17	3,135.97	3,,230.09	0.00
	(170)	(2,619.07)	(2,579.12)	(2,579.12)	(0.00)

d) The 11th Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October, 2017. In accordance with the pending execution of agreement for wage revision, to be effective from 1st November 2017, an ad-hoc sum of ₹ 600 (previous year ₹ 100) has been provided during financial year ended March 31, 2019 towards wage arrears. Cumulative provision held as on March 31, 2019 is ₹ 700.

e) **Strategy for Ind-AS implementation and its Progress**

Ind AS was initially planned to be implemented in Banks from April 1, 2018, which was deferred by RBI by one year owing to the pending legislative amendments in Banking Regulation Act, 1949 and also the level of preparedness of Banks. RBI vide its Circular No. DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, has once again deferred implementation of Ind AS till further notice as the legislative amendments recommended by RBI are under consideration of the Government of India.

The meetings of Steering Committee, headed by Executive Director, are held at regular intervals to discuss the issues in implementation process. As required by RBI, Bank has submitted quarterly Proforma Ind AS Financial Statements (PFS) during FY 2018-19 after being discussed/approved by Steering Committee. The PFS have also been presented to Audit Committee of Board along-with the overall progress report regarding Ind AS implementation.

Since Ind AS is more principle-based compared to present reporting requirements and its implementation involves use of substantial amount of judgments and assumptions, bank is constantly endeavoring in refining such judgements / assumptions. Bank is also evaluating improvements in extracting system based data for Ind AS implementation.

Implementation of Ind AS may entail acquiring new systems and also modifications changes in existing core banking system. Bank is in the process of evaluating such system changes that may have to be made for smooth implementation of Ind AS.

f) During the financial year ended March 31, 2019, bank has made additional provision of ₹ 4,817 in view of uncertainty of recovery and deterioration in value of underlying assets in respect of 213 borrower.

g) In respect of RBI referred NCLT accounts (List 1 & 2), as on March 31, 2019, Bank holds 100% provision of the outstanding value of ₹ 6,150.88.

h) In terms of RBI Circular DBR.No.BP.BC.64/21.04.048/2016-17 dated April 18, 2017 regarding stressed sectors identified by Bank, the Board of Directors of the Bank has approved standard assets provision of 0.10%, over & above the regulatory minimum, in respect of the Bank's advances pertaining to Telecommunication, Textile, Iron & Steel, Commercial Real Estate, Other Metal & Metal products, Gem & Jewellery, Roads & ports, Vehicle & Vehicle Parts, Mining & Quarrying and Power Industry. Accordingly, an additional provision of ₹ 59.76 has been held as at March 31, 2019. Further, in respect of one stressed performing asset in aviation sector Bank has made additional provision of ₹ 40.

i) During the period, bank has revalued all premises forming parts of its fixed assets. Surplus arising on such revaluation aggregating to ₹ 689.94 is credited to 'Revaluation Reserves', under 'Reserves & Surplus'. The Revaluation Reserve has been reckoned for CET I capital as per extant RBI guidelines.

j) RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates as per the scheme. Accordingly, the Bank has retained advances of ₹ 190.96 as 'standard assets' as on March 31, 2019. In accordance with the provisions of the circular, the Bank has not recognised interest income of ₹ 1.56 and is maintaining a standard asset provision of ₹ 9.55 as on March 31, 2019 in respect of such borrowers.

k) For the year ended 31-03-2019, Bank has shifted Central Government securities with a book value of ₹ 5,923.20 and State Government securities with a book value of ₹ 4,446.83 from HTM to AFS category and has booked depreciation upon such transfer. Further, Bank has shifted, Central Government securities with a book value of ₹ 8,835.95 from AFS to HTM category after charging shifting loss of ₹ 537.42.

For the year ended 31-03-2019, Bank has also shifted portfolio of Venture Capital Fund for an amount of ₹ 43.12 from HTM to AFS category after providing for depreciation of ₹ 9.71.

l) The Bank has received 18 Investor complaints during the financial year ended March 31, 2019 which has been disposed-off. There are no pending investor complaints at the beginning or end of the year.

m) In terms of RBI Press release no.2018-2019/1807 dated January 31, 2019, Bank has been taken out of 'Prompt Corrective Action (PCA)' framework.

n) Figures of the previous year have been regrouped/rearranged, wherever considered necessary, to confirm to current year classification.

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N B S & CO MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

BANSHI JAIN & ASSOCIATES MUMBAI FRN 100990W CHARTERED ACCOUNTANTS

CHATURVEDI & CO. KOLKATA Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of Bank of India

1. We have audited the accompanying Statement of Consolidated Financial Results of Bank of India ("the **Parent Bank**") and its subsidiaries, associates and jointly ventures (collectively hereinafter referred to as "**the Group**") the for the year ended 31st March 2019 ("**the Statement**"), being submitted by the Parent Bank pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to "consolidated Pillar III disclosure" as at 31st March 2019, as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us. The consolidated financial results are based on :-

   a) Financial statements of the Parent Bank

   b) Financial statements of three domestic subsidiaries, one domestic joint venture, one domestic associate audited by other auditors

   c) Audited Financial statements of one overseas associate for the year ended 31st December 2018

   d) Financial statements of four overseas subsidiaries prepared by the management and reviewed by other auditors specifically for consolidation purpose, and

   e) Unaudited financial statements of one domestic subsidiary, one overseas subsidiary and five domestic associates.

2. This Statement, which is the responsibility of the Parent Bank's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standard 21-"Consolidated Financial Statements", Accounting Standards 23-"Accounting for Investment in Associates in Consolidated Financial Statements " and Accounting Standards 27 - Financial Reporting of Interest in Joint Venture" issued by the Institute of Chartered Accountants of India, the relevant provisions of Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the Statement whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Parent Bank's internal financial control with reference to Statement. An audit also includes evaluating the appropriateness

MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

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KOLKATA Chartered Accountants

of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

We believe that the audit evidence obtained by us, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 6 below, is sufficient and appropriate to provide a basis for our audit opinion.

4. Without qualifying our conclusion, we draw attention to:

   a) Note No. 13 regarding change in accounting policies in appropriation of recovery in NPA accounts;

   b) Note No. 15 and 16 regarding provision made in NPA accounts.

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the Group, jointly controlled entities and associates referred to in paragraph 6 below, the Statement:

   a) includes the results of the Group entities;

   b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31st March 2019 under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been audited by us; and

   c) gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Accounting Standards, RBI Guidelines and other accounting principles generally accepted in India of the consolidated net loss and other financial information of the Group for the year ended 31st March 2019.

6. We did not audit the financial statements of followings, whose financial statements are incorporated in the consolidated financial results of the Group:

   a) Subsidiaries whose financial statements reflect total assets of Rs.2944.87 Crore, total revenues of Rs.345.87 Crore, total net profit after tax of Rs.26.97 Crore and net cash outflows of Rs.119.23 Crore;

   b) Jointly controlled entities whose financial statements reflect total assets of Rs.8585.21 Crore, total revenue of Rs.2669.39 Crore, net profit after tax of Rs.101.53 Crore and net cash inflows of Rs.197.78 Crore;

   c) Associates reflecting share of net profit of the Parent Bank of Rs.30.18 Crore.

These financial statements have been reviewed/audited by other auditors whose reports have been furnished to us by the Management and our opinion on the quarterly consolidated financial results and the year to date consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, Joint controlled entities and associates and our report, in so far as it relates to the aforesaid subsidiaries, Joint controlled entities and associates, is based solely on the reports of the other auditors.

N B S & CO. MUMBAI FRN 110100W CHARTERED ACCOUNTANTS

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CHATURVEDI & CO. Chartered Accountants

Our opinion on the Statement is not modified in respect of the above matter.

7. The consolidated financial results includes the unaudited financial statements of 2 (two) subsidiaries, whose financial statements reflect total assets of Rs. 93.39 Crore as at 31st March, 2019, total revenue of Rs. 7.39 Crore, total net profit after tax of Rs. 0.03 Crore and net cash outflows of Rs. 10.94 Crore for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of net profit after tax of Rs.41.15 Crore for the year ended 31st March,2019, as considered in the consolidated financial results, in respect of 5 (five) associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements / financial information.

   Our opinion on the Statement is not modified in respect of the above matter.

8. These financials results include the results for the quarter ended 31st March, 2019 being the balancing figures between the audited figures in respect of the full financial year and the published year to date figure up to 31st December 2018 of the relevant financial year, which were subject to limited review by us.

M/s. NBS & Co. Chartered Accountants (FRN 110100W) Pradeep Shetty Partner M.No. 046940	M/s Banshi Jain & Associates Chartered Accountants (FRN 100990W) Parag Jain Partner M.No. 078548	M/s. Chaturvedi & Co. Chartered Accountants (FRN 302137E) S. C. Chaturvedi Partner M.No. 012705

Place- Mumbai
Date- 16th May, 2019

BANK OF INDIA

CONSOLIDATED
BALANCE SHEET

AS AT 31ST MARCH 2019

&

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2019

BANK OF INDIA
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

	Schedule	As at 31-03-2019 ₹	As at 31-03-2018 ₹
I. CAPITAL AND LIABILITIES			
Capital	1	27,600,285	17,437,175
Reserves & Surplus	2	402,539,191	350,127,640
Share Application Money, pending allotment		46,380,000	0
Minorities Interest	2A	1,621,544	1,591,471
Deposits	3	5,225,549,623	5,229,969,037
Borrowings	4	442,651,923	435,982,563
Other liabilities and provisions	5	162,496,529	116,735,522
TOTAL		6,308,839,095	6,151,843,398
II. ASSETS			
Cash and balances with Reserve Bank of India	6	293,220,915	315,751,890
Balances with Banks and money at call and short notice	7	655,379,035	644,490,435
Investments	8	1,509,050,173	1,403,210,710
Advances	9	3,429,663,402	3,432,889,205
Fixed Assets	10	89,990,777	83,498,563
Other Assets	11	331,534,793	272,002,595
TOTAL		6,308,839,095	6,151,843,398
Contingent Liabilities	12	3,113,172,987	3,427,836,769
Bills for collection		285,047,547	321,051,506
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra
Chief Financial Officer

C.G. Chaitanya
Executive Director

A.K. Das
Executive Director

N. Damodharan
Executive Director

Dinabandhu Mohapatra
Managing Director & CEO

G. Padmanabhan
Chairman

DIRECTORS

Dakshita Das

S.C. Murmu

Veni Thapar

D Sadasivam

D Harish

In terms of our report of even date attached

For NBS & Co.
Chartered Accountants
(FRN 110100W)

Pradeep Shetty
Partner
M. No. 046940

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Parag Jain
Partner
M. No. 078548

For Chaturvedi & Co.
Chartered Accountants
(FRN 302137E)

S.C. Chaturvedi
Partner
M. No. 012705

Place: Mumbai
Date: 16th May, 2019

BANK OF INDIA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

	Schedule	Year ended 31-03-2019 ₹	Year ended 31-03-2018 ₹
I. INCOME			
Interest earned	13	410,048,191	383,127,982
Other income	14	52,640,298	58,458,900
TOTAL		462,688,489	441,586,882
II. EXPENDITURE			
Interest expended	15	272,071,159	276,788,305
Operating expenses	16	108,670,426	92,651,886
Provisions & Contingencies	18(9)(b)(i)	136,921,107	132,875,461
TOTAL		517,662,692	502,315,652
Share of earnings/(loss) in Associates	16A	713,310	911,615
Consolidated Net Profit/(Loss) for the year before deducting Minorities' interest		(54,260,893)	(59,817,155)
Less: Minorities' interest		4,770	(204,040)
Consolidated Net Profit/(Loss) for the year attributable to the group		(54,265,663)	(59,613,115)
Add: Brought forward consolidated profit/(loss) attributable to the group		(149,144,493)	(85,852,891)
TOTAL		(203,410,156)	(145,466,006)
III. APPROPRIATIONS			
Transfer to Statutory Reserve		0	60,887
Transfer from Investment Fluctuation Reserve		0	0
Transfer to/ (from) Revenue Reserve		0	0
Transfer to Capital Reserve		735,300	3,617,600
Transfer (from) / to Special Reserve - Currency Swap		0	0
Interim Dividend (including dividend tax)		0	0
Final Dividend (including dividend tax)		0	0
Dividend Tax - for Subsidiary		0	0
Special Reserve u/s Sec 36(1) (viii) of Income Tax Act, 1961		0	0
Balance carried over to consolidated Balance sheet		(204,145,456)	(149,144,493)
TOTAL		(203,410,156)	(145,466,006)
Significant accounting policies	17		
Notes to Accounts	18		
Earnings Per Share (₹)		-29.14	-51.83

The Schedules referred to above form an integral part of the Profit and Loss Account.
The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

K.V. Raghavendra
Chief Financial Officer

C.G. Chaitanya
Executive Director

A.K. Das
Executive Director

N. Damodharan
Executive Director

Dinabandhu Mohapatra
Managing Director & CEO

G Padmanabhan
Chairman

DIRECTORS

कविता

Dakshita Das

S.C. Murmu

Venu Thapar

D Sarkar

D Harish

In terms of our report of even date attached

For NBS & Co.
Chartered Accountants
(FRN 110100W)

Pradeep Shetty
Partner
M. No. 046940

For Banshi Jain & Associates
Chartered Accountants
(FRN 100990W)

Parag Jain
Partner
M. No. 078548

For Chaturvedi & Co.
Chartered Accountants
(FRN 302137E)

S.C. Chaturvedi
Partner
M. No. 012705

Place: Mumbai
Date: 16th May, 2019

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2019

(₹ in 000's)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**(85,875,642)**	**(85,483,085)**
Adjustments for:		
Amortisation / Depreciation on Investments	13,919,098	18,428,209
Depreciation on Fixed Assets	3,728,417	5,216,765
Profit on sale of Assets	(43,03,827)	(528,326)
Provision for NPA	158,151,411	151,971,856
Provision for Standard Assets	1,267,918	(6,711,789)
Provision for Other Assets	(1,545,141)	(1,201,026)
Interest on Subordinated Bonds, IPDI Upper Tier II Bonds	10,151,050	10,433,533
Dividend received	(114,861)	(748,29)
Adjustments for:		
Increase /(Decrease) in Deposits	(4,419,414)	(193,552,110)
Increase /(Decrease) in Borrowings	70,669,370	48,136,972
Increase / (Decrease)in Other Liabilities and Provisions	48,623,831	(38,779,474)
(Increase) / Decrease in Investments	(119,045,252)	(113,214,675)
(Increase)/ Decrease in Advances	(154,925,607)	98,426,587
(Increase) / Decrease in Other Assets	5,451,447	48,662,777
Direct Taxes (Paid)/Refund	(33,913,819)	(15,391,360)
Net Cash Flow from Operating Activities (A)	**(92,181,021)**	**(73,659,975)**
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(2,978,162)	(3,435,390)
Sale of Fixed Assets	4,257,222	891,594
Dividend received	114,861	74,829
Impact of consolidation of subsidiaries	(713,310)	(911,615)
Minority Interest	30,073	781,662
Net Cash Flow from Investing Activities (B)	**710,684**	**(2,598,920)**
C. Cash Flow from Financing Activities:		
Share Capital	10,163,111	6,882,833
Share Premium	97,435,901	105,343,211
Share Application Money	46,380,000	(17,219,175)
IPDI, Subordinated Bonds & Upper Tier II Bonds (Net)	(64,000,000)	(7,068,588)
Dividend paid	-	
Interest Paid on IPDI, Subordinated Bonds, Upper Tier II Bonds	(10,151,050)	(16,084,150)
Net Cash Flow from Financing Activities (C)	**79,827,962**	**71,854,131**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(11,642,375)**	**(4,404,764)**

Continued

BANK OF INDIA

Statement of Consolidated Cash Flow for the year ended 31st March, 2019

(₹ in '000s)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Cash and Cash Equivalents as at the beginning of the Year	960,242,325	964,647,089
Cash and Cash Equivalents as at the end of the Year	948,599,950	960,242,325

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	293,220,915	315,751,890
Balances with Banks and money at call and short notice (Schedule 7)	655,379,035	644,490,435
Cash and Cash Equivalents as at the end of the year	948,599,950	960,242,325

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

K.V. Raghavendra	C.G.Chaitanya	A.K.Das	N.Damodharan	Dinabandhu Mohapatra	G. Padmanabhan
Chief Financial Officer	Executive Directors			Managing Director & CEO	Chairman

DIRECTORS

Dakshita Das S.C. Murmu Veni Thapar D Sarker D Harish

In terms of our report of even date attached

M/s. NBS & Co	M/s Banshi Jain & Associates	M/s. Chaturvedi & Co
Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN 110100W)	(FRN 100990W)	(FRN 302137E)
Pradeep Shetty	Parag Jain	S. C. Chaturvedi
Partner	Partner	Partner
M.No. 046940	M.No. 078548	M.No. 012705

Place: Mumbai
Date: 16th May, 2019

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

(000's Omitted)

	As at 31-03-2019 ₹	As at 31-03-2018 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED		
300,00,00,000 (Previous year 300,00,00,000) Equity Shares of ₹10 each	30,000,000	30,000,000
ISSUED AND SUBSCRIBED		
Equity Shares 276,04,66,522 (Previous year 174,41,55,460) of ₹10 each	27,604,665	17,441,555
TOTAL	27,604,665	17,441,555
PAID-UP CAPITAL		
275,92,89,422 Equity Shares (Previous year 174,29,78,360) of ₹10 each fully paid-up	27,592,894	17,429,784
Add: Amount of shares forfeited	7391	7,391
TOTAL*	**27,600,285**	**17,437,175**

* Of the above, 240,20,58,936 Equity Shares (Previous year 144,82,98,013) of ₹10 each fully paid up amounting to ₹2402.06 crores (Previous year ₹1448.30 crores) is held by Central Government

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 2 : RESERVES & SURPLUS		
I. Statutory Reserve :		
Opening Balance	71,077,120	71,019,233
Add: Additions/adjustments during the year	(31,864)	57,887
TOTAL (I)	71,045,256	71,077,120
II. Capital Reserves :		
A) Revaluation Reserve		
Opening Balance	56,047,354	57,437,604
Add: Addition during the year on Revaluation of Premises	9,015,306	23,880
Less: Adjustments during the year	(57,744)	(146,734)
Less: Depreciation / adjustments on account of revaluation	1,877,186	1,560,864
Total of (A)	63,243,218	56,047,354
B) Others		
i) Capital Redemption Reserve		
Opening Balance	5,000	5,000
Add (Less): Additions/deductions	0	0
Sub-total of (i)	5,000	5,000
ii) Profit on sale of investments - "Held to Maturity"		
Opening Balance	22,400,237	18,782,638
Add: Additions during the year	735,300	3,617,599
Sub-total of (ii)	23,135,537	22,400,237
iii) Capital Reserve on Consolidation		
Opening Balance	268,264	266,264
Add: Adjustment during the year	0	0
Sub-total of (iii)	268,264	266,264
(iv) Foreign Currency Translation Reserve		
Opening Balance	17,365,515	14,002,486
Add/(Less): Adjustments during the year (Net)	1,703,655	3,363,029
Sub-total of (iv)	19,069,170	17,365,515
Total of (B)	42,477,971	40,039,016
TOTAL (II)	105,721,189	96,086,370
III. Share Premium :		
Opening Balance	220,605,677	115,262,466
Additions during the year (Preferential Issue of Equity)	97,435,901	105,343,211
Add: On forfeited shares annulled	0	0
TOTAL (III)	318,041,578	220,605,677

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 2 : RESERVES & SURPLUS (contd.)		
IV Revenue and Other Reserves		
i) Revenue Reserve		
Opening Balance	89,802,968	95,894,085
Add: Additions during the year	1,647,377	2,209,928
Add / (Less): Adjustments	(78,295)	2,650,428
Less: Deductions during the year	1,195,426	5,650,617
Sub-total of (i)	90,176,624	89,802,968
ii) Investment Reserve		
Opening Balance	0	0
Add: Transfer from Profit & Loss Appropriations	0	0
Less: Transfer to Profit & Loss Appropriations	0	0
Sub-total of (ii)	0	0
iii) Investment Fluctuation Reserve		
Opening Balance	0	0
Add: Transfer from Profit & Loss Appropriations	0	0
Less: Transfer to Profit & Loss Appropriations	0	0
Sub-total of (iii)	0	0
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	21,700,000	21,700,000
Add: Additions during the year	0	0
Sub-total of (iv)	21,700,000	21,700,000
TOTAL (IV)	111,876,624	111,502,968
V Balance in Consolidated Profit and Loss Account	(204,145,450)	(149,144,495)
TOTAL (I TO V)	**402,539,191**	**350,127,640**

SCHEDULE - 2A : MINORITIES INTEREST

Minority interest at the date on which the parent-subsidiary relationship came into existence	471,356	471,356
Subsequent increase / (decrease)	1,150,188	1,120,115
Minority interest on the date of Balance sheet	**1,621,544**	**1,591,471**

SCHEDULE - 3 : DEPOSITS

A. **I. Demand Deposits :**		
i) From Banks	5,590,995	6,486,096
ii) From Others	271,308,483	289,030,059
TOTAL (I)	276,899,478	295,516,155
II. Savings Bank Deposits	1,596,142,039	1,482,756,278
III. Term Deposits :		
i) From Banks	515,514,081	457,872,620
ii) From Others	2,836,994,025	2,993,824,084
TOTAL (III)	3,352,508,106	3,451,696,604
TOTAL A (I to III)	**5,225,549,623**	**5,229,969,037**
B. i) Deposits of branches in India	4,217,280,493	4,211,636,585
ii) Deposits of branches outside India	1,008,269,130	1,018,332,452
TOTAL (B)	**5,225,549,623**	**5,229,969,037**

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 4 : BORROWINGS		
I **Borrowings in India :**		
i) Reserve Bank of India	111,000,000	133,580,000
ii) Other Banks		
a. Tier I Capital (I P D I)	1,800,000	5,428,000
b. Tier II Capital	50,000	50,000
d. Others	16,855,947	0
Total (ii)	18,705,947	5,478,000
iii) Other Institutions and Agencies		
a. Tier I Capital (I P D I)	4,450,000	59,822,000
b. Tier II Capital	99,950,000	104,950,000
c. Others	117,518,703	6,515,053
Total (iii)	221,918,703	171,287,053
Total (I)	351,624,650	310,345,053
II **Borrowings outside India**		
a. Tier I Capital (I P D I)	0	0
b. Tier II Capital	0	0
c. Others	91,027,273	125,637,500
Total (II)	91,027,273	125,637,500
Total (I & II)	**442,651,923**	**435,982,553**
Secured borrowings included in above	0	0
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
i Bills Payable	12,824,005	12,796,838
ii Inter-office adjustments (net)	0	0
iii Interest Accrued	20,339,043	21,656,386
vi Deferred Tax liability	28,819	1,837
vii Others	129,294,662	51,280,460
TOTAL	**162,486,529**	**116,735,522**

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I Cash in hand (including foreign currency notes & Gold)	24,773,790	25,939,533
II Balances with Reserve Bank of India : *		
i) In Current Account	268,497,582	289,638,803
ii) In Other Accounts	(50,457)	173,554
TOTAL (II)	268,447,125	289,812,357
TOTAL (I & II)	**293,220,915**	**315,751,890**
* including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I In India :		
i) Balances with Banks		
a) in Current Accounts	1,546,052	1,472,942
b) in Other Deposit Accounts	83,331,803	55,053,384
ii) Money at call and short notice		
a) With Banks	0	0
b) With Other Institutions	0	60,000,000
TOTAL (I)	84,877,855	116,526,326
II Outside India :		
i) In Current Accounts	2,292,974	3,000,602
ii) In Other Deposit Accounts	368,187,033	303,024,194
iii) Money at call and short notice	209,021,173	221,939,293
TOTAL (II)	579,501,180	527,964,109
TOTAL (I & II)	**664,379,035**	**644,490,435**

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 8 : INVESTMENTS		
I Investments in India :		
i) Government Securities	1,204,027,734	1,192,620,845
ii) Other approved Securities	2,361,449	977,558
iii) Shares	13,523,061	19,714,736
iv) Debentures and Bonds	61,815,622	82,506,265
v) Investment in Associates	16,055,110	14,493,542
vi) Others	36,521,644	32,028,922
TOTAL (I)	1,444,304,620	1,342,360,868
II Investments outside India :		
i) Government Securities (including local authorities)	36,242,902	31,432,691
ii) Debentures & Bonds	0	0
iii) Investment in Associates	1,267,985	1,300,328
iv) Others	27,234,666	28,116,823
TOTAL (II)	64,745,553	60,849,842
TOTAL (I & II)	1,509,050,173	1,403,210,710
III Investments in India		
i) Gross value of Investments	1,479,809,013	1,377,361,036
ii) Aggregate provisions for depreciation	35,504,393	35,000,168
iii) Net Investments	1,444,304,620	1,342,360,868
IV Investments outside India		
i) Gross value of Investments	65,032,573	61,089,930
ii) Aggregate provisions for depreciation	287,020	240,088
iii) Net Investments	64,745,553	60,849,842
TOTAL (III & IV)	**1,509,050,173**	**1,403,210,710**

	As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	122,737,248	450,882,778
ii) Cash Credits, Overdrafts and Loans repayable on demand	1,489,320,012	1,429,043,350
iii) Term Loans	1,817,606,142	1,552,963,077
TOTAL (A)	3,429,663,402	3,432,889,205
B. **Particulars of Advances :**		
i) Secured by tangible assets (includes advances against Book Debts)	2,545,863,964	2,351,494,894
ii) Covered by Bank/Government Guarantees	161,899,796	413,412,715
iii) Unsecured	721,899,642	667,981,596
TOTAL (B)	3,429,663,402	3,432,889,205
C. **Sectoral Classification of Advances :**		
I. Advances in India		
i) Priority Sector	1,121,314,158	1,015,893,551
ii) Public Sector	629,785,792	474,614,830
iii) Banks	142,920	450,652
iv) Others	1,179,295,988	1,166,560,744
TOTAL (I)	2,930,541,853	2,657,519,777
II. Advances outside India		
i) Due from Banks	99,980,579	355,614,731
ii) Due from others		
a) Bills Purchased and Discounted	32,707,804	12,512,292
b) Syndicated Loans	129,090,731	159,707,915
c) Others	237,342,435	247,534,490
TOTAL (II)	499,121,549	775,369,428
TOTAL (I & II)	**3,429,663,402**	**3,432,889,205**

SCHEDULE - 10 : FIXED ASSETS		
I. **PREMISES :**		
Opening Balance at cost	17,878,425	16,984,278
Additions /Adjustments during the year	238,584	894,490
Less: Deductions/ Adjustments during the year	236,324	343
Sub total	17,880,685	17,878,425
Addition to date on account of revaluation credited to revaluation reserve	63,565,808	58,052,451
Less : Depreciation to date (including on account of revaluation)	4,559,437	7,118,037
TOTAL (I)	76,887,056	68,812,839
II. **OTHER FIXED ASSETS** (including Furniture and Fixtures)		
Opening Balance at cost	33,367,048	30,731,446
Additions /Adjustments during the year	2,321,717	2,925,425
Less: Deductions/ Adjustments during the year	281,061	289,823
Sub-total	35,407,704	33,367,048
Less: Depreciation to date	24,303,941	21,263,421
TOTAL (II)	11,103,763	12,103,627
III. **CAPITAL WORK IN PROGRESS**	1,399,958	1,582,097
TOTAL (I to III)	**89,390,777**	**82,498,563**

		As at 31-03-2019 ₹	(000's Omitted) As at 31-03-2018 ₹
SCHEDULE - 11 : OTHER ASSETS			
I	Inter Office Adjustment (Net)	23,575,857	10,636,968
II	Interest Accrued	32,242,467	29,289,228
III	Tax paid in advance/tax deducted at source (Net)	50,564,781	12,798,231
IV	Stationery and Stamps	55,142	60,961
V	Deferred Tax Assets	119,357,105	92,140,211
VI	Others	105,739,441	127,676,996
	TOTAL	331,534,793	272,602,595
SCHEDULE - 12 : CONTINGENT LIABILITIES			
I	Claims against the Bank not acknowledged as debts	15,013,541	13,938,129
II	Liability for partly paid investments	165,582	233,461
III	Liability on account of outstanding forward exchange contracts	2,551,820,422	2,717,635,524
IV	Guarantees given on behalf of Constituents		
	a) In India	209,178,461	220,574,203
	b) Outside India	32,086,386	182,569,970
V	Acceptances, endorsements and other obligations	189,421,028	201,313,441
VI	Interest Rate Swaps	106,090,890	83,295,574
VII	Other items for which the Bank is contingently liable	9,560,262	8,063,467
	TOTAL	3,113,172,967	3,427,636,769

SCHEDULES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

		For the Year ended 31-03-2019 ₹	For the Year ended 31-03-2018 ₹
SCHEDULE - 13 : INTEREST AND DIVIDENDS EARNED			
I.	Interest/Discount on advances/bills	274,140,940	254,519,042
II.	Income on Investments	100,181,338	92,067,866
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	28,647,724	27,692,497
IV.	Others	7,068,189	8,908,577
	TOTAL	410,048,191	383,127,982
SCHEDULE - 14 : OTHER INCOME			
I.	Commission, exchange and brokerage	12,582,789	13,869,161
II.	Profit/(Loss) on sale of investments	(3,596,080)	14,423,736
III.	Profit / (Loss) on sale of land, buildings and other assets	4,303,827	528,320
IV.	Profit / (Loss) on exchange transactions	13,146,690	14,909,730
V.	Income Earned by way of dividend etc. on subsidiaries/ companies and /or joint ventures	114,861	74,829
VI.	Miscellaneous Income	26,388,222	15,693,116
	TOTAL	52,640,298	58,458,900

		For the Year ended 31-03-2019 ₹	For the Year ended 31-03-2018 ₹
SCHEDULE - 15 : INTEREST EXPENDED			
I	Interest on Deposits	230,831,837	244,348,419
II	Interest on Reserve Bank of India / inter-bank borrowings	31,001,992	22,113,102
III	Interest on Subordinated Debts, IRS etc.	10,237,330	10,326,784
	TOTAL	272,071,159	276,788,305
SCHEDULE - 16 : OPERATING EXPENSES			
I	Payments to and provisions for employees	60,816,246	49,631,725
II	Rent Taxes and Lighting	7,264,510	6,896,170
III	Printing and Stationery	759,429	772,922
IV	Advertisement and Publicity	209,660	262,039
V	Depreciation on Bank's property	3,728,417	5,216,705
VI	Directors' fees, allowances and expenses	44,462	41,076
VII	Auditors' fees and expenses (Including Branch Auditors' Fees & Expenses)	725,772	724,030
VIII	Law Charges	519,238	474,879
IX	Postage, Telegrams, Telephones, etc.	1,445,439	1,129,377
X	Repairs and Maintenance	647,663	668,718
XI	Insurance	5,044,635	5,185,313
XII	Other Expenditure	27,439,270	21,649,072
	TOTAL	109,670,426	92,651,886
SCHEDULE - 16 A : SHARE OF EARNINGS / LOSSES IN ASSOCIATES			
I	Regional Rural Banks (RRBs)	465,075	491,015
II	Others	248,235	420,600
	TOTAL	713,310	911,615

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES (Consolidated Financial Statements)

1) ACCOUNTING CONVENTION:

The accompanying consolidated financial statements (CFS) have been prepared following the going concern concept, on historical cost basis unless otherwise stated and conform in all material aspects to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India, Insurance Regulatory and Development Authority (IRDA), Companies Act 2013, Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevailing in India. In respect of foreign offices/branches/subsidiaries/associates, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2) BASIS OF CONSOLIDATION:

Consolidated financial statements of the group have been prepared on the basis of:

a) The financial statements of Bank of India (the Parent bank) and its subsidiaries in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), on a line by line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group transactions, balances, unrealised profit/loss and making necessary adjustments of material nature wherever required to conform to uniform accounting.

b) The difference between cost to the parent bank of its investment in the subsidiaries and Parent bank's share in the equity of the subsidiaries is recognised as goodwill/capital reserve. Goodwill, if any, is written off immediately on its recognition.

c) Minority interest in the Consolidated Financial Statement consists of the share of the minority shareholders in the net equity of the subsidiaries.

d) Accounting for Investment in Associate companies is done under Equity method in accordance with Accounting Standard (AS) 23, "Accounting for

Investments in Associates in Consolidated Financial Statements", issued by ICAI.

e) Accounting for Investments in Joint Venture are consolidated on "Proportionate basis" as prescribed in Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" issued by ICAI.

3) REVENUE RECOGNITION:

3.1 Banking entities:

(a) Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/ Expenditure is recognised as per local laws/standards of host country.

(b) Interest income is recognised on time proportion basis except interest on Non-performing Assets.

(c) Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

(d) All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

(e) Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

(f) Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI guidelines, in case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

(g) Dividend income is recognised when the right to receive the dividend is established.

(h) Interest income on Income-tax refund is recognised in the year of passing of assessment order.

(i) **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. is to be made in the following order:-

- Charges debited to borrower's account,

- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest and lastly
- Principal

3.2 Non-Banking entities- Insurance:

a) **Premium Income**:

Premium including rider premium for non-linked business is recognised as income when due. Premium for linked business is recognised when the associated units are created. Premium is recognised net of taxes as applicable. Premium on lapsed policies is recognised as income when such policies are reinstated.
Top up premium under linked business is considered as single premium and recognised as income when associated units are created.
Premium in case of PMJJBY Scheme is recognized at net of administrative charges and reimbursement of expenses (as applicable) payable to the banks.

b) Interest on loans against policies is recognized for on accrual basis.

c) Interest income on investments is recognized on accrual basis.

d) **Amortised Income/Cost:**

Premium or discount on acquisition, as the case may be, in respect of debt securities/fixed income securities, pertaining to non-linked investments is amortized on straight line basis over the period of maturity/holding and adjusted against interest income.

e) **Dividend:**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares dividend income is recognised when the right to receive dividend is established.

f) **Income from linked funds**:

Income from linked funds which includes fund management charges, policy administrative charges, mortality charges etc. are recovered from the linked funds in accordance with the terms and conditions of policy and recognised on due basis.

g) **Realized Gain/ (Loss) on Debt Securities for Linked Business:**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

h) **Realized Gain/ (Loss) on Debt Securities for Non-Linked Business:**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

i) **Profit/ (Loss) on sale of Equity Shares/ Mutual Fund/ Exchange Traded Funds (ETFs)/ Additional Tier 1 Bonds (AT 1):**

Profit/ (Loss) on sale of equity shares/ mutual fund units/ ETFs/ Additional Tier 1 Perpetual Bonds is the difference between the sale consideration net of expenses & the book cost computed on weighted average basis as on the date of sale (mutual fund, ETFs sale considerations would be based on the latest available NAV).

In respect of non linked business the Profit/(Loss) includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account".

However, revenue recognition is postponed where ultimate collectability lacks reasonable certainty.

j) **Unrealized Gain/ (Loss) for Linked Business:**

Unrealized gains and losses for Linked Business are recognized in the Revenue account of respective fund.

k) **Income from Security Lending and Borrowing:**

Fees received on lending of equity shares under Securities Lending and Borrowing (SLB) mechanism is amortized on a straight-line basis over the period of lending and clubbed with the interest income.

l) **Reinsurance Premium**:

Reinsurance Premium ceded is accounted for on due basis at the time of recognition of premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

3.3 Non-Banking entities – Mutual Fund and Trustee Services:

Management fees from the scheme of mutual fund are accounted on an accrual basis in accordance with the investment management agreement and are dependent on the net asset value as recorded by the schemes of BOI AXA Mutual fund.

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Trustee fees is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably arrangement with the BOI AXA Mutual Fund. Interest and other income, if any, is accounted on accrual basis.

Other Income: Profit or loss on sale of investment is recognised in the Profit & Loss Account on the trade date and determined on weighted average basis for individual security.

3.4 Non-Banking entities– Merchant Banking Services:

i. Devolvement of equity shares in respect of issues underwritten if any by the company shall be treated as investments. Underwriting income on these issues shall be credited to profit and loss account and shall not be netted against the value of investments.

ii. Brokerage and commission earned on secondary market operations shall be recongnised on the basis of trade dates. Brokerage on online portal operations shall be recognised on the basis of trade dates. Brokerage and commission in respect of issue marketing and resource mobilization shall be accrued to the extent of availability of information. Depository, Portfolio Management, Investment Banking and other fees shall be accounted for on accrual basis.

4) NON BANKING ENTITIES – Insurance : Other Policies:

a) Benefits paid:

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider, surrender & withdrawal claims are accounted for on receipt of intimation. Under linked Business, surrender also includes amount payable on lapsed policies which are accounted for on expiry of lock in period. Surrenders and terminations are accounted at gross of charges.

Survival, maturity and annuity benefit claims are accounted for when due.

Reinsurance recoveries on claims are accounted for, in the same period as that of the related claims.

Claims disputed before judicial authorities are provided for on prudent basis as considered appropriate by management based on facts and circumstances in respect of each such claim.

b) Acquisition Costs:

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts. These are expensed in the period in which they are incurred.

Claw back in future, if any, for the first year commission paid, is accounted for in the year in which it is recovered.

c) Liability for life policies:

The valuation exercise is done to protect the interests of the existing policyholders. For With Profit policies the reasonable expectations of policyholders (PRE) are also considered. The reserves should be adequate to provide for all the policyholders benefits in various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for inforce policies and for those in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are the Insurance Act 1938, the IRDA Act 1999, IRDAI (Actuarial Report & Abstract for Life Insurance Business) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

d) Loans:

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalized interest and are subject to impairment if any.

e) Funds for Future Appropriation:

The balance in the funds for future appropriations account represents funds, the allocation of which, either to policyholders or to shareholders has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. In respect of participating policies, any allocation to the policyholders would also give rise to transfer to the shareholders in the required proportion.
In respect of the Non-participating Group Annuity products, the excess returns, if any as defined in file and use, is considered as funds for future appropriation in the interim financial periods during the year and the same would be distributed between policyholders and shareholders in the proportion prescribed in file and use at the year end.

f) Discontinued Policies fund:

Discontinued policy fund means the segregated fund that is set aside on account of:

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i) Non-payment of contracted premium
ii) Upon the receipt of the information by the Company from the policyholder about the discontinuance of the policy.

Fund for discontinued policies is accounted in accordance with the Insurance Regulatory and Development Authority of India (Treatment of Discontinued Linked Insurance Policies) Regulations 2010 and circulars issued thereafter.

5) **ADVANCES:**

(a) Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

(b) NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

(c) In respect of domestic branches, NPA Provisions are made at the rates given as under:

Category of NPAs	Provision % on net outstanding advance
Sub Standard:*	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

*On the outstanding advance

(d) In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

(e) Provisions in respect of NPAs, unrealised interest, ECGC claims, etc., are deducted from total advances to arrive at net advances as per RBI norms.

(f) 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.

(g) In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset

(h) Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

(i) Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

6) FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes.

7) DEBIT/CREDIT CARD REWARD POINTS:

Provision for reward points in relation to debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

8) INVESTMENTS:

(a) Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

(b) Investments are categorised under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure of Investments, these are classified in accordance with RBI guidelines & Banking Regulation Act 1949, under six categories viz. **a.)**

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Government Securities, **b.)** Other Approved Securities, **c.)** Shares, **d.)** Debentures and Bonds, **e.)** Subsidiaries and Joint Ventures and **f.)** Others.

A. Basis of categorisation:

Categorisation of an investment is done at the time of its acquisition.

(i) Held to Maturity:
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.

(ii) Held for Trading:
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.

(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all others discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant

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yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Primary Dealers Association of India (PDAI) / Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

(i) HTM to AFS/HFT :

a. If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

b. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

(ii) AFS/HFT TO HTM: Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

(iii) AFS TO HFT AND VICE-VERSA : In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa

E. Non performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.
(ii) In respect of non performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.
(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no DBR.No.BP.BC.9/21.04.048/2016-17 dated September 01, 2016, the bank has revised valuation methodology in respect of SRs under securitization, with effect from April 01, 2018. As per the revised guidelines, if the quantum of SRs backed by stressed assets sold by the bank exceeds 10% of entire portfolio of SRs backed by sold assets issued under that securitization, provision for depreciation will be higher of the following;

a. provisioning at a rate required in terms of net asset value declared by the SCs/RCs; and

b. provisioning at a rate as applicable to the underlying loans, assuming that the loans notionally continued in the books of the bank.

When Bank invests in the security receipts/ pass-through certificates issued by ARC in respect of the financial assets sold by the Bank to the ARC, the sale will be recognized in books of the bank at the lower of:

- the redemption value of the security receipts/ pass-through certificates, and
- the Net Book Value of the financial asset.

The above investment will be carried in the books of the bank at a price as determined above until its sale or realization.

9) DERIVATIVE

The Bank presently deals Forex Forward Contracts in interest rate and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

(a) The hedge/non hedge (market making) transactions are recorded separately.

(b) Income/expenditure on hedging derivatives are accounted on accrual basis.

(c) Forex forward contracts are Marked to market and the resultant gains and losses are recognized in the Profit and Loss Account.

(d) MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

(e) Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

(f) Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

(g) Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

(h) Option fees/premium is amortised over the tenor of the option contract.

10) PROPERTY, PLANT & EQUIPMENT

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is put to use or capable of put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Computers, Computer Software and Cycles), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below-

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line

f.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
g.	Computer Software, not embedded in hardware	100% in the Year of acquisition	-	As prescribed by RBI

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been put to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss account and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

11) TRANSACTIONS INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

a) **Translation in respect of Integral Foreign operations:** Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i) Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the daily closing rate as available from Cogencis/ Reuter's page.

ii) Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii) Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv) Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v) Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi) Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii) Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii) Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

b) Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i) Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii) Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii) All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv) The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

12) EMPLOYEE BENEFITS:

i. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. 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.

ii. Long Term Employee Benefits:

A. Defined Benefit Plan

a) **Gratuity**

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules, 1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

b) **Pension**

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India (Employees) Pension regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

B. Defined Contribution Plan:

a. **Provident Fund**

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

b. Pension

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

c. Other Long term Employee Benefits:

All eligible employees are entitled to the following-

i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 – "Employee Benefits".

iii.) In respect of overseas branches, offices and subsidiaries, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

13) EARNINGS PER SHARE:

a) Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

b) Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

14) TAXES ON INCOME:

a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

b) Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

15) IMPAIRMENT OF ASSETS:

Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on revalued assets is recognised directly against any revaluation surplus for the asset to the extent

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that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

16) PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and 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.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

17) SHARE ISSUE EXPENSES:

Share issue expenses are charged to the Profit and Loss Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated.
Figures in Brackets relate to previous year

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Particulars of the subsidiaries whose financial statements are consolidated with the standalone financial statement of Bank of India (the Parent bank) are as under:

Name of Subsidiaries		Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2019	Proportion of Ownership by the Parent bank as on 31.03.2018
Domestic Subsidiaries:				
a)	BOI Shareholding Ltd.	India	100%	100%
b)	BOI AXA Investment Managers Pvt Ltd.	India	51%	51%
c)	BOI AXA Trustee Services Pvt Ltd.	India	51%	51%
d)	BOI Merchant Bankers Ltd	India	100%	100%
Overseas Subsidiaries:				
a)	PT Bank of India Indonesia Tbk	Indonesia	76%	76%
b)	Bank of India (Tanzania) Ltd.	Tanzania	100%	100%
c)	Bank of India (New Zealand) Ltd.	New Zealand	100%	100%
d)	Bank of India (Uganda) Ltd.	Uganda	100%	100%
e)	Bank of India (Botswana) Ltd.	Botswana	100%	100%

2. Particulars of associates and joint venture considered in the Consolidated Financial Statements are as under :

(i) Associates:

	Name of Associates	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2019	Proportion of Ownership by the Parent bank as on 31.03.2018
a)	Regional Rural Banks-			
	i) Jharkhand Gramin Bank	India	35%	35%
	ii) Narmada Jhabua Gramin Bank	India	35%	35%
	iii) Vidharbha Konkan Gramin Bank	India	35%	35%
	iv) Gramin Bank of Aryavart	India	35%	35%
b)	Indo Zambia Bank Limited	Zambia	20%	20%
c)	STCI Finance Ltd.	India	29.96%	29.96%
d)	ASREC (India) Ltd.	India	26.02%	26.02%

(ii) Joint Venture:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership by the Parent bank as on 31.03.2019	Proportion of Ownership by the Parent bank as on 31.03.2018
Star Union Dai-ichi Life Insurance Company Limited	India	28.96%	28.96%

3. The financial statements of the subsidiaries, joint ventures and associates which are used in the consolidation have been drawn upto the same reporting date as that of the Parent Bank i.e. 31st March 2019 except for an associate Indo Zambia Bank Limited (IZBL). IZBL's financial statements were prepared up to 31st December 2018 and reported no significant transaction for the quarter ended 31st March 2019.

4. In case of Domestic subsidiaries/joint venture/associates, accounting adjustments arising due to different accounting policies followed by Parent Bank and subsidiaries/joint venture/associates have been carried out on the basis of data provided by subsidiaries/joint venture/associates.

5. The Consolidated Financial Statements have been prepared on the basis of :

   (i) Financial statements of PT Bank of India Indonesia Tbk as on 31.03.2019 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (ii) Financial statements of Bank of India (Tanzania) Ltd. as on 31.03.2019 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (iii) Financial statements of Bank of India (New Zealand) Ltd. as on 31.03.2019 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (iv) Financial statements of Bank of India (Uganda) Ltd. as on 31.03.2019 certified by the Management and reviewed by an independent reviewer as per the local requirements of the country of incorporation.

   (v) Unaudited Financial statements of Bank of India (Botswana) Ltd. as on 31.03.2019 prepared and certified by the Management as per the local requirements of the country of incorporation.

   (vi) Audited financial statements of BOI Shareholding Ltd., BOI AXA Investment Managers Pvt. Ltd., BOI AXA Trustee Services Pvt. Ltd., Star Union Dai-ichi Life Insurance Company Ltd. and Jharkhand Gramin Bank for the financial year ended 31.03.2019 and Indo Zambia Bank Ltd. for the twelve months ended 31.12.2018.

   (vii) Unaudited financial statements of BOI Merchant Bankers Ltd., STCI Finance Ltd., ASREC (India) Ltd., Narmada Jhabua Gramin Bank, Vidharbha Konkan Gramin Bank and Gramin Bank of Aryavart for the financial year ended 31.03.2019 certified by their management.

6. During the year, Government of India has infused ₹ 14,724 capital for fresh equity shares out of which the Parent bank has made preferential allotment of 95,37,58,865 equity shares of ₹ 10 each, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The details are as under:

Date of Capital Infusion	Name of the Shareholder	Type of Issue	Issue Price per share (in ₹)	Amount	Date of Allotment
26.12.2018	Govt. of India	Preferential Issue	105.75	10,086.00	16.02.2019
21.02.2019	Govt. of India	Preferential Issue	89.60	4,638.00	20.04.2019*
		Total		**14,724.00**	

* In terms of RBI letter no. DBR.CO.BP.No. 8307/21.01.002/2018-19 dated April 2, 2019 the share application money of ₹4,638 received on February 21, 2019 has been considered for computation of CET-1 capital as on March 31, 2019.

Further, the Parent bank under Bank of India- Employee Stock Purchase Scheme (ESPS) has raised an amount of ₹ 660.80. Under this scheme, the Parent bank has allotted 6,25,52,188 new equity shares having face value of ₹ 10/- each at a discount of 24.28% on the floor price of ₹ 105.64 per share i.e. at an offer price of ₹ 80/- each. The details are as under:

Name of the Shareholder	Type of Issue	Issue Price per share (in ₹)	Amount	Date of Allotment
Parent Bank's Employees (Offer Price ₹ 80/-Share)	ESPS Issue	105.64	660.80	07.03.2019

6.1 The Govt. of India vide their weekly Gazette Notification dated March 31, 2019 - April 6, 2019 increased the authorised capital from ₹ 3,000 (Rupees Three Thousand) to ₹ 6,000 (Rupees Six Thousand).

7. In respect of the Parent bank, balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

8. The following information is disclosed in respect of consolidated financial statements in terms of guidelines issued by Reserve Bank of India:

a) Capital:

Sr. No.	Particulars	31.03.2019	31.03.2018
i)	**Common Equity Tier 1 Capital ratio (CET-1) (%)**	11.71%	8.52%
ii)	**Tier-I Capital ratio (%)**	11.77%	10.36%
iii)	**Tier-II Capital ratio (%)**	3.09%	3.18%
iv)	**Total Capital ratio (CRAR) (%)**	14.86%	13.54%
v)	**Percentage of the shareholding of the Government of India**	87.05%	83.09%
vi)	**Amount of Equity Capital Raised during the year**	10,746.80	*10,953.92
vii)	**Share application money pending for allotment ****	4,638	0.00
viii)	**Amount of Additional Tier-1 capital raised during the year i.e. PDI**		
	a) PNCPS	0.00	0.00
	b) PDI	0.00	500.00
ix)	**Amount of Tier-II capital raised i.e. Debt Capital Instruments, during the year**		
	a) Debt capital instruments	0.00	0.00
	B) PCPS / RNCPS / RCPS	0.00	0.00

* The amount includes share application money of ₹ 1,721.92 received during FY 2016-17 and allotted during FY 2017-18.

** In terms of RBI letter no. DBR.CO.BP.No. 8307/21.01.002/2018-19 dated April 2, 2019, the share application money of ₹ 4,638 received on February 21, 2019 has been considered for computation of CET-1 capital as on March 31, 2019.

Details of outstanding Innovative Perpetual Debt Instruments (IPDI) raised to augment Tier-I capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2009-10	IPDI	325.00	97.50
2010-11	IPDI	300.00	90.00
	Total	**625.00**	**187.50**

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Details of outstanding Tier-II Instruments raised to augment Tier-II capital are as under:

Raised in the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2009-10	Upper Tier-II	2,000.00	600.00
2010-11	Upper Tier-II	1,000.00	300.00
2013-14	Tier-II	1,500.00	1,200.00
2015-16	Tier-II	3,000.00	3,000.00
2016-17	Tier-II	2,500.00	2,500.00
	Total	**10,000.00**	**7,600.00**

Pursuant to RBI circular No. DBR.NO.BP.13018/21.04.048/2015-16 dated March 1, 2016, the parent bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratio as on March 31, 2019.

Parent bank has exercised the regulatory call option and redeemed Additional Tier-1 Bonds amounting ₹ 5,500 (Series 1 to 5) on April 21, 2018 and has also exercised the call option to redeem the Upper Tier II Bonds amounting to ₹ 500 on October 16, 2018 and IPDI bonds (Tier-1) amounting to ₹ 400 on February 11, 2019.

(b) Provisions and Contingencies:

Items	2018-19	2017-18
Provision for NPA	15,815.14	15197.19
Depreciation in Value of Investments	1,065.69	1468.64
Provision for Taxation (including deferred tax)	(-)3,161.00	(-)2587.00
Provision on Standard Assets	126.79	(-)671.18
Other Provisions (including floating provisions)	(-)154.51	(-)120.10
Total	**13,692.11**	**13287.55**

c) Floating Provisions (Countercyclical Provisioning Buffer) - (Parent Bank)

Particulars	2018-19	2017-18
Opening Balance	232.22	232.22
Additions during the year	0.00	0.00
Reductions during the year	0.00	0.00
Closing Balance	232.22	232.22

d) Income-Tax – (Parent Bank)

I. Claims against the Bank not acknowledged as debt appearing under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 631.93 (previous year ₹ 653.42) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

II. Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

e) Disclosure of Letter of comfort issued by the Parent bank for subsidiaries (As compiled by Management)

During the year 2018-19, the Parent bank has not issued any letter of comforts on behalf of Subsidiaries. During the year 2011-2012, the Parent Bank has issued an undertaking to the Governor, Bank of Botswana in respect of its wholly owned subsidiary, Bank of India (Botswana) Ltd. to meet its financial commitments if they fall due.

During the year 2010-11, the Parent Bank issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, BOI (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2019 no financial obligations have arisen on the above commitments.

9. Disclosures in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI):

A. AS – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

There are no material prior period items during the year.

(ii) Change in Accounting Policy (AS-5):

During the financial year ended March 31, 2019, Parent bank has changed the method of appropriation of recovery in NPA accounts, where recoveries are now being adjusted against charges, Unrealised Interest (URI), Uncharged Interest (UCI) and lastly against principal as against the earlier method of adjusting recoveries against charges, URI, principal and lastly UCI. This has resulted in increase of interest income by ₹ 598.76, and Profit before tax by ₹ 165.07. The change in accounting policy is not system driven in case of Packing Credit, Bills, and Freezed accounts. The management is in the process of strengthening the system in order to make the process system driven. The management is of the opinion, that the impact, if any, of the same may not be material.

B. AS-15 " Employee Benefits" (Revised) (Parent Bank)

Sr. No	Particulars	FY 2018-19		FY 2017-18	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used:**				
	Discount Rate	7.79%	7.48%	7.85%	7.68%
	Rate of Return on Plan Assets	7.38%	8.28%	7.96%	8.23%
	Salary Escalation Current	5.50%	5.50%	5.50%	5.50%
	Attrition Rate	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing change in benefit obligation:**				
	Liability at the beginning of the period	1,754.54	13,716.87	1,410.08	12,851.13
	Interest Cost	124.14	979.58	101.35	945.76
	Current Service Cost	65.58	656.28	541.01	566.92
	Benefit Paid	321.93	1,241.69	238.07	1,073.11
	Actuarial (gain)/loss on Obligation	61.45	598.16	(-)59.83	426.23
	Liability at the end of the year	**1,683.78**	**14,709.20**	**1,754.54**	**13,716.87**
(iii)	**Table of Fair value of Plan Assets:**				
	Fair Value of Plan Assets at the- Beginning of the period	1,319.42	13,330.64	1,360.32	12,321.80
	Expected return on Plan Assets	97.37	1,103.78	108.28	1,014.08
	Contributions	490.87	1,077.76	110.03	1,322.04
	Benefit Paid	321.93	1,241.69	238.07	1,073.17
	Actuarial gain/(loss) on Plan Assets	6.65	44.39	(-)21.14	(-)254.11
	Fair Value of Plan Assets at the end of the year	1,592.38	14,314.88	1,319.42	13,330.64
	Total Actuarial Gain/(Loss) to be recognised	**(-)54.80**	**(-)553.77**	**38.69**	**(-)680.34**
(iv)	**Actual return on Plan Assets:**				
	Expected Return on Plan Assets	97.37	1,103.78	108.28	1,014.08
	Actuarial gain/(loss) on Plan Assets	6.65	44.39	(-)21.14	(-)254.11
	Actual return on Plan Assets	**104.02**	**1,148.17**	**87.13**	**759.97**
(v)	**Amount recognised in the Balance Sheet:**				
	Liability at the end of the period	1,683.78	14,709.20	1,754.54	13,716.87
	Fair Value of Plan Assets at the end of the year	1,592.38	14,314.88	1,319.42	13,330.64
	Amount Recognised in the Balance Sheet	**91.40**	**394.32**	**435.13**	**386.23**

Sr. No	Particulars	FY 2018-19		FY 2017-18	
		Gratuity	Pension	Gratuity	Pension
(vi)	**Expenses recognised in the Income-Statement:**				
	Current Service Cost	65.58	656.28	541.01	566.92
	Interest Cost	124.14	979.58	101.35	945.76
	Expected Return on Plan Assets	(-)97.37	(-)1,103.78	(-)108.28	(-)1,014.08
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Recognition of Transition Liability	0.00	0.00	0.00	0.00
	Actuarial (Gain) or Loss	54.80	553.77	(-) 38.69	680.34
	Expense Recognised in P & L	**147.15**	**1,085.85**	**169.04**	**1,178.94**
	Unamortised expenses (not charged to P&L Account)	**0.00**	**0.00**	**326.34**	**0.00**
(vii)	**Balance Sheet Reconciliation:**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	435.11	386.23	49.75	529.33
	Expenses as above	147.15	1,085.85	495.39	1,178.94
	Employer's Contribution	(-) 490.87	(-)1,077.76	(-)110.03	(-)1,322.04
	Amount Recognised in Balance Sheet	**91.39**	**394.32**	**435.11**	**386.23**
(viii)	**Category of Assets **:**				
	Government of India Securities	71.88	1,986.75	71.34	1,951.31
	Equity	0.00	196.25	0.00	102.97
	Corporate Bonds	176.03	4,102.59	184.97	3,809.54
	State Government	340.09	4,504.91	348.10	3,745.26
	Other	1,004.38	3,524.37	715.00	3,721.56
	Total	**1,592.38**	**14,314.87**	**1,319.42**	**13,330.63**
(ix)	**Experience Adjustment:**				
	On Plan Liability (Gain)/Loss	54.03	546.91	(-) 22.79	(-) 66.62
	On Plan Asset (Loss)/Gain	14.29	37.73	(-)4.76	33.27

Other long term employee benefits*

Particulars	31.03.2019		31.03.2018	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	791.43	83.02	708.41	(-)52.62
Leave Travel Concession	63.97	6.27	57.70	0.04
Resettlement Benefits	7.23	(-)0.21	7.44	0.41
Milestone Awards	4.24	(-)0.14	4.38	0.29
Sick Leave**	3.00	0.00	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity.

The Parent bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹134.80 (Previous Year ₹110.99) towards such fund which is a defined contribution plan.

** The Parent bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leaves by employees.

The Parent bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹823.14 (Previous Year ₹1,030.00) and towards Gratuity is ₹212.31 (Previous Year: ₹517.19).

Surplus/ Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2018-19**	**FY2017-18**	**FY2016-17**	**FY2015-16**	**FY2014-15**
Defined benefit obligation	1,683.78	1,754.54	1,410.08	1,370.70	1,310.99
Plan assets	1,592.38	1,319.42	1,360.32	1,223.87	1,265.18
Unrecognised Transitional liability	0.00	326.34	0.00	0.00	0.00
Surplus/(deficit)	**91.40**	**108.78**	**(-)49.76**	**(-)146.83**	**(-)45.81**
Experience Adjustment On Plan Liability (Gain)/Loss	54.03	(-)22.79	38.41	146.31	(-)7.79
Experience Adjustment On Plan Asset (Loss)/Gain	14.29	(-)4.76	1.71	(-)6.41	19.27

	Pension Plan				
Particular	FY2018-19	FY2017-18	FY2016-17	FY2015-16	FY2014-15
Defined benefit obligation	14,709.20	13,716.87	12,851.12	11,076.48	9,420.03
Plan assets	14,314.88	13,330.64	12,321.80	10,515.60	9,041.48
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)394.32	(-)386.23	(-)529.32	(-)560.88	(-)378.55
Experience Adjustment On Plan Liability (Gain)/Loss	546.91	(-)66.62	198.92	930.23	592.91
Experience Adjustment On Plan Asset (Loss)/Gain	37.73	33.27	103.05	101.74	312.64

(B) AS-17 "Segment Reporting"

Part A: Business Segment

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue	13605.51	14605.68	15607.04	15182.93	16846.35	14101.72	46058.90	43890.33
Unallocated Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	473.80	547.54
Inter Segment Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	263.85	279.18
Total Revenue	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	46268.85	44158.69
Results	1861.99	2320.42	(-)10462.20	(-)13637.44	953.00	3279.25	7647.21	(-)8037.77
Unallocated Expenses	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)940.36	(-)510.54
Operating profit	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)8587.57	(-)8548.31
Income Tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)3161.00	(-)2587.00
Extraordinary profit/loss	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	0.00	0.00

Business Segment	Treasury Operations		Wholesale Banking Operations		Retail Banking Operations		Total	
Net Profit	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	(-)5426.57	(-)5961.31
Other Information:								
Segment Assets	240775.39	222935.47	214175.60	220336.55	148307.76	150277.07	603258.75	593549.0
Unallocated Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	27625.16	21635.2
Total Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	630883.91	615184.34
Segment Liabilities	229093.29	214023.60	230500.49	237554.10	116941.54	120683.30	576535.32	572261.01
Unallocated Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	6696.64	6166.8
Total Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	583231.96	578427.87

Note: Information in respect of Non-Banking subsidiaries/joint venture has been included under unallocated segment.

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	**2018-19**	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Revenue	40937.18	39327.90	5331.67	4830.79	46268.85	44158.69
Assets	513247.23	492398.50	117636.68	122785.85	630883.91	615184.35

The BOI group has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with AS-17.

I. **Primary Segment: Business Segments**

a) **Treasury Operations:** 'Treasury' for the purpose of Segment Reporting includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations.

b) **Wholesale Banking**: Wholesale Banking includes all advances which are not included under Retail Banking.

c) **Retail Banking** : Retail Banking includes exposures which fulfil following two criteria:

i) Exposure – The maximum aggregate exposure up to ₹ 5

ii) The total annual turnover is less than ₹ 50 i.e. the average turnover of the last three years in case of existing entities and projected turnover in case of new entities.

d) Pricing of Inter-Segmental transfers

Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits incurred by it.

e) Allocation of Costs

-Expenses directly attributed to particular segment are allocated to the relative segment

-Expenses not directly attributable to specific segment are allocated in proportion to number of employees / business managed.

II. **Secondary Segment: Geographical Segments**

a) Domestic Operations
b) International Operations

(C) AS-18 "Related Party Transactions" (Parent Bank):

Key Managerial Personnel:

Managing Director & CEO: Shri Dinabandhu Mohapatra

Executive Directors: Shri Neelam Damodharan
Shri Atanu Kumar Das
Shri C. G. Chaitanya

Remuneration paid : (in ₹)

Sr No	Name	2018-19	2017-18
1	Shri Dinabandhu Mohapatra	2,907,051	2,396,529
2	Shri Melwyn O Rego	0	452,824
3	Shri Neelam Damodharan	2,533,503	2,283,849
4	Shri Atanu Kumar Das	2,561,116	2,283,722
5	Shri C.G. Chaitanya	2,474,949	1,085,733
6	Shri R.A. Sankara Narayanan	0	969,286

In terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship, including those with Key Management Personnel and relatives of Key Management Personnel have not been disclosed, since the disclosure would conflict with Bank's duties of confidentiality.

(D) **AS19 "Lease Financing" (Parent Bank):** Nil

(E) **AS20 "Earnings per Share" in ₹:**

Calculation of Basic & Diluted E.P.S.:

S.No.	Particulars	2018-19	2017-18
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	(-)5426.57	(-)5961.31
(B)	Weighted Average Number of Equity shares (in crore)	186.22	115.02
(C)	*Basic & Diluted Earnings per Share (A/B) (₹)	(-)29.14	(-)51.83
(D)	Nominal Value per Equity Share (₹)	10.00	10.00

*Basic and Diluted E.P.S. are same as there are no dilutive potential equity shares.

(F) **AS-22 "Accounting for Taxes on Income":**

The Major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Particulars	31.03.2019	31.03.2018
Deferred Tax Assets		
On account of timing difference towards provisions	13171.31	10376.48
Others	715.81	688.17
Total Deferred Tax Assets	**13887.12**	**11064.64**
Deferred Tax Liabilities		
On account of depreciation on fixed assets	265.72	250.60
On account of depreciation on investment	0.00	0.00
On account of interest accrued but not due	927.38	839.99
Others	761.16	760.20
Total Deferred Tax Liabilities	**1954.26**	**1850.79**
Net Deferred Tax Assets / (Liabilities)	**11932.86**	**9213.85**

(G) **AS – 24 Discontinuing Operations:**

In consonance with the Government of India directives and as a part of strategic initiatives for rationalization of Overseas Operations, the Parent Bank has decided to exit from certain foreign operations. During the year 2018-19, the Parent Bank has initiated closure of its subsidiary, namely, Bank of India (Botswana) Ltd. The impact of closure of operations in this territory on the business of the Parent Bank, is not material.

(H) **AS-27 "Financial Reporting of Interests in Joint Ventures":**

Investments include ₹75 (Previous year ₹75) representing Parent Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of incorporation	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	75	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2019	31.03.2018
Liabilities		
Capital & Reserves	173.80	152.36
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	2349.17	2,013.07
Total	**2522.97**	**2,165.43**
Assets		
Cash and Balances with Reserve Bank of India	38.16	25.80
Balances with Banks and Money at call and short notice	-	-
Investments	2313.18	1,993.27
Advances	2.44	2.58
Fixed Assets	4.98	5.67
Other Assets	164.21	138.11
Total	**2522.97**	**2,165.43**
Capital Commitments		-
Other Contingent Liabilities	25.66	7.38
Income		
Interest Earned	9.22	6.98
Other Income	29.77	23.32
Total	**38.99**	**30.30**
Expenditure		
Interest Expended	-	-
Operating Expenses	8.54	8.32
Provisions & Contingencies	1.05	-
Total	**9.59**	**8.32**
Profit / (Loss)	**29.40**	**21.98**

(l) AS-29 "Provisions, Contingent Liabilities and Contingent Assets": (Parent Bank)

A. *Movement of Provisions for contingent liabilities*

Particulars	Legal cases/contingencies*	
	2018-19	2017-18
Opening Balance	96.43	97.14
Provided during the year	3.85	1.94
Amounts used during the year	0.00	2.65
Closing Balance	100.28	96.43
Timing of outflow/uncertainties	Outflow on settlement / crystallization	

*Excluding provisions for others

B. *Contingent Liabilities*

Such liabilities are dependent upon the outcome of court order/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

10. Other Notes:

a) The 11th Bipartite Settlement entered into by the Indian Banks' Association on behalf of the member Banks with the All India Unions of Workmen expired on 31st October, 2017. In accordance with the pending execution of agreement for wage revision, to be effective from 1st November 2017, an ad-hoc sum of ₹ 600 (previous year ₹ 100) has been provided by the Parent bank during financial year ended March 31, 2019 towards wage arrears. Cumulative provision held as on March 31, 2019 is ₹ 700.

b) During the financial year ended March 31, 2019, the Parent bank has made additional provision of ₹ 4,817 in view of uncertainty of recovery and deterioration in value of underlying assets in respect of 213 borrowers.

c) In respect of RBI referred NCLT accounts (List 1 & 2), as on 31st March 2019 the Parent bank holds 100% provision of the outstanding value of ₹ 6,150.88.

d) During the period, the Parent bank has revalued all premises forming parts of its fixed assets. Surplus arising on such revaluation aggregating to ₹ 689.94 is credited to 'Revaluation Reserves', under 'Reserves & Surplus'. The Revaluation Reserve has been reckoned for CET-I capital as per extant RBI guidelines.

Bank of India H.O. वित्त विभाग FINANCE DEPT.

N B S & Co. Mumbai FRN 110100W Chartered Accountants

Jain & Associates Mumbai Chartered Accountants

Chartered Accountants

e) RBI vide Circular no. DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted banks to continue the exposure to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates as per the scheme. Accordingly, the Parent bank has retained advances of ₹ 190.96 as 'standard assets' as on March 31, 2019. In accordance with the provisions of the circular, the Parent bank has not recognised interest income of ₹ 1.56 and is maintaining a standard asset provision of ₹ 9.55 as on March 31, 2019 in respect of such borrowers.

f) Additional information disclosed in the separate financial statements of the Parent bank and the subsidiaries having no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material, have not been disclosed in the Consolidated Financial Statements.

g) Previous Year's figures have been regrouped/rearranged wherever considered necessary.

DECLARATION

Our Bank certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Bank's business have been obtained, are currently valid and have been complied with.

Our Bank further certifies that all the statements in this Placement Document are true and correct.

Signed by:

________________________ **ATANU KUMAR DAS** Managing Director and Chief Executive Officer	________________________ **SANKAR SEN** Chief Financial Officer

Place: Mumbai
Date: August 30, 2021

HEAD OFFICE OF OUR BANK

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BOOK RUNNING LEAD MANAGERS

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ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India

IIFL Securities Limited
IIFL Center, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India

JM Financial Limited
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ITI Capital Limited
ITI House 36, Dr. R. K. Shirodkar Marg, Parel Mumbai Mumbai City 400012

Systematix Corporate Services Limited
The Capital, A-Wing, No. 603-606, 6th Floor, Plot No. C-70, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

BOI Merchant Bankers Limited*
"G" BLK, C/5 Bank of India Star House
Bandra Kurla Complex
Bandra (E) Mumbai 400051

**BOI Merchant Bankers Limited, a subsidiary of our Bank, shall be involved only in marketing of the Issue in compliance with Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 174(2) of the SEBI ICDR Regulations.*

Legal Advisor to the Bank
As to Indian law

M/s. Crawford Bayley & Co.
State Bank Buildings
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Maharashtra, India

Legal Advisors to the Book Running Lead Managers

As to Indian law

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As to U.S. law

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