

Indian Overseas Bank (the "Bank", "Indian Overseas Bank" or "Issuer") was incorporated on November 20, 1936, under the Indian Companies Act, 1913. Our Bank was constituted as 'Indian Overseas Bank' under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended ("Banking Companies Act") on [July 19, 1969]. For further details, please see the section entitled "General Information" beginning on page 280.

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Our Bank is issuing up to 354,177,539 equity shares of face value  $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$  10 each (the "Equity Shares") at a price of  $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$  40.57 per Equity Share, including a premium of  $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$  30.57 per Equity Share (the "Issue Price"), aggregating up to  $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$  14,368.98 million (the "Issue"). For further details, see "Summary of the Issue" beginning on page 31.

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") THE INDIAN OVERSEAS BANK (SHARES AND MEETINGS) REGULATIONS, 2003, AS AMENDED (THE "INDIAN OVERSEAS BANK REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970 (THE "NATIONALISED BANKS SCHEME")

OUR BANK HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) 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 PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR BANK PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS 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 OF OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY AMOUNT 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 THE SECTION "RISK FACTORS" BEGINNING ON PAGE 38 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THIS ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND ALSO TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS ISSUE. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"). The closing price of the Equity Shares on BSE and NSE as on March 21, 2025 was ₹ 43.53 and ₹ 43.56 per Equity Share, respectively. Our Bank has received in-principle approvals pursuant to 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 to be issued pursuant to the Issue, from BSE and NSE each dated March 19, 2025. Our Bank shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this 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 be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Bank or of the Equity Shares.

A copy of the Preliminary Placement Document has been delivered to the Stock Exchanges and a copy of this Placement Document will also be delivered to the Stock Exchanges. The Preliminary Placement Document and 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, in India, or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the Registrar of Companies ("RoC") and will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations for subscriptions, offers and sales of Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "Issue Procedure" beginning on page 224. The distribution of this Placement Document or the disclosure of its contents, without our Bank's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "Selling Restrictions" beginning on page 239. See "Transfer Restrictions" beginning on page 246 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on the websites of our Bank or our Associate or our Joint Venture (as defined hereinafter), as applicable or any website directly or indirectly linked to such websites or the websites of the Lead Managers or their affiliates does not constitute nor should form part of this Placement Document and Bidders should not rely on such information contained in, or available through, any such websites for investment in this Issue.

#### This Placement Document is dated March 24, 2025



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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, its Associate and Joint Venture (collectively, the "Group") and the Equity Shares which is material in the context of this Issue. The statements contained in this Placement Document relating to our Group and the Equity Shares are, in all material respects, true, correct, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Group 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 Group and the Equity Shares, the omission of which would, in the context of this 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. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Bank nor the Lead Managers have any obligation to update such information to a later date.

IDBI Capital Markets & Securities Limited, Systematix Corporate Services Limited, Elara Capital (India) Private Limited and Emkay Global Financial Services Limited (collectively, the "Lead Managers" or the "LMs") have not separately verified the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the 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 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 the Preliminary Placement Document and this Placement Document or any other information supplied in connection with this Issue or the distribution of the Equity Shares.

Each person receiving this Placement Document acknowledges that such person has not relied on the Lead Managers, our Group 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 Group and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the Equity Shares in this Issue. No person is authorised to give any information or to make any representation not contained in the Preliminary Placement Document and 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 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 offered in this Issue have not been approved, disapproved or recommended by the securities authority or any other regulatory authority in any jurisdiction, including 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-United States 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 certain jurisdictions.

The information contained in the Preliminary Placement Document and this Placement Document has been provided by our Group and from other sources identified herein. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not to further distribute or make any copies of this Placement Document or any offering material in connection with the Issue. Any reproduction or distribution of the Preliminary Placement Document and this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of the Preliminary Placement Document and 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 Lead Managers which would permit an issue of the Equity Shares offered in this 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 the Preliminary Placement Document and this Placement Document, nor any other offering material 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 further details, see "Selling Restrictions" beginning on page 239. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described under the sections "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively and each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "Representations by Investors", "Transfer Restrictions" and "Selling Restrictions" beginning on pages 6, 246 and 239, respectively.

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 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.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

In making an investment decision, the prospective investors must rely on their own examination of our Group and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, business, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to the business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Bank nor the Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates are making any representation to any prospective investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such prospective investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Group.

Each Bidder of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Bank under Indian law, including under Chapter VI of the SEBI ICDR Regulations, and that it is not prohibited by the SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities, including the Equity Shares, or otherwise accessing the capital markets in India.

This Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents. The Preliminary Placement Document and this Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, the Preliminary Placement Document and this Placement Document have been prepared for information purposes only and upon the express understanding that it will be used for the purposes set forth herein.

Neither our Bank nor our Lead Managers undertake to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with our Bank. Neither the delivery of the Preliminary Placement Document, this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Group since the date hereof.

Our Bank and the Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations that occurs 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 to purchase Equity Shares in the Issue. 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 SEBI Takeover Regulations (as defined hereinafter) and the Eligible QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations (as defined hereinafter) and other applicable laws, rules, regulations, guidelines and circulars.

The information about us available on any website of the Stock Exchanges or on our Bank's website, www.iob.in, any website directly and indirectly linked to the website of our Bank or our Associate or our Joint Venture, as applicable or on the respective website of the Lead Managers and their affiliates, other than this Placement Document, does not constitute nor forms a part of this Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites, for their investment decision.

Our Bank agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

## 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 in relation to prospective investors in certain other jurisdictions, see "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively.

## 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 Shares in this Issue, you are deemed to have represented, warranted, acknowledged undertaken, and agreed to the contents set forth in the sections titled "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 2, 239 and 246, respectively, and to have represented, warranted, acknowledged and agreed with our Bank and the Lead Managers, 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 Associates or Joint Venture 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, and to make necessary filings, including with the RBI, if any, in connection with the Issue;
- c. if you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India and 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. 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;
- d. if you are an Eligible FPI as defined in the Preliminary Placement Document and 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;
- e. if you are Allotted Equity Shares pursuant to this 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 recognised Stock Exchanges (additional restrictions apply if you are within the United States and certain other jurisdictions), and in accordance with any other resale restrictions applicable for you. For further details, see "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively;
- f. you are aware that the Equity Shares issued pursuant to this Issue 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. The Preliminary Placement Document and 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 has been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document is required to be displayed on the websites of our Bank and the Stock Exchanges;
- g. 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 the Preliminary Placement Document and this Placement Document), and will honour such obligations;

- h. you are aware of the additional requirements that are applicable, as set forth under "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246 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 the Preliminary Placement Document and this Placement Document), and will honour such obligations;
- i. you are aware that neither our Bank nor the 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 Lead Managers and that the 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;
- j. 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 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 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;
- k. 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 the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by us;
- 1. 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 Indian Overseas Bank (Shares and Meetings) Regulations, 2003 as amended in 2008 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;
- m. 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, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, each as amended;
- n. 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;

- o. you have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read the Preliminary Placement Document and this Placement Document in its entirety, including, in particular, "*Risk Factors*" beginning on page 38;
- p. 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 Lead Managers;
- q. you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings as set forth under "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively;
- r. 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;
- s. if you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" as defined in and in reliace on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made;
- t. you are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act.
- u. you understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively, and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;
- v. 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 counsel and 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 the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Bank or the 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 Group 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;
- w. 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 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;

- x. our Bank or the 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 will obtain your own independent tax advice and will not rely on the 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 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;
- y. you are aware that in terms of sub-section (1) of Section 12B of Banking Regulation Act, 1949 and the Master Direction Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, you hereby represent that your (direct or indirect) aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise:
  - after subscription to the Equity Shares in the Issue by you, your relatives, your associate enterprises or persons acting in concert with you, aggregated with any pre-Issue shareholding in the Bank of you, your relatives, your associate enterprises or persons acting in concert; or
  - after subscription to the Equity Shares in the Issue by you aggregated with any pre-Issue shareholding in our Bank of you, your relatives, your associate enterprises or persons acting in concert with you shall not amount to 5% or more of the total paid-up share capital of our Bank or would not entitle you to exercise 5% or more of the total voting rights of our Bank, except with the prior approval of the RBI;
- z. you acknowledge that the Preliminary Placement Document 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;
- aa. where you are acquiring the Equity Shares to be issued pursuant to this Issue 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;
- bb. 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;
- cc. 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 shall not deem you to be a Promoter or a person related to the Promoter;

- dd. you have no right to withdraw or revise downwards your Application after the Bid/ Issue Closing Date (as defined hereinafter);
- ee. you are eligible to apply and hold Equity Shares so Allotted and together with any Equity Shares 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;
- ff. 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;
- gg. 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:
  - Eligible 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).
- hh. 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 and if you are Allotted Equity Shares pursuant to this 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 recognised Stock Exchanges;
- ii. you are aware and understand that the Lead Managers have entered into a Placement Agreement (as defined hereinafter) with our Bank whereby the 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;
- jj. you understand and 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;
- kk. that the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Bank and that neither the Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Bank and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and 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 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 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 will be 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;

- II. you understand 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 the Preliminary Placement Document and 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 or on behalf of the Lead Managers or our Bank or any of their respective affiliates or any other person, and neither the Lead Managers nor our Bank nor any other person will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
- mm. 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;
- nn. you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;
- oo. you agree to indemnify and hold our Bank, its Directors, its senior managerial personnel and the 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 the Preliminary Placement Document and this 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;
- pp. that our Bank, the Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the 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 Lead Managers;
- qq. that you understand that none of the 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;
- rr. 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 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;
- ss. 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, Mahashtra, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;
- tt. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that

will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Bank, in discretion, in consultation with the Lead Managers.	its

#### 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 the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, without limitation, including any information regarding any risk factors relating thereto.

Persons outside the United States purchasing Equity Shares in the Issue may only issue P-Notes in accordance with the conditions set forth in "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively.

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. As per the SEBI circular dated November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as a 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. SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors ("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 P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI investments and P-Note positions held in the underlying company.

Further, in accordance with the Consolidated FDI Policy, read along with the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, and the related amendments to the FEMA Rules, investments made by an entity of a country, which shares land border with India, or 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. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the Lead Manager 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 Lead Manager 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 Lead Manager and does not constitute any obligations of or claims on the Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from 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. Please also see the "Selling Restrictions" and "Transfer Restrictions" beginning on the pages 239 and 246, respectively.

## DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has 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; or
- 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 has 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 Indian Overseas Bank, on a standalone basis. All references to the "we", "us" or "our" are to the Indian Overseas Bank, its Associate and Joint Venture on a consolidated basis, unless otherwise specified or the context otherwise indicates or implies.

In this Placement Document,

- (i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to official currency of Republic of India;
- (ii) references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable;
- (iii) references to 'US\$', '\$' 'USD' and 'U.S. dollars' are to the official currency of the United States of America;
- (iv) references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Figures in this Placement Document have been presented in millions or in whole numbers where the numbers have been too small to present in millions unless stated otherwise. Further, certain figures in the "Industry Overview" section of this Placement Document have been presented in millions and billions.

In this Placement Document, references to "Lakh" or "Lacs" represents "100,000", "million" represents "10 lakh" or "1,000,000", "crore" represents "10,000,000" or "10 million" or "100 lakhs", and "billion" represents "1,000,000,000" or "1,000 million" or "100 crore".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

# Page numbers

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

#### Financial data and other information

The financial year of our Bank commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms "Fiscal", "Fiscals" or "Fiscal year", "FY", refer to the 12-month period ending March 31 of that particular year.

Our Bank has published its Financial Statements, in compliance with the SEBI Listing Regulations. As required under the applicable regulations, and for the convenience of prospective investors, our Bank has included the following in this Placement Document:

- (i) the statement of unaudited standalone limited review financial results of our Bank, as at and for the nine months period ended December 31, 2024, which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" 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 RBI from time to time and other accounting principles generally accepted in India (the "Unaudited Standalone Limited Review Financial Results");
- (ii) for the nine months period ended December 31, 2023 is derived from the comparatives presented in the Unaudited Standalone Limited Review Financial Results;

- (iii) the statement of unaudited consolidated limited review financial results of our Group, as at and for the nine months period ended December 31, 2024, which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" 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 RBI from time to time and other accounting principles generally accepted in India (the "Unaudited Consolidated Limited Review Financial Results");
- (iv) for the nine months period ended December 31, 2023 is derived from the comparatives presented in the Unaudited Consolidated Limited Review Financial Results;
- (v) audited standalone financial statements of our Bank as at and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, prepared in accordance with Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI (collectively, the "Audited Standalone Financial Statements").
- (vi) audited consolidated financial statements of our Group as at and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, prepared in accordance with Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI (collectively, the "Audited Consolidated Financial Statements").

For further details see, "Our Statutory Central Auditors" beginning on page 270.

The Financial Statements should be read along with the respective reports issued thereon. For further information, see "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 281 and 80, respectively.

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 IndAS 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 - Risks in relation to doing business in India - Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Placement Document" on page 69.

Further, RBI advised banks to submit Proforma Ind AS Financial Statements (PIFS) on half yearly basis w.e.f. September 30, 2021 (earlier on quarterly basis starting from quarter ended June 30, 2018) as per the format / template provided in the mail.

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.

## **Non-GAAP** financial measures

The Bank uses a variety of financial and operational performance indicators to measure and analyse 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. Some non-GAAP measures ("Non-GAAP Financial Measures") are presented in this Placement Document. These Non-GAAP Financial Measures 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" beginning on pages 23, 80 and 107, respectively.

These Non-GAAP Financial Measures 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. These Non-GAAP Financial Measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian GAAP or U.S. GAAP. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Indian GAAP or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Indian GAAP or U.S. GAAP. In addition, these Non-GAAP Financial Measures are not standardized terms, hence a direct comparison of these Non-GAAP Financial Measures between companies may not be possible. Other banks may calculate these Non-GAAP Financial Measures differently from us, limiting their usefulness as a comparative measure. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. For a reconciliation of the Bank's non-GAAP financial measures to Indian GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 80.

Prospective investors should read this information in conjunction with the financial statements included in "Financial Statements" beginning on page 281 and "Risk Factors – Risks in relation to doing business in India – Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP measures are not measures of operating performance or liquidity defined by Indian GAAP and may not be comparable." on page 69.

#### 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.

#### FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Prospective Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "intend", "can", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial conditions, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our 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 they 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.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Bank concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Bank and the industry in which we operate.

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:

- Material weakness or failures of our internal control system may cause significant operational errors and could prevent timely and accurate reporting of our Bank's financial results, which may in turn materially and adversely affect our profitability and reputation;
- 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;
- Our Bank's business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our interest earned and, in turn, our results of operations and cash flows;
- We are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition; and
- The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "Risk Factors", "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 38, 176, 156 and 80, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we 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 we, the Lead Managers nor any of their respective affiliates undertake any 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 underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

#### ENFORCEMENT OF CIVIL LIABILITIES

Our Bank is a nationalised bank under The Banking Companies (Acquisition and Transfer of undertakings) Act, 1970. 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.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Procedure 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 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 were brought in India. Furthermore, it is unlikely that an Indian court will 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, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

## **EXCHANGE RATE INFORMATION**

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and other foreign currencies, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("FBIL"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

## U.S. Dollars (\$)

(₹ per US\$)

	Period end <sup>(1)</sup>	Average <sup>(2)</sup>	High <sup>(3)</sup>	Low <sup>(4)</sup>
Fiscal ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.38	83.20	75.39
March 31, 2022	75.81	74.53	76.92	72.48
Month ended				
February 28, 2025	87.40	87.05	87.59	86.65
January 31, 2025	86.64	86.27	86.64	85.71
December 31, 2024	85.62	84.99	85.62	84.66
November 30, 2024	84.50	84.36	84.50	84.11
October 31, 2024	84.08	84.03	84.08	83.81
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73

(Source: www.rbi.org.in and www.fbil.org.in)

- (1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
- (2) Average of the official rate for each Working Day of the relevant period.
- (3) Maximum of the official rate for each Working Day of the relevant period.
- (4) Minimum of the official rate for each Working Day of the relevant period.

Note: If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed. The reference rates are rounded off to two decimal places.

The exchange rates set out above were not the exchange rates used in, and may have differed at all relevant times from, the exchange rates used in the preparation of our financial information.

# **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" beginning on pages 36, 256, 156, 271 and 281, respectively, shall have the meaning given to such terms in such sections.

## **General Terms**

Term	Description	
Our Bank/ the Bank/ the Issuer/	Indian Overseas Bank, was incorporated on November 20, 1936, under the Indian	
IOB	Companies Act, 1913. Our Bank was constituted as 'Indian Overseas Bank' under the	
	Banking Companies Act on July 19, 1969, and having its head office at 763, Anna Salai,	
	Chennai – 600 002, Tamil Nadu, India.	
We/ us/ our	Unless the context requires otherwise, the Bank and its Associate and Joint Venture	

#### **Bank Related Terms**

Term	Description
Associate	The associate of our Bank, namely, Odisha Gramya Bank
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Group as at and for each of the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI, which comprises the consolidated statement of assets and liabilities, each of the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the statement of changes in equity, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Audited Financial Statements	Collectively, the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements
Audited Standalone Financial Statements	The audited standalone financial statements of our Bank as at and for each of the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Indian GAAP and the provisions of Banking Regulation Act, 1949 read with relevant guidelines and directions issued by the RBI, which comprises the standalone statement of assets and liabilities, each of the standalone statement of profit and loss, including other standalone income, the standalone statement of cash flows and the statement of changes in equity, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information
Board Committee for Performance Evaluation	The board committee for performance evaluation constituted by the Board of our Bank and as disclosed in "Board of Directors and Senior Management – Committees of our Board" on page 194
Board Level Committee for Compromise Settlements	The board level committee for compromise settlements constituted by the Board of our Bank and as disclosed in "Board of Directors and Senior Management – Committees of our Board" on page 194
Board Level Committee for Review of Disciplinary Cases and Departmental Enquiries	The board level committee for review of disciplinary cases and departmental enquiries constituted by the Board of our Bank and as disclosed in "Board of Directors and Senior Management – Committees of our Board" on page 194
Board Level Committee to Monitor Recovery in NPA	The board level committee to monitor recovery in NPA constituted by the Board of our Bank and as disclosed in "Board of Directors and Senior Management – Committees of our Board" on page 194

Term	Description
Board Level Steering Committee	The board level steering committee on human resources constituted by the Board of our
on Human Resources	Bank and as disclosed in "Board of Directors and Senior Management - Committees
	of our Board" on page 194
Board/ Board of Directors	Board of directors of our Bank or duly constituted committee thereof
Chief Financial Officer/ CFO	Chief financial officer of our Bank, being, Madhaw Chandra Jha
Committee of Board for	The committee of board for consideration of appeals constituted by the Board of our Bank
Consideration of Appeals	and as disclosed in "Board of Directors and Senior Management - Committees of our
	Board" on page 194
Credit Approval Committee	The credit approval committee constituted by the Board of our Bank and as disclosed in
	"Board of Directors and Senior Management – Committees of our Board" on page 194
Customer Service Committee	The customer service committee constituted by the Board of our Bank and as disclosed
	in "Board of Directors and Senior Management – Committees of our Board" on page
D: 4	194 D: 4 D 1 C D 1
Directors	Directors on the Board of our Bank
Equity Shares Executive Directors	Equity shares of face value ₹ 10 each of our Bank
Financial Statements	The executive directors of our Bank, namely, Joydeep Dutta Roy and Dhanaraj T Collectively, Unaudited Financial Results and Audited Financial Statements
Government Nominee Director	The Government nominee director of our Bank, namely, Neelam Agrawal
Head Office	763, Anna Salai, Chennai – 600 002, Tamil Nadu, India
Information Technology Strategy	The information technology strategy committee constituted by the Board of our Bank and
Committee	as disclosed in "Board of Directors and Senior Management – Committees of our
Committee	Board" on page 194
Joint Venture	The joint venture of our Bank namely India International Bank (Malaysia) Berhad Ltd.
Key Managerial Personnel	Key managerial personnel of our Bank as disclosed in "Board of Directors and Senior
Troy manageran responses	Management – Key Managerial Personnel and Senior Management' on page 198
Management Committee	The management committee constituted by the Board of our Bank and as disclosed in
8	"Board of Directors and Senior Management - Committees of our Board" on page 194
Managing Director and Chief	The managing director and chief executive officer of our Bank, namely, Ajay Kumar
Executive Officer	Srivastava
Part time Non-Official Director	The part time non-official director and non-executive chairman of our Bank, namely,
and Non-Executive Chairman	Srinivasan Sridhar
Promoter	The promoter of our Bank namely, the President of India, acting through the Ministry of
	Finance, Government of India
RBI Nominee Director	The RBI nominee director of our Bank, namely, Sonali Sengupta
Review Committee on Wilful	The review committee on wilful defaulters and non-co-operative borrowers constituted
Defaulters and Non-Co-Operative	by the Board of our Bank and as disclosed in "Board of Directors and Senior
Borrowers Series Management	Management - Committees of our Board" on page 194
Senior Management	Members of the senior management of our Bank as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in "Board of
	Directors and Senior Management – Key Managerial Personnel and Senior
	Management" on page 198
Shareholder Director	The shareholder director of our Bank, namely, Sanjaya Rastogi
Special Committee of the Board	The special committee of the board for monitoring and follow up of cases of fraud
for Monitoring and Follow up of	constituted by the Board of our Bank and as disclosed in "Board of Directors and Senior
Cases of Fraud	Management – Committees of our Board" on page 194
Stakeholder Relationship	The stakeholder relationship committee constituted by the Board of our Bank and as
Committee	disclosed in "Board of Directors and Senior Management - Committees of our Board"
	on page 194
Statutory Central Auditors	The statutory central auditors of our Bank being, M/s. R. Devendra Kumar & Associates,
	Chartered Accountants, M/s. Tej Raj & Pal, Chartered Accountants, M/s. Laxmi Tripti
	& Associates, Chartered Accountants and M/s. Sanjeev Omprakash Garg & Co.,
	Chartered Accountants
Unaudited Consolidated	The statement of unaudited consolidated limited review financial results of our Group, as
Financial Results	at and for the nine months period ended December 31, 2024, which was prepared in
	accordance with the recognition and measurement principles laid down in Accounting
	Standard 25 "Interim Financial Reporting" 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 RBI from time to time and other
	accounting principles generally accepted in India
Unaudited Financial Results	Collectively, Unaudited Standalone Financial Results and Unaudited Consolidated
Chaudited I maneral Results	Financial Results
Unaudited Standalone Financial	The statement of unaudited standalone limited review financial results of our Bank, as at
Results	and for the nine months period ended December 31, 2024, which was prepared in
	accordance with the recognition and measurement principles laid down in Accounting

Term	Description
	Standard 25 "Interim Financial Reporting" 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 RBI from time to time and other
	accounting principles generally accepted in India

# **Issue Related Terms**

Term	Description
Allocated/ Allocation	The allocation of Equity Shares, by our Bank in consultation with the 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) which was submitted by an Eligible QIB for
11	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	March 24, 2025, the date after which our Bank (or Lead Managers on behalf of our Bank)
	shall cease acceptance of Application Forms and the Bid Amount.
Bid/ Issue Opening Date	March 19, 2025, the date on which our Bank (or the Lead Managers on behalf of our
	Bank) commenced 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
214 15540 1 0110 0	of both days, during which prospective Bidders could have 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
Lead Managers/ LMs	The Lead Managers to the Issue, in this case being IDBI Capital Markets & Securities
Lead Managers, EMs	Limited, Systematix Corporate Services Limited, Elara Capital (India) Private Limited
	and Emkay Global Financial Services Limited.
CAN/ Confirmation of Allocation	Note or advice or intimation to Successful Bidders confirming Allocation of Equity
Notice	Shares to such Successful Bidders after determination of the Issue Price and requesting
110125	payment for the entire applicable Issue Price for all Equity Shares Allocated to such
	Successful Bidders.
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be expected
crossing David	to be made, i.e., on or about March 24, 2025.
Designated Date	The date of credit of Equity Shares to the Allottees' demat account, pursuant to the Issue,
Designation Butt	as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than
Englete 1116	individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations
Englete QIE(e)	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	Special non-interest bearing, no-lien, current bank account without any cheques or
	overdraft facilities, to be opened in the name and style "IOB ESCROW ACCOUNT
	2025" with the Escrow Bank, subject to the terms of the Escrow Agreement into which
	the Application Amount payable by the Bidders in connection with the subscription to
	the Equity Shares pursuant to the Issue has been deposited
Escrow Agreement	The escrow agreement dated March 19, 2025 entered amongst our Bank, the Escrow
	Bank and the Lead Managers.
Escrow Bank	Indian Overseas Bank
Floor Price	The floor price of ₹ 42.70 per Equity Share which has been calculated in accordance with
	Regulation 176 of Chapter VI of the SEBI ICDR Regulations.
	1
	Our Bank had offered a discount of 5% 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 2, 2024

Term	Description
Issue	Issue of up to 354,177,539 Equity Shares of face value ₹ 10 each at a price of ₹ 40.57 per
	Equity Share, including a premium of ₹ 30.57 per Equity Share, pursuant to this
	Placement Document aggregating up to ₹ 14,368.98 million.
Issue Price	₹ 40.57 per Equity Share
Issue Proceeds	The gross proceeds of the Issue. For details, see "Use of Proceeds" beginning on page 77.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
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 March 19, 2025 entered into amongst our Bank and the Lead Managers
Placement Document	This placement document dated March 24, 2025 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations
Preliminary Placement Document	The preliminary placement document dated March 19, 2025 issued by our Bank in accordance with Chapter VI of the SEBI ICDR Regulations, pursuant to which a QIB shall submit a Bid in the Issue
Qualified Institutional Buyers or	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR
QIBs	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	March 19, 2025, 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
Wilful Defaulter or Fraudulent	An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank
Borrower	or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations
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	
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	
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	Banking Ombudsman Scheme, 2006	
Scheme		
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	
CCI	Competition Commission of India	
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	

Civil Code	Term	Description
Gryl Code GPC. The Code of Givil Procedure, 1908 Competition Act. Competition Act. Competition Act. Competition Act. The Depositories Act. The Depo		
Cr.P.C. The Code of Criminal Procedure, 1973 Consolidated FDI Policy Consolidated FDI Policy Consolidated FDI Policy FDI Policy stated the Consolidated FDI Policy potified by the DPIIT under DPIIT File Number 5(2)/2020-pepositories Act The Depositories Act, 1996 Depositories Act The Depositories Act, 1996 Depository Participant A depository participant is defined under the Securities and Exchange Board of India (Depository Participant) A depository participant is defined under the Depositories Act DPOSITORY Participant A depository participant is defined under the Depositories Act DPOSITORY Participant A depository participant is defined under the Depositories Act DPOSITORY participant BECB External commercial borrowing FGM FERMA The Foreign Extend commercial borrowing FGM FIST PIPS Hat are eligible to participant is this Issue FDI FORM FIST PIPS Hat are eligible to participant in this Issue FDI FORM FIST PIPS HAT are eligible to participant in this Issue FDI FORM FIST PIPS HAT ARE ELIGIBLE TO PROPER IN THE ACT OF THE		
Competition Act		
Consolidated FDI Policy FDI Policy and 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) A depository participant A depository participant as defined under the Depositories Act DIPT Depository Participant Depository Participant A depository participant as defined under the Depositories Act Dipter and the Depositories Act Depository Participant Depository Participant A depository participant as defined under the Depositories Act Department for Promotion of Industry and Internal Trade (Formerly known as Department of Industrial Policy & Promotion) ECB External commercial borrowing EGM Extraordinary general meeting EIGNBEPPIS FPIS that are eligible to participate in this Issue FDI Foreign direct investment FEMA The Foreign Exchange Management Act, 1999 and the regulations issued thereunder FEMA Rules/ FEMA Non-Debt Rules FISCAL Fiscal Year/ Financial Period of 12 months ended 31 March of that particular year, unless otherwise stated Year/ FY FPI Foreign profiloi investors as defined under the SEBI FPI Regulations who has been registered under the SEBI FPI Regulations. 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 GDP Gross domestic product GIF Government Government of India, unless otherwise specified GIF Government of India India Government of India India GAAP		
EDI 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 (Depository Participant) Depository Participant   A depository parti	Consolidated FDI Policy	
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Depository Participant	Depository	
Diliption   Department for Promotion of Industry and Internal Trade (Formerly known as Department of Industrial Policy & Promotion)	D ' D '	
BCB		
ECB	DIIPI	
Editible FPIs   Fyls that are eligible to participate in this Issue	ECD	
Eligible FPIs		
FDIM		
FEMA Rules   FEMA Non- Debt Rules   FEMA Non- Debt Rules   Fiscal Fiscal Year   Financia   Fiscal Fiscal Year   Financia   Fiscal Fiscal Year   Financia   Foreign Exchange Management (Non-debt Instruments) Rules, 2019   Period of 12 months ended 31 March of that particular year, unless otherwise stated   Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. 2000  GAAP General index registered under the SEBI FPI Regulations, 2000  GAAP General index registered under the SEBI FPI Regulations, 2000  GENAP General index registered under the SEBI FPI Regulations, 2000  GENAP General index registered under the SEBI FPI Regulations, 2000  GENAP General index registered with SEBI under the SEBI FPI Regulations and includes a person who has been proposed for india Accounting Standards for the International Accounting Standards Board Inferior of Cost Accounting Principles of India as applicable to banks Indian Overseas Bank Indian Reporting Standards converged with		
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NSE National Stock Exchange of India Limited		
p.a.   Per annum		
	p.a.	Per annum

Term	Description		
PAN	Permanent account number		
PDAI	Primary Dealers Association of India		
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	Master Circular of RBI on Prudential norms on Income Recognition, Asset Classification and		
	Provisioning pertaining to Advances dated April 02, 2024		
PTC	Pass through certificate		
RBI	Reserve Bank of India		
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 S	Regulation S under the U.S. Securities Act		
RFID	Radio frequency identification		
Rs./ Rupees/ INR/ ₹	Indian Rupees		
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, 2018		
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	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		
STT	Securities transaction tax		
U.S. GAAP	Generally Accepted Accounting Principles in the United States		
U.S. Securities Act	United States 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		

# **Industry Related Terms**

Term	Description
ATM	Automated Teller Machine
BCBS	Basel Committee on Banking Supervision
CAR	Capital Adequacy Ratio
CASA	Current Account Savings Account
CBDC	Central Bank Digital Currency
CCB	Capital Conservation Buffer
CDs	Corporate Debtors
CET1	Common Equity Tier 1
CIRP	Corporate Insolvency Resolution Process
CPI	Consumer Price Index
CRAR	Capital to Risk Weighted Assets Ratio
CRR	Cash Reserve Ratio
DLG	Default Loss Guarantee
DPIIT	Department for Promotion of Industry and Internal Trade

Term	Description
D-SIBs	Domestic Systematically Important Banks
e₹	Digital Rupee
ECL	Estimated Credit Loss
ECLGS	Emergency Credit Line Guarantee Scheme
EMDE	Emerging Market and Developing Economy
EOM	Expenses of Management
EXIM	Expenses of Management  Export-Import Bank of India
FBs	
	Foreign Banks
FDI	Foreign Direct Investment
FRRR	Fixed Rate Reverse Repo
FSR	Financial Stability Report
GDP	Gross Domestic Product
GNPA	Gross Non Performing Assets
GoI	Government of India
GSL	Government securities Lending
GVA	Gross Value Added
HFCs	Housing Finance Companies
HTM	Held to Maturity
IBC	Insolvency and Bankruptcy Code
ICRR	Incremental Cash Reserve Ratio
IMF	International Monetary Fund
IMPS	Immediate Payment Service
IRDAI	Insurance Regulatory Development Authority of India
IRRBB	Interest Rate in Banking Book
LABs	Local Area Banks
LAF	Liquid Adjustment Facility
LCR	Liquidity Cover Ratio
LSP	Lending Service Providers
MFI	Micro Finance Institutions
MPC	Monetary Policy Committee
MPS	Minimum Public Shareholding
MSF	Marginal Standing Facility
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NaBFID	National Bank for Financing Infrastructure and Development
NBFCs	Non-Banking Financial Companies
NHB	National Housing Bank
NDTL	Net demand and Time Liabilities
NEFT	National Electronic Funds Transfer
NII	Net Interest Income
NIM	Net Interest Income
NIM	Net Interest Margins
NNPA	Net Non Performing Assets
NPA	Non Performing Assets
NSFR	Net Stable Funding Ratio
OOI	Other Operating Income
PCR	Provisioning Coverage Ratio
PPIRP	Pre-Packaged Resolution Process
PSBs	Public Sector Banks
PSL	Priority Sector Lending
PVB	Private Sector Banks
RBI	Reserve Bank of India
RBIH	Reserve Bank Innovation Hub
REs	Regulated Entities
RIDF	Rural Infrastructure Development Fund
RoA	Return on Assets
RoE	Return on Equity
RRB	Regional Rural Banks
RTGS	Real Time Gross Settlement
RWA	Risk Weighted Assets
SBI	State Bank of India
SCBs	Scheduled Commercial Banks
SDF	Standing Deposit facility
	- 1 0 · · F · · · · · · · · · · · · · ·

Term	Description
SFB	Small Finance Banks
SFCs	State Financial Corporations
SIDBI	Small Industries Development Bank of India
SLR	Statutory Liquid Ratio
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
UCBs	Urban Cooperative Banks
UPI	United Payment Interface
VARX	Vector Autoregression with Exogenous variables
WEO	World Economic Outlook

# **SUMMARY OF THE ISSUE**

The following is a general summary of the terms of this 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" beginning on pages 38, 77, 224, 253 and 237 respectively. The information contained in "Description of the Equity Shares" beginning on page 253 shall prevail in the event of any inconsistency with the terms set out in this section.

Issuer	Indian Overseas Bank
Issue Size	Issue of up to 354,177,539 Equity Shares of face value ₹ 10 each at a price of ₹ 40.57
15540 5120	per Equity Share, including a premium of ₹ 30.57 per Equity Share, aggregating up
	to ₹ 14,368.98 million.
	A minimum of 10% of the Issue Size i.e. at least 35,417,753 Equity Shares shall
	be available for Allocation to Mutual Funds only, and the balance of 318,759,786
	Equity Shares shall be available for Allocation to all Eligible QIBs, including
	Mutual Funds.
	In case of under-subscription or no subscription in the portion available for Allocation
	only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible
	QIBs
Face Value	₹ 10 per Equity Share
Issue Price	₹ 40.57 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 ₹ 42.70 per Equity Share.
	Our Bank had offered a discount of 5% on the Floor Price in terms of Regulation
	176(1) of the SEBI ICDR Regulations and in accordance with the approval of the
D. C. D. I. I.	shareholders of our Bank accorded through their resolution passed on July 2, 2024.
	April 22, 2024
authorizing the Issue	T1 2, 2024
Date of Shareholders resolution authorizing the Issue	July 2, 2024
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application
Eligible flivestors	Form have been delivered and to whom this Placement Document will be delivered
	and who are eligible to make a Bid and participate in the Issue. See "Issue
	Procedure", "Selling Restrictions" and "Transfer Restrictions" beginning on pages
	224, 239, and 246, respectively.
	221, 237, and 210, respectively.
	The list of Eligible QIBs to whom the Preliminary Placement Document and
	Application Form were delivered and this Placement Document will be delivered has
	been determined by the Lead Managers, in consultation with our Bank, at their sole
	discretion
Equity Shares subcribed, issued,	18,902,412,256 Equity Shares
paid-up and outstanding	* * * *
immediately prior to the Issue	
Equity Shares subscribed, issued,	19,256,589,795 Equity Shares
paid-up and outstanding	
immediately after the Issue	
Dividend	For more information, see "Description of the Equity Shares" and "Dividend Policy"
	beginning on pages 253 and 79, respectively.
Indian Taxation	For more information, see " <i>Taxation</i> " beginning on page 256.
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" beginning on
	page 224.
Listing and trading	Our Bank has obtained in-principle approvals from the BSE and the NSE each dated
	March 19, 2025, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing
	of the Equity Shares to be issued pursuant to the Issue.
	The trading of the Equity Shares would be in dematerialized form and only in the cash
	segment of each of the Stock Exchanges.
	Our Bank will make applications to each of the Stock Exchanges after Allotment and
	credit of Equity Shares to the beneficiary account of the successful Bidders

	maintained with the Depository Participant to obtain final listing and trading approval						
	for the Equity Shares, to be issued pursuant to this Issue.						
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 " <i>Selling Restrictions</i> " and " <i>Transfer Restrictions</i> " beginning on pages 239 and 246, respectively.						
<b>Closing Date</b>	The date on which Allotment of the Equity Shares pursuant to the Issue sexpected to be made, i.e., on or about March 24, 2025.						
Ranking	The Equity Shares being issued shall rank <i>pari passu</i> 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, in compliance with the Banking Companies Act, the Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with applicable laws. For details, see " <i>Description of the Equity Shares</i> " beginning on page 253.						
Lock-up	For further details, see " <i>Placement</i> " beginning on page 237 for a description of restrictions on our Bank in relation to Equity Shares.						
Use of Proceeds	The gross proceeds from the Issue aggregate to ₹ 14,368.98 million. The Net Proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to total approximately ₹ 14,294.30 million. For further details, see "Use of Proceeds" beginning on page 77.						
Risk Factors	Prior to making an investment decision, Eligible Investors should consider carefully the matters discussed under " <i>Risk Factors</i> " beginning on page 38.						
<b>Security Codes for the Equi</b>	ty Shares:						
ISIN	INE565A01014						
BSE Code	532388						
NSE Code	IOB						

#### SUMMARY OF BUSINESS

Our Bank was founded on February 10, 1937 by Shri. M. Ct. M. Chidambaram Chettyar and has since served 88 years in the Indian banking system. Our Bank was one of the 13 major banks that was nationalized in 1969. As of December 31, 2024, the President of India, acting through the Ministry of Finance, Government of India, owned 96.38% of our Bank and, accordingly, exercises control over our management and operations.

With over 88 years of operational experience, our Bank offers a wide range of banking products and services to meet the needs of our customers, including both resident and non-resident Indians. We offer banking products in the agricultural; corporate banking; retail banking; micro, small and medium-sized enterprises ("MSME") and overseas sectors spread across the metro, urban, sub-urban and rural geographies. In line with our vision "to emerge as the preferred bank connecting generations with high standards of ethics and governance", we are committed to our mission of providing best banking solutions through digital and physical experience for customer delight.

As on date of this Placement Document, our business operations are broadly categorised into four verticals: (i) corporate/ wholesale banking; (ii) retail banking; (iii) treasury; and (iv) other banking operations. We offer a range of products and services offered by the Bank under these vertices includes loans and advances, deposits, foreign exchange products, retail lending and services, including:

- *Corporate/ wholesale banking*. We offer banking services such as project and corporate finance, working capital, short term credit, forex loan products such as export import credit, LC, LG, buyers' credit.
- **Retail banking.** We offer a wide range of consumer credit products, including personal loans, home loans, vehicle loans, education loans, mortgage loans, and credit card services. Our deposit products include savings accounts, time deposits and tailored deposit products for customers in various sectors, such as accounts for high net worth individuals, non-resident Rupee accounts and tax-saving deposit products.
- Treasury. Our Bank also handles treasury functions of State and Central Governments.
- Other banking operations. Our other businesses include bancassurance (marketing of life and non-life insurance products), international banking, sale of mutual fund products, agricultural lending and depository services.

As on the date of this Placement Document, our Bank has operations both domestically and globally, with presence in four countries, being, Singapore, Hong Kong, Thailand and Sri Lanka.

We deliver a wide range of banking products and services to our customers through a variety of channels, including bank branches, asset servicing offices, ATMs, call centres, internet and mobile phones. As at December 31, 2024, our Bank has an established network of 3,324 branches, 9,041 business correspondents and 3,503 ATMs, with 58.12% catering to the rural and semi-urban areas. Our Bank's branch network is further complemented by its digital banking solutions that enable it to provide its customers with access to on-demand banking services. We are focused on continuing investment in our digital innovations and have in place a clear strategy co-developed with one of the recognised consultancy firms.

Our Bank also has sustained growth in low-cost CASA deposits within its deposit mix contributing toward 72.59% of the domestic advances as on December 31, 2024. The table below sets forth certain details about our Bank's CASA, for the periods indicated:

	As at an	As at and for the nine month period ended			As at and for the Fiscal ended					
	December 31, 2024		December 31, 2023		March 31, 2024		March 31, 2023		March 31, 2022	
Particul ars	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi ts

CASA	1,323,37	43.37	1,209,14	43.49	1,255,08	43.90	1,141,12	43.74	1,138,76	43.44
	5.34		5.12		2.90		8.04		6.70	
Domesti	1,298,09	42.54	1,184,65	43.75	1,234,34	44.25	1,120,92	44.07	1,120,07	43.60
c CASA	8.81		2.93		5.30		9.99		2.64	

The table below sets forth summaries of certain of the Bank's key operating and financial performance parameters, as of and for the periods indicated below:

			the nine month ended	As at and for the Fiscal ended			
Particulars	Units	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023	March 31, 2022	
Average interest- earning assets <sup>(1)</sup>	₹ in million	3,321,569.24	2,947,847.84	2,995,055.86	2,813,599.31	2,618,402.68	
Net interest income	₹ in million	77,672.60	70,663.33	98,290.00	82,550.00	63,110.00	
Average total assets <sup>(1)</sup>	₹ in million	3,692,106.10	3,252,042.71	3,298,040.00	3,104,006.40	2,905,269.40	
Average yield <sup>(1)</sup>	%	8.23	7.88	8.03	6.90	6.39	
Average cost of funds <sup>(2)</sup>	%	5.22	4.78	4.87	4.18	4.19	
Spread <sup>(3)</sup>	%	2.10	2.17	2.98	2.66	2.17	
Net interest margin <sup>(4)</sup>	%	3.13	3.20	3.28	2.93	2.41	
Return on average equity <sup>(5)</sup>	%	15.93	23.45	16.24	15.55	17.89	
Return on average assets <sup>(6)</sup>	%	0.82	0.76	0.81	0.68	0.59	
Earning per share	₹ in million	1.21	0.98	1.40	1.11	0.92	
Book value per share	₹ in million	10.66	8.93	9.56	7.75	7.04	
Tier I capital adequacy ratio	%	14.33	13.95	14.47	12.88	10.71	
Tier II capital adequacy ratio	%	2.64	2.85	2.81	3.22	3.12	
Total capital adequacy ratio	%	16.97	16.80	17.28	16.10	13.83	
Net NPAs <sup>(7)</sup>	₹ in million	9,759.10	13,025.80	12,168.60	32,660.10	38,246.20	
Net NPAs ratio <sup>(8)</sup>	%	0.42	0.62	0.57	1.83	2.65	
Credit to deposit ratio <sup>(9)</sup>	%	77.88	77.74	76.61	72.45	59.43	
Cost to income ratio <sup>(10)</sup>	%	48.26	51.35	62.5	49.23	48.15	
Staff cost to income ratio	%	26.16	34.68	39.65	33.15	31.08	
Other cost to income ratio	%	18.39	16.67	16.65	18.78	17.53	
Interest coverage ratio <sup>(11)</sup>		1.20	1.20	1.21	1.21	1.19	
Provisioning coverage ratio (including technical write-off) <sup>(12)</sup>	%	97.07	96.85	96.85	92.63	91.66	
Credit cost	%	0.37	1.55	1.34	1.70	-	
CASA ratio <sup>(13)</sup>	%	43.37	43.49	43.90	43.74	40.73	

Slippage ratio <sup>(14)</sup>	%	0.13	0.17	0.16	0.33	-
Total business	₹ in million	5,427,532.86	4,942,090.72	5,049,238.72	4,498,918.04	4,179,596.34
Gross total advances	₹ in million	2,376,319.89	2,161,633.20	2,190,184.94	1,890,085.14	1,558,007.10
Gross Deposits	₹ in million	3,051,212.97	2,780,457.52	2,859,053.78	2,608,832.90	2,621,589.24

#### Notes:

- (1) Average balances are daily averages for deposits/advances/investments and all others are based on monthly averages as reported to the RBI.
- (2) Cost of funds is interest expense divided by total monthly average assets.
- (3) Spread is net interest income divided by monthly average assets.
- (4) Net interest margin is the difference of interest earned and interest expended divided by the total average interest-earning assets, where advances, investment and money at call and short notice are based on daily averages and others are based on monthly averages.
- (5) Return on average equity is the ratio of the net profit after tax to the quarterly average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).
- (6) Return on average assets is the ratio of the net profit after tax to the monthly average assets.
- (7) Net NPAs reflect the Bank's gross NPAs less provisions for NPAs.
- (8) Net NPAs ratio is the ratio of net NPAs divided by net advances.
- (9) Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.
- (10) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).
- (11) Interest coverage ratio is calculated as net profit and depreciation on the Bank's property, divided by interest expended.
- (12) PCR (including technical write-off) comprises provisions plus technical write off as percentage to Gross NPA plus technical write off.
- (13) Ratio of domestic current account deposits and savings account deposits to domestic deposits (including inter-bank deposits).
- (14) Slippages are fresh accretion to NPAs during a period. Slippage Ratio is fresh NPAs divided by Standard Advances at the beginning of the period.

#### SELECTED FINANCIAL INFORMATION OF OUR BANK

# <u>SUMMARY PROFIT AND LOSS ACCOUNT FOR THE NINE MONTH PERIOD ENDED DECEMBER</u> <u>31, 2024 AND DECEMBER 31, 2023</u>

(₹ in million)

Particulars	December 31, 2024	December 31, 2023
INCOME	·	
Interest Earned	204,974.23	174,208.47
Other Income	39,639.68	31,788.88
TOTAL	244,613.91	205,997.35
EXPENDITURE		
Interest Expended	127,301.66	103,545.14
Operating Expenses	56,611.32	54,425.58
Provisions and Contingencies (Net)	37,864.52	29,551.37
TOTAL	221,777.5	187,522.09
PROFIT / LOSS (-)		
Net Profit / Loss (-) for the year	22,836.40	18,475.24
Profit /Loss (-) brought forward	(144,692.91)	(164,486.98)
Less: Set off against Share Premium		
TOTAL	(121,856.51)	(146,011.74)
Basic and Diluted Earnings per share (₹)	1.21	0.98

#### SUMMARY BALANCE SHEET FOR FISCAL 2024, 2023 AND 2022

(₹ in million)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Capital and Liabilities			
Capital	189,024.12	189,024.12	189,024.12
Reserves and Surplus	90,398.88	63,605.33	40,979.85
Minority Interest	0	0	0
Deposits	2,859,053.78	2,608,832.90	2,621,589.25
Borrowings	303,871.66	208,037.72	30,706.37
Other Liabilities and Provisions	77,987.74	67,8397.78	111,472.10
Total	3,520,336.18	3,137,339.85	2,993,771.69
Assets			
Cash and Balances with Reserve Bank of India	169,045.63	171,480.94	167,059.94
Balances with Banks and Money at call and Short Notice	16,498.56	34,587.27	200,671.99
Investments	996,320.82	941,704.10	981,793.13
Advances	2,133,188.09	1,780,525.74	1,442,435.24
Fixed Assets	37,397.55	37,099.77	33,648.97
Other Assets	167,885.53	171,942.03	168,162.42
Total	3,520,336.18	3,137,339.85	2,993,771.69

#### SUMMARY PROFIT AND LOSS ACCOUNT FOR FISCAL 20204, 2023 AND 2022

(₹ in million)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
INCOME			
Interest Earned	240,497.34	194,003.26	167,298.66
Other Income	56,562.62	41,087.48	49,030.20
TOTAL	297,059.96	235,090.74	216,328.86
EVENDURIDE			
EXPENDITURE			
Interest Expended	142,203.20	111,454.44	104,187.28
O 4: E	87,219.07	64,214.63	54.510.44
Operating Expenses	07,219.07	07,217.03	54,512.44
Provisions and Contingencies (Net)	41,081.44	38,433.80	34,512.44 40,533.71

PROFIT / LOSS (-)			
Net Profit / Loss (-) for the year	26,556.24	20,987.86	17,095.47
Profit /Loss (-) brought forward	(164,486.98)	(179,992.87)	(188,138.62)
Less: Set off against Share Premium			
TOTAL	(137,930.73)	(159,005.01)	(171,043.19)
APPROPRIATIONS			
Transfer to Statutory Reserve	6,639.06	5,246.96	4,932.05
Transfer to Revenue and Other Reserves	0.00	0.00	0.00
Transfer to Capital Reserve	123.11	235.00	1,117.62
Transfer to Investment Fluctuation Reserve	0.00	0.00	2,900.00
Proposed Dividend (including Dividend Tax)	0.00	0.00	0.00
Balance carried over to Balance Sheet	(144692.91)	(164,486.98)	(179,992.87)
TOTAL	(137930.73)	(159,005.01)	(171,043.19)
			•
Basic & Diluted Earnings per share (₹)	1.40	1.15	0.92

#### CASH FLOW STATEMENT OF THE BANK FOR THE FISCAL 2024, 2023 AND 2022

(₹ in million)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash from Operating Activities	(11,654.21)	(155,952.75)	55,658.68
Net Cash used in Investing Activities	(3,592.90)	(5,594.84)	(479.74)
Net Cash from Financing Activities	(5,276.91)	(116.11)	4,789.61
Cash and Cash Equivalents at the Beginning of the Year	206,068.21	367,731.92	307,763.37
Net Change in Cash and Cash Equivalents	(20,524.03)	(161,663.71)	59,968.55
Cash and Cash Equivalents at the end of the Year	185,544.18	206,068.21	367,731.92

#### RISK FACTORS

This Issue and an investment in the Equity Shares involve a certain degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Placement Document before making an investment in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future. This section should be read together with "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" beginning on pages 156, 176, 80 and 271, respectively, as well as the financial statements, including the notes thereto, and other financial information included in "Financial Statements" beginning on page 281.

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 19.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Unaudited Financial Results and the Audited Financial Statements included in this Placement Document in "Financial Statements" beginning on page 281. 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 "GoI") 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 our Bank, the Lead Managers or any of their affiliates or advisers.

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

#### RISKS RELATING TO OUR BUSINESS

1. Material weakness or failures of our internal control system may cause significant operational errors and could prevent timely and accurate reporting of our Bank's financial results, which may in turn materially and adversely affect our profitability and reputation.

Our Bank's internal controls over financial reporting may not prevent or detect misstatements in a timely manner due to inherent limitations, including human error, circumvention or overriding of controls, or fraud. We are susceptible to, and have experienced in the past, fraud or misconduct by employees or outsiders, involving *inter alia* unauthorized transactions by employees. Our Bank has implemented measures designed to address those internal control deficiencies and expects to continue implementing measures designed to improve our internal control over financial reporting. While our Bank believes that these measures have been effective in correcting these internal control deficiencies in the past, we cannot be certain that, at some point in the future, material weaknesses will not be identified or our Bank's internal controls will not fail to detect a matter they are designed to prevent, and failure to remedy such material weaknesses could result in a material misstatement in its financial statements and have a material, adverse effect on our Bank's business, financial condition and results of operations.

We are responsible for establishing and maintaining adequate internal measures commensurate with our size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on

an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal circular guidelines.

We have, in the past, detected fraud involving certain accounts through connivance between borrowers and our employees, which led to losses, downgrade of credit ratings and reputational harm. In nine months period ended December 31, 2024, and December 31, 2023 and in Fiscals 2024, 2023 and 2022, there were 1,878, 6,473, 8,049, 1,017 and 312 fraud cases reported by the Bank to RBI, respectively. Set forth below are the number of frauds identified in the corresponding years, and their pecuniary implication:

Particulars	Nine month period ended December 31, 2024	Nine month period ended December 31, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of frauds detected	1,878	6,473	8,049	1,017	312
Aggregate pecuniary implication (₹ in million)	219.65	160.15	150.93	13,321.44	14,623.30

While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weaknesses.

We face operational risks in our business and there may be losses due to deal errors, deficiencies in the credit sanction process, settlement problems, errors in computation of net asset value, pricing errors, inaccurate financial reporting, inaccurate information, fraud, cyber security breaches and failure of systems and infrastructure.

Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and reputational or financial harm, including harm to our brand. There is no guarantee that our existing fraud monitoring systems or improvements will be able to monitor or detect all the frauds that may occur in the future. In addition, we carry out certain processes manually, and even though there are proper checks and controls, this may still increase the risk of human error, tampering or manipulation, which may result in losses that may be difficult to detect. As a result, we may suffer material monetary losses.

# 2. 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.

Our NPAs are dependent on several factors, including macroeconomic conditions, increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, any inflationary, disinflationary and/or deflationary pressure, liquidity crisis, , any inflationary, disinflationary and/or deflationary pressure, liquidity crisis, a sharp and sustained rise in interest rate, slow industrial and business growth, high levels of debt involved in financing of projects, and significant borrowings by companies in India at relatively high interest rates, and any such significant increase in NPAs may have a material adverse effect on our financial condition and results of operations. Any of these factors could further increase our Bank's NPA levels and have a material, adverse effect on the quality of our Bank's loan portfolio and have a material, adverse effect on our business, financial condition, results of operations and cash flows.

Set forth below are our gross and net NPAs as of the corresponding dates:

(₹ in million, unless otherwise stated)

Particulars	As of Dec	ember 31,	As of March 31,				
	2024	2023	2024	2023	2022		
Gross NPAs	60,705.12	84,408.28	67,944.26	140,715.47	152,986.24		
Provision on non performing advances	48,765.41	68,480.02	53,282.95	105,189.95	111,493.50		

Particulars	As of Dec	ember 31,		As of March 31,	
	2024	2023	2024	2023	2022
Net NPAs	9,759.11	13,025.78	12,168.56	32,660.08	38,246.24
Gross advances	2,376,319.89	2,161,633.20	2,190,184.95	1,890,085.13	1,558,007.09
Gross advances minus	2,325,252.01	2,089,935.48	2,134,094.10	1,781,714.44	1,442,953.11
provisions on non					
performing advances					
Gross NPAs as a percentage	2.55	3.90	3.10	7.44	9.82
of gross advances (%)					
Gross advances minus	2.10	3.28	2.50	5.90	7.73
provision on non performing					
advances as a percentage of					
provision on non performing					
advances (%)					
Provision Coverage Ratio	80.33	81.13	78.42	74,75	72.88

Historically, we have experienced significant exposure to sectors such as agriculture, retail, MSME, corporate, amongst others, and may continue to do so. Any financial difficulties experienced by any of these sectors of the Indian economy or by our customers, could significantly increase our NPA levels. For further information on our exposure to these sectors, see "Selected Statistical Information" beginning on page 107.

Additionally, if the systems and process established by our Bank to identify NPAs fail or are unable to identify the NPAs correctly and in a timely manner, our financial position could be adversely affected. We have, in the past, experienced certain deficiencies in our NPA identification and monitoring systems and processes, and there can be no assurance that our systems and processes will always function appropriately or correctly in order to identify NPAs in a timely manner or at all, or that similar deficiencies will not arise in the future.

If the level of our Bank's NPAs increases further, the overall quality of its loan portfolio deteriorates or it experiences further ageing of the assets after being classified as non-performing, an increase in provisions could be required. There can be no assurance that the percentage of NPAs that our Bank will be able to recover will be similar to our Bank's past experience of recoveries of NPAs. As a result, our Bank's provisioning costs could increase, our Bank's Net Interest Income and Net Interest Margin could be negatively affected due to non-accrual of income on non-performing loans, our Bank's credit ratings and liquidity may be adversely affected, our Bank may become subject to enhanced regulatory oversight and scrutiny, and our Bank's reputation, business, financial condition and results of operations could be adversely affected.

Provisions for NPAs are created by a charge to our profit and loss account and are currently subject to minimum provisioning requirements, linked to ageing of NPAs. In addition to the relevant regulatory minimum provisioning, we also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions. 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. We cannot assure you that the NPAs reported by our Bank in the future will be as assessed by any regulatory authority, and that our Bank will not be subject to increased provisioning requirements. Any future increases in provisions mandated by the RBI or other regulatory changes or increase in provisioning requirements as a result of divergences identified by the RBI, could therefore lead to an adverse impact on our business, future financial performance and the trading price of the Equity Shares. For further information, see "Key Regulations and Policies" beginning on page 206.

# 3. Our Bank's business is vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our interest earned and, in turn, our results of operations and cash flows.

Our Bank's results of operations are substantially dependent on the amount of our interest earned. The table below sets forth the details of our Bank's interest earned and as a percentage of total income, for the periods provided:

	Niı		period end ber 31,	led	Fiscal ended March 31,					
	20	24	20	23	20	24	20	23	20	22
Particula rs	Amou nt (₹ in millio n)	% of total incom	Amou nt (₹ in millio n)	% of total incom	Amou nt (₹ in million	% of total income	Amou nt (₹ in million	% of total income	Amou nt (₹ in million	% of total income
Interest	204,97	83.79	174,20	84.57	240,49	80.96	194,00	82.52	167,29	77.34
earned	4.23		8.47		7.34		3.26		8.66	
Other	39,639	16.21	31,788	15.43	56,562.	19.04	41,087.	17.48	49,030.	22.66
income	.68		.89		62		48		19	
Total	244,61	100.00	205,99	100.00	297,05	100.00	235,09	100.00	216,32	100.00
income	3.91		7.36		9.96		0.74		8.85	

Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the RBI's monetary policy, deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and economic and fiscal policies in India and other factors.

In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds and conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest earned would be adversely impacted. While any reduction in the interest rates we pay on our deposits and borrowings may be passed on to customers for our loans, we are unable to pass on any increase in interest rates at which we lend to our customers who have existing loans on fixed interest rates. Any inability of our Bank to retain customers as a result of rising interest rates may adversely impact our Bank's earnings in future periods. Similarly, in the event of falling interest rates, our Bank may face more challenges in retaining its customers if it is unable to offer competitive rates as compared with other banks in the market. Competitive pressure may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in the interest rates charged by us on our advances could result in our borrowers, particularly those with variable interest rate loans, prepaying their loans if they are able to switch to more competitively priced loans offered by other banks. Moreover, any systemic decline in low-cost funding available to banks in the form of current and savings account deposits would adversely impact our Bank's interest earned.

4. We are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition.

We conduct business with certain borrowers who have highly leveraged balance sheets and any default by any of these borrowers would have a significant impact on our profitability. As of December 31, 2024, the aggregate exposure of the Bank's ten largest group borrowers (fund-based) amounted to ₹ 130,564.41 million representing 48.77% of the Bank's total capital, which comprises ₹ 267,715.40 million Tier I and ₹ 41,702.00 million Tier II capital. The Bank's exposure to the single largest group borrower (fund-based) on such date was ₹ 20,780.00 million representing 7.76% of the Bank's capital. The Bank's exposure (fund based) to its ten largest individual borrowers as of December 31, 2024 was ₹ 317,403.20 million.

If any of our key borrowers default or become non-performing, our exposure to credit risk would increase, and our net profits would decline and, due to the scale of the exposures, our ability to meet capital requirements could be risked. We cannot assure you that these borrowers will continue to honour their commitments and that there will be no defaults in future and further, that there will not be any delay in payments of interest and/or principal from these borrowers. In addition, the RBI guidelines, and our focus on controlling and reducing concentration risk, may restrict our ability to grow our business with some customers, thereby impacting our earnings.

Further, set forth below are details of deposits from the Bank's top 10 depositors as of the corresponding dates:

	Nine month period ended December 31,				Fiscal ended March 31,					
	20	24	20	23	20	24	20	23	20	22
Particula rs	Amou nt (₹ in millio n)	% of total deposi ts	Amou nt (₹ in millio n)	% of total deposi ts	Amou nt (₹ in million	% of total deposit	Amou nt (₹ in million	% of total deposit	Amou nt (₹ in million	% of total deposi ts
Top 10	100,58	3.39	92,000	3.40	85,530.	3.07	95,600.	3.76	85,030.	3.31
depositors	0.00		.00		00		00		00	

However, we cannot assure you that there will not be any untimely withdrawal or non-renewal of deposits from these depositors. In the event of such withdrawal or non-renewal, our business, results of operations and financial conditions may be adversely affected.

In addition, we offer loans to a wide range of industries and businesses. Set below are our Bank's top five industries to which advances were provided for periods mentioned:

	Niı		period end ber 31,	led	Fiscal ended March 31,					
Industra	20		20	23	20	24	20	23	2022	
Industry particula rs	Amou nt (₹ in millio n)	% of total deposi ts	Amou nt (₹ in millio n)	% of total deposi ts	Amou nt (₹ in million	% of total deposit	Amou nt (₹ in million	% of total deposit	Amou nt (₹ in million	% of total deposit
Infrastruct	219,93	29.87	153,19	28.69	146,42	27.79	146,15	35.33	83,740.	32.42
ure	5.79		3.84		7.42		4.9		46	
Basic	74,289	10.09	47,116	8.82	43,772.	8.31	67,979.	16.43	34,980.	13.54
Metal and	.06		.32		03		65		38	
Metal Products										
All	37,595	5.11	19,367	3.63	20,947.	3.98	16,676.	4.03	11,900.	4.61
Engineeri ng	.06		.29		01		87		29	
Mining	32,029	4.35	5,628.	1.07	6,002.6	1.14	9,315.8	2.25	8,490.7	3.29
and	.36		47				5		8	
Quarrying										
Chemicals	30,850	4.19	27,876	5.22	28,757.	5.46	27,087.	6.55	10,924.	4.23
and	.70		.67		65		71		49	
Chemical										
Products										
(Dyes,										
Paints,										
among										
others)										

Any financial difficulties experienced by our customers or by particular sectors of the Indian economy to which we have historically had and continue to have significant exposure, due to factors outside our control could significantly increase our NPA levels and adversely affect our business, future financial performance and the price of the Equity Shares.

## 5. The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition.

Our assets include restructured/ rescheduled loans. As of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022 and, our Bank's gross restructured standard assets amounted to  $\mathbb{Z}$  43,066.21 million,  $\mathbb{Z}$  55,366.40 million,  $\mathbb{Z}$  53,230.00 million,  $\mathbb{Z}$  69,484.60 million and  $\mathbb{Z}$  95,219.18 million and as a proportion of net advances were 1.85%, 2.65%, 2.49%, 3.90% and 6.60%, respectively. The provision on these accounts amounted to  $\mathbb{Z}$  4,869.19 million,  $\mathbb{Z}$  3,816.41 million,  $\mathbb{Z}$  4,641.26 million,  $\mathbb{Z}$  6,237.14 million and  $\mathbb{Z}$  9,682.25 million, respectively, as of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022. Set below are details of restructured/ rescheduled assets in relation to the periods indicated:

Particulars	Nine month   Decem		Fiscal ended March 31,			
	2024	2023	2024	2023	2022	
Restructured/ rescheduled assets (₹ in million)	43,066.21	55,366.40	53,230.00	69,484.60	95,219.18	
Net Advances (₹ in million)	2,325,068.34	2,089,023.95	2,133,188.09	1,780,525.73	1,442,435.24	
% of net advances	1.85	2.65	2.49	3.90	6.60	
Provision for Restructured accounts (₹ in million)	3,816.41	4,869.19	4,641.26	6,237.14	9,682.25	
Provisions and Contingencies (Net) (₹ in million)	31,128.37	25,835.72	41,081.44	38,433.80	40,533.71	
% of total Provisions and contingencies	12.26	18.84	11.30	16.23	23.89	

The loan portfolio of our international branches also includes foreign currency loans to Indian companies for their Indian operations as well as for their international operations, including cross-border acquisitions. We restructure assets based on a borrower's potential to restore its financial health; however, there can be no assurance that borrowers will be able to meet their obligations under restructured advances as per regulatory requirements and certain assets classified as restructured, may be classified as delinquent. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations.

A 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 adversely affect our business, future financial performance and the trading price of the Equity Shares.

6. We are subject to the directed lending requirements of the Reserve Bank of India, and any shortfall in meeting these requirements may be required to be invested in Government schemes that yield low returns, thereby impacting our profitability. We may also experience a higher level of non-performing assets in our directed lending portfolio, which could adversely impact the quality of our loan portfolio and our business.

Under the directed lending norms of the RBI, the RBI requires that every bank extend at least 40.00% of its adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, whichever is higher, to "priority sectors" such as agriculture, MSMEs, export credit, education, social infrastructure, renewable energy and as determined by the RBI. Of this, banks have targets or sub-targets for lending to key segments or sectors, such as agriculture, micro-enterprises and advances to weaker sections. Our Bank's priority sector loan portfolio contains significant advances to the MSME and agriculture sector. Set forth below are certain details regarding our priority sector credit, loans to micro-enterprises and loans to the agriculture sector:

Particulars	Nine month period		Fiscal ended March 31,					
	2024	2023	2024	2023	2022			
Priority sector credit (₹ in million)	1,009,771.69	920,311.74	864,069.28	918,808.53	827,531.26			
Adjusted Net Bank Credit (₹ in million)	1,838,734.30	1,395,228.90	1,743,608.10	1,177,928.60	1,353,299.61			
Priority Sector Credit as % of net bank credit	54.92	65.96	49.56	78.00	61.15			
Loans to micro-enterprises (₹ in million)	234,884.13	241,708.53	247,725.56	236,508.11	185,559.63			

Loans to micro enterprises as % of adjusted net bank credit	12.77	17.32	14.21	20.08	13.71
Loans to the agriculture sector (₹ in million)	691,386.83	503,263.85	556,359.01	439,881.56	385,770.43
Loans to the agriculture as % of adjusted net bank credit	37.60	36.07	31.91	36.67	28.51

Any revision in the definition or classification of segments eligible for priority sector lending could impact our ability to meet priority sector lending requirements. Further, in the event we are required to increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our future financial performance.

As a result of priority sector lending requirements, we may experience a higher level of non-performing assets in our directed lending portfolio, particularly due to loans to the agricultural sector and small enterprises, where we are less able to control the portfolio quality and where economic difficulties are likely to affect our borrowers more severely. Set forth below are certain details regarding the Bank's priority sector NPAs and MSME industry NPAs as of the corresponding dates:

Particulars	Nine month p Decem		Fiscal ended March 31,				
	2024	2023	2024	2023	2022		
Priority sector gross NPAs to total priority sector advances (%)	2.92	4.84	5.12	7.01	7.36		
Total Priority Sector Gross NPA (₹ in million)	29,526.92	44,509.78	44,254.70	64,423.93	60,869.75		
Total Priority Sector Advances (₹ in million)	1,009,771.70	920,311.74	864,069.28	918,808.53	827,531.26		
MSME gross NPAs to total outstanding MSME advances (%)	4.07	5.64	5.36	9.16	11.56		
Agriculture gross NPAs to total agricultural advances (%)	2.65	4.34	3.77	6.76	7.88		

Any future changes by the Reserve Bank of India to the directed lending norms may result in our continued inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively riskier segments and may result in an increase in non-performing loans. Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI's request, in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other financial institutions specified by the RBI, which generate lower levels of interest compared to advances made to the priority sector.

7. If borrowers who have availed secured loans default, there may be delays and difficulties in enforcing the sale of collateral and we may be unable to recover the expected value of the collateral, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

As of December 31, 2024, ₹ 1,802,109.42 million of our Bank's advances were secured by tangible assets, which collectively represented 77.50% of our Bank's total net advances. However, we may be unable to realise the full value of the collateral, if at all, owing to factors such as,

(i) delays in bankruptcy and foreclosure proceedings, including due to the introduction of any laws,

rules or regulations that provide for moratoriums or exemptions on the sale of collateral in response to any adverse economic financial conditions;

- (ii) deficiencies in the perfection of collateral (including due to the inability to obtain approvals that may be required from third parties);
- (iii) fraud by borrowers;
- (iv) decreases in the value of the collateral;
- (v) errors in assessing the value of the collateral;
- (vi) an illiquid market for the sale of the collateral;
- (vii) current legislative provisioning coverage or changes thereto;
- (viii) future judicial pronouncements;
- (ix) volatility in commodity prices;
- (x) stock market volatility;
- (xi) changes in economic policies of the Government of India;
- (xii) borrowers and guarantors not being traceable; and
- (xiii) the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated.

In India, foreclosure on collateral may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral. In addition, pursuant to the RBI's prudential guidelines on restructuring of advances by banks, we may not be allowed to initiate recovery proceedings against a corporate borrower, if 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. In addition, for collateral we hold in jurisdictions outside India, the applicable laws in such jurisdictions may impact our ability to foreclose on collateral and realise its value. If we are unable to realise the full value of collateral, or otherwise fail to recover the full amount owed to us, there could be a material, adverse effect on our financial condition, results of operations and cash flows.

8. Our business and financial performance are dependent on maintaining and building a successful branch network. An inability to maintain, increase our coverage and any inability to use these branches productively, may have an adverse impact on our growth and profitability.

We operate an extensive and varied branch network across India and other locations outside of India. As of December 31, 2024, our Bank's distribution network in India included 3,322 branches across 28 States and eight Union Territories across India. Further, as of December 31, 2024, our Bank's distribution network also consists branches outside India. Our business and financial performance are dependent on maintaining our extensive network of branches, see "— Majority of our offices, branches and ATMs are located on premises taken by us on lease or on leave and license basis. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations" on page 60.

As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our

existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may adversely affect our business, results of operations and financial condition.

Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our business, results of operations and financial condition. There will also be increased expenditure as a result of our strategy to expand into new geographies, including those planned for our branch network expansion, and newer businesses, such as retail assets and, where our brand is not well known in the market.

Further, our newly opened branches may not be profitable immediately upon their opening or may take time to break-even. In the event of a delay in achieving break even by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected.

# 9. Our primary source of funding is in the form of deposits. If we are unable to secure funding on acceptable terms and at competitive rates when needed, there could be a material, adverse effect on our business, financial condition, results of operations and cash flows.

Our funding requirements are met primarily through short-term and medium-term customer deposits. In the past, a substantial portion of our customer term deposits has been rolled over upon maturity and has been a stable source of funding. However, if a substantial number of our depositors do not roll over term deposits upon maturity, our liquidity position will be adversely affected. Although retail deposits constitute a significant part of our deposit base, we also accept high value deposits depending on funding requirements. Set forth below are details regarding our top 20 depositors as of the periods as mentioned:

	Niı	ne month   Decem	period end ber 31,	led	Fiscal ended March 31,						
	2024		20	23	20	24	20	23	2022		
Particula rs	Amou nt (₹ in millio n)	% of total deposi ts	Amou nt (₹ in millio n)	% of total deposi ts	Amou nt (₹ in million	% of total deposit	Amou nt (₹ in million	% of total deposit	Amou nt (₹ in million	% of total deposi ts	
Top 20	145,36	4.90	128,24	4.74	125,81	4.51	135,32	5.32	126,36	4.92	
depositors	0.00		0.00		0.00		0.00		0.00		

We cannot guarantee that there will not be any premature withdrawal or non-renewal of deposits from these or other depositors. If depositors do not renew their deposits or if our Bank is unable to raise new deposits, our Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect our results of operations. Additionally, there has been a general trend wherein people are investing in markets as compared to bank deposits due to better returns. We may also be required to seek funding from more expensive sources to finance our operations. 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, financial condition and results of operations.

### 10. We face asset liability mismatches, which could adversely affect our liquidity and, consequently, our financial condition, results of operations and cash flows.

We face liquidity risks due to mismatches in the maturity of our assets and liabilities. Liquidity risk is the risk that our Bank either does not have available sufficient financial resources to meet its obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of 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 interest earned. If we are unable to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, if at all, this may lead to mismatches between our assets and liabilities, which could

adversely affect our financial condition, results of operations and cash flows

### 11. We are exposed to fluctuations in foreign exchange rates which could adversely affect our business, future financial performance and trading price of the Equity Shares.

We are exposed to exchange rate risk in our foreign exchange transactions and related derivative transactions, as a financial intermediary as well as foreign currency borrowings. We hedge our own risk to undertake various foreign exchange transactions and for proprietary trading which are exposed to various kinds of risks, such as, amongst others, credit risk, market risk and exchange rate risk. We have adopted a market risk management policy and investment policy to mitigate risks arising out of customer transactions and proprietary trading through various risk limits such as counterparty bank exposure limits, country wise exposure limits, customer limits, overnight limits, intraday limits, stop loss limits, aggregate gap limits and value-at-risk limits.

As of December 31, 2024, our Bank's credit exposure on account of outstanding gross forward exchange contracts amounted to ₹ 1,350,206.48 million. Set forth below are details regarding our foreign currency borrowings as of the periods as mentioned:

	Niı	ne month   Decem		ded	Fiscal ended March 31,						
	20	24	20	23	20	24	20	23	20	% of liabilit ies	
Particula rs	Amou nt (₹ in millio n)	% of liabilit ies	Amou nt (₹ in millio n)	% of liabilit ies	Amou nt (₹ in million	% of liabiliti es	Amou nt (₹ in million	% of liabiliti es	Amou nt (₹ in million	liabilit	
Foreign currency borrowing s	.35	0.22	9,230. 70	0.03	34,093. 75	0.10	298.75	0.00	0.00	0.00	

Adverse movements in foreign exchange rates may also impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Volatility in foreign exchange rates may be further accentuated due to other global and domestic macroeconomic developments and as a result, may materially and adversely affect our business, future financial performance and the trading price of the Equity Shares.

Some of our customers have incurred mark-to-market or crystallized losses on their foreign exchange contracts. The failure of our borrowers to manage their exposures to foreign exchange, derivative risk, adverse movements and volatility in foreign exchange rates may adversely affect our borrowers, the quality of our exposure to our borrowers and our business volumes and profitability. Defaults by our customers on their derivative contracts and their subsequent classification as NPAs may have an adverse impact on our profitability, business and the price of the Equity Shares.

# 12. We are required to maintain minimum cash reserve ratio ("CRR") and statutory liquidity ratio ("SLR") in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business.

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in an interest-free current account with the RBI calculated as a specified percentage of its net demand and time liabilities, excluding interbank deposits. The CRR currently applicable to banks in India is 4%, and our Bank's CRR was 4.25% as of December 31, 2024.

In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's net demand and time liabilities required to be maintained by way of liquid assets such as cash, gold or approved unencumbered securities. Approved securities consist of unencumbered Government securities and other securities as may be approved from time to time by the RBI and, which earn lower levels of interest as compared to advances to customers or investments made in other securities.

Our Bank's SLR was 23.25% as of December 31, 2024 as against the regulatory requirement of 18.00%. Further, the RBI may increase the CRR and SLR requirements as a monetary policy measure. Any substantial

increases in the CRR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. If we are unable to meet the statutory reserve requirements of the RBI, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material adverse effect on our business, financial condition and results of operations.

## 13. Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments.

Our investment portfolio consists primarily of government securities, which are generally considered low-risk, stable investments but offer lower yields compared to other asset classes. This concentration in government securities may limit our ability to deploy funds in higher-yielding investments that could potentially enhance our returns. As a result, our ability to maximize income from investments may be restricted, especially in a low-interest-rate environment. Furthermore, the relatively low returns from government securities may not be sufficient to meet our financial targets or cover operational costs during periods of economic downturns or market volatility. This could impact our overall profitability and hinder our capacity to grow or diversify our investment portfolio in line with market opportunities. Additionally, any changes in the value of government securities, such as fluctuations in interest rates or shifts in the creditworthiness of the issuing government, could further affect the returns on our portfolio and, in turn, impact our financial condition.

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. This is due to safeguard against liquidity risks, as we are more structurally exposed to interest rate risk than banks in many other countries. As of December 31, 2024, government securities amounted to ₹ 1,046,628.83 million and represented 95.02% of our Bank's domestic investment portfolio, and comprised 34.25% of the Bank's demand and term liabilities.

We earn interest on such government securities at rates which are less favourable than those which we typically receive in respect of our retail and corporate loan portfolio and this adversely impacts our net interest income and net interest margin. In addition, the market and accounting value of such securities could be adversely affected by overall rising interest rates. In the event of increasing interest rates, we would face a choice of either liquidating our investments in our trading book and realizing a loss or holding our securities and recording them as an accounting loss upon marking to market the value of the securities. The outcome of either option could adversely affect our results of operations. 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 our treasury operations. The RBI has issued the Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 on September 12, 2023. These directions were applicable from April 01, 2024.

### 14. The banking industry in India is subject to extensive regulations and significant changes in the banking regulations may adversely affect our business and our future financial performance.

Banks in India are subject to detailed regulations and supervision by the RBI. The RBI sets guidelines on matters related to our business including cash reserve ratios, statutory liquidity ratios, capital adequacy ratio, priority sector lending, recognition and provisioning for NPAs, export credit, market risk and branch licensing. As we operate under licences or registrations obtained from appropriate regulators, such as RBI, SEBI, IRDAI, 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 directly affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. In addition, banks are generally subject to changes in Indian laws, regulations, Government policies and accounting principles. 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, those that reduce our profits through a limit on fees or interest rates that we may charge our customers or those affecting foreign investment in the banking industry – as well as to changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles.

For instance, the RBI recently came out with draft guidelines on the financing of 'Projects under

Implementation'. The existing prescribed provisions for standard project assets is 0.40% which the RBI has proposed to substantially increase to 5%. However, RBI has proposed making of such provisions over a three-year period time (the provisioning of 5% for standard assets during construction phase shall be achieved in a phased manner). The Capital Adequacy Ratio of our Bank was 16.97% as of December 31, 2024, above the regulatory requirement.

The RBI published a notification RBI/2023-24/85 DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023, increasing the risk weights in respect of consumer credit exposure of commercial banks (outstanding as well as new), including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, by 25% to 125% and risk weight on credit card receivables of scheduled commercial banks ("SCBs") by 25% to 150%.

Further, exposures of SCBs to NBFCs, excluding core investment companies, are risk weighted as per the ratings assigned by accredited external credit assessment institutions ("ECAI"). The RBI published a notification RBI/2024-25/120 DOR.STR.REC.61/21.06.001/2024-25 dated February 25, 2025, has increased the risk weights on such exposures of SCBs by 25% (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector in terms of the extant instructions shall be excluded.

For AAA-rated loans to NBFCs, the risk weight has been increased to 45% from the existing 20% (25% increase). Conversely, AA-rated loans have seen a 15% increase, and A-rated loans a 25% increase. This inverted structure presents a challenge, as it disproportionately affects the risk weights for superior-quality loans (AAA) compared to lower-rated loans (AA and A).

Further, the decision to impose higher risk weights on bank loans to NBFCs, will also include government-backed NBFCs, including AAA-rated NBFCs like IRFC, IREDA, PFC, REC, etc. These NBFCs play a vital role in the country's economic development, particularly in sustained infrastructure growth, and the guidelines will impact the extension of credit to such critical NBFCs.

We are subject to cash reserve and the statutory liquidity ratios requirements, capital adequacy ratio requirements, priority sector lending requirements, among others, and failure to comply with these requirements may expose us to penalties and regulatory action.

In addition, we are present through our Joint Venture and Associate in diverse segments of the Indian financial sector, including asset and funds management, treasury operations, credit cards, payment services and life insurance.

The Banking Regulation Act, 1949 empowers the Reserve Bank of India to inspect and supervise commercial banks. These powers are exercised through on-site inspection and off site surveillance. In the past, the RBI has made certain observations during such inspection concerning our business and operations. In the event that we are unable to meet or adhere to the guidance or requirements of the RBI, the RBI may impose strict enforcement and monitoring measures on us, which may have an adverse effect on our business, financial condition or results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licences from the Government of India and other regulatory bodies. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also affect our results of operations.

15. A substantial portion of our income is derived from non-banking activities and fee-based services. Our financial performance may be materially and adversely affected by an inability to generate and sustain such income.

We have, over the years, expanded our operations from undertaking banking activities to providing certain non-banking and fee and commission-based services. For further details, see "Select Statistical Information – Fee based income" on page 139. Our non-banking activities through our Joint Venture and Associates

mainly include housing finance, life insurance/ bancassurance, corporate advisory and trusteeship services, primary dealership including equity trading and asset reconstruction.

We earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. Fee-based income is also earned as part of our foreign exchange business. From time to time we hold assets on our balance sheet which may be subject to market risk and credit risk. There can be no assurance that we will be able to sustain current levels of income from, or effectively manage the risks associated with, these businesses in the future.

New initiatives, products and services that we may introduce, will entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If we are unable to successfully diversify our products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may adversely affect our business, financial condition and results of operations.

# 16. We distribute third-party 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 operation and financial condition.

In order to grow our non-interest income, we sale and distribute third-party products, such as, amongst others, mutual funds and insurance products. We have engaged with various third-party product companies to sale and distribute such products. However, we have no control over the actions of such third-party product companies and their products. Any failure on the part of such third-party product companies, 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 have an adverse effect on our reputation and our business, financial position and results of operations.

# 17. The effects of the adoption of Indian Accounting Standards ("Ind AS") are uncertain and any failure to successfully adopt Ind AS could adversely affect our business, financial conditions and results of operations.

The Bank currently prepares its annual and interim financial statements in accordance with Indian GAAP. The Ministry of Corporate Affairs ("MCA"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for scheduled commercial banks. However, the RBI, in its circular dated March 22, 2019, deferred the implementation of Ind AS by scheduled commercial banks until further notice.

The adoption of Ind AS would change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy.

For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realizable from our advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in us recognizing allowances for expected loan losses in the future that may be higher than under the current Indian GAAP.

The mark-to-market requirements required under Ind AS may also impact our revenues and profitability. We have made no attempt to quantify the impact of the differences between Indian GAAP and Ind AS. However, it is possible that our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under Ind AS than under Indian GAAP.

If we are required to report in Ind AS, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, we will have to modify our internal control framework and adopt new internal controls 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 who are adequately knowledgeable with Ind AS. If we are required to report in Ind AS, we may encounter difficulties in implementation of effective internal controls in a timely manner.

#### 18. The Indian banking industry is very competitive and our growth strategy depends on our ability to compete effectively.

We operate in a competitive industry. Private sector banks, other public sector banks and foreign banks are our main competitors, followed closely by NBFCs, small finance banks, payment banks, insurance companies, asset management companies, development financial institutions, mutual funds and investment banks. Amalgamated public sector banks have increased their financial strength, management capabilities, resources, operational experience, customer base and distribution channels and, as such, their ability to compete with the Bank.

The Bank also faces competition from private sector banks in India, some of which have larger customer bases and greater financial resources. In addition, new entrants into the financial services industry, including companies in the financial technology sector, may further intensify competition in the business environments in which the Bank operates, especially in the digital business environment. As a result, the Bank may be forced to adapt its business to compete more effectively. For example, non-bank financial companies, particularly international technology companies, including large e-commerce players, have recently been increasing their presence in the financial sector in India and offering payment platforms and select services to customers, which increase competitive pressures on the Bank.

Further, technology innovations in mobility and digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services. Innovations in the payments system and increasing use of mobile banking are leading to the emergence of new platforms for cashless payments. This can also lead to new types of banks expanding their presence in other financial products, such as insurance and mutual funds. These trends in technology could increase competitive pressures on banks, including us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. Due to these and other competitive pressures, we may be unable to successfully execute our growth strategy, which could adversely affect our business, financial condition and results of operations.

19. We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio ("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 results of operations and financial condition.

We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50% (including capital conservation buffer). In addition, in accordance with the RBI Basel III Capital Regulations, the Bank is required to maintain a minimum common equity Tier I ("CET-I") capital ratio of 8.00% (including a capital conservation buffer of 2.50%), and a minimum Tier I CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk weighted assets. Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations

In accordance with the Basel III norms, as of December 31, 2024, the Bank's Tier I and total capital adequacy ratios were 14.33% and 2.64%s, respectively. We are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the RBI Basel III Capital Regulations issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if additional or more stringent guidance on capital adequacy norms are imposed, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations.

20. Our inability to maintain or grow our CASA ratio may result in higher cost of deposits and impact our financial condition.

We have traditionally maintained high CASA deposits due to our large retail customer base spread across India. Set below are certain details in relation to domestic CASA deposits for the periods mentioned:

	Nine month period ended December 31,				Fiscal ended March 31,					
	20	24	2023		20	2024		23	20	22
Particula rs	Amou nt (₹ in millio n)	% of total domes tic deposi ts	Amou nt (₹ in millio n)	% of total domes tic deposi ts	Amou nt (₹ in million	% of total domest ic deposit s	Amou nt (₹ in million	% of total domest ic deposit s	Amou nt (₹ in million	% of total domes tic deposi ts
Domestic	1,147,	40.00	1,111,	42.00	1,122,1	42.00	1,079,7	43.00	1,015,2	42.00
CASA	907.23		618.28		35.99		05.64		70.65	
deposits										

Any decline in CASA share on total deposit could adversely impact the profitability of our Bank. Our liquidity position will also be adversely affected if a significant portion of our depositors do not roll over deposited funds upon maturity or do so for a shorter maturity than that of our assets. Our ability to raise fresh deposits and grow our deposit base depends in part on our ability to expand our network of branches. Further, though retail deposits constitute a huge 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, liquidity, financial condition and results of operations.

We intend to grow our CASA ratio, in order to reduce cost of funds and improve our core deposits. Our strategy is to improve our CASA ratio and growing CASA book through deeper engagement with existing relationships. In order to attract retail customers and increase our CASA deposits, we intend to introduce new products and promote our products through marketing campaigns. The interest rates that we must pay to attract customer deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy and inflation. However, there is no assurance that we will be successful in growing our CASA base.

We may not be able to maintain our CASA deposits and ratio owing to the increased competition from other banks and lending institutions. If we fail to maintain or grow our CASA ratio, our financial condition and cash flows may be materially and adversely affected.

21. Non-compliance with RBI inspection/observations may have an adverse effect on our business, financial condition or results of operation. Our overseas branches are also subject to inspections from regulators in such jurisdictions. Any adverse observations from such regulators could an adverse effect on our business, financial condition or results of operation.

We are subject to periodic inspections by RBI under the Banking Regulation Act, during the course of which, the RBI advises on issues related to various risk and regulatory non-compliances.

During such inspections in the past, the RBI has made certain observations regarding our business and operations and incorporates such findings in its final inspection report and requires that we take certain actions to its satisfaction. The RBI has, among other things, identified that (a) our Bank did not have non-executive chairman till February 2024, (b) Nomination and Remuneration Committee did not meet periodically, (c) e-treasury was not maintained properly, (d) our Bank did not have mechanism to check whether investments were declared fraud or non-performing assets before undertaking assessment, (e) our Bank had no internal control system for timely and accurate recognition of non-performing assets (f) our Bank misreported or ignored various components of the banks' balance sheet position such as overnight borrowings, refinance, balances with other banks, bill receivables and investments in the Statutory Liquidity Statement and Stock ratio analysis, (g) deficiencies were observed in credit rating, (h) witnessed 270 non-superannuation exits of which 40 were terminated due to non-ethical behaviour, (i) delay in fraud reporting and examination, for instance, in eight cases, there was a delay of more than six months in completing fraud examination process and (j) critical business functions were delegated to departments responsible for handling support functions, thereby resulting in lack of desired output.

While we have undertaken steps to comply with these observations and have informed the RBI regarding

the status of our compliance, there can be no assurance that the 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 which may have a material adverse effect on our reputation, financial condition and results of operations.

Further, our overseas branches are also subject to inspections/ observations from regulators in such jurisdictions and any adverse observation may have an adverse effect on our business and financial conditions.

22. Any regulatory or administrative investigations, fines, sanctions, relating to our operations could negatively affect our business and financial results, or cause serious reputational harm to our businesses. Further, the securities of our Bank are listed on Stock Exchanges in India, our Bank is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

We manage regulatory compliance by monitoring and evaluating our internal controls and strive to ensure that we are in compliance with all relevant statutory and regulatory reporting requirements including SEBI Listing Regulations. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control.

In the past, our Bank had received a notice from various authorities such as RBI, SEBI, BSE and NSE regarding non-compliance of various laws and regulations. The following table sets forth list of penalties imposed on our Bank during periods as indicated below:

Fiscal	Penalty amount (₹ in million)	Reasons
For the nine-month period ended December 31, 2024	NIL	NIL
2023-24	32	<ul> <li>Contravention of Banking Regulation Act, 1949 and directions issued by RBI.</li> <li>Non-compliance of Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015</li> </ul>
2022-23	7.48	Non-compliance with certain directions issued by RBI under 'Reserved Bank of India (Frauds classification and reporting by commercial Banks and scheduled commercial banks) directions, 2016
		Non-compliance of guidelines with respect to currency chest and ATMs
		• Non-compliance of Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements), 2015
		• Non-compliance of Regulation 57(4) of SEBI (Listing Obligations and Disclosure Requirements), 2015
2021-22	NIL	NIL

Further, SEBI issued an administrative warning dated February 18, 2025, observing that our Bank has not conducted any Nomination and Remuneration Committee meeting during the Fiscal year 2023-24.

While our Bank has paid the penalties imposed in the past and has rectified the regulatory requirements for the non-compliances mentioned and there has been no material financial impact in relation to the same, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities such as RBI, SEBI, NSE and BSE on account of any inadvertent discrepancies or secretarial filings and/or corporate records or non-compliance with listing regulations in the future, which may adversely affect our business, financial condition and reputation.

23. Our treasury income, debt investment portfolio and derivatives portfolio are exposed to risks relating to

#### mark-to-market valuation, illiquidity, and credit risk and income volatility.

Our income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, Our Bank had a domestic debt investment portfolio (consisting of government securities, treasury bills and other debt securities) in available for sale and held for trading of ₹ 127,660.82 million as of December 31, 2024. In the event of a rise in interest rates, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such investments and may, under certain circumstances, require us to mark down the value of these investments on our balance sheet and recognize a loss on our income statement. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, financial condition and results of operations. We may also face income volatility due to the illiquid nature of market for the disposal of some of our debt investment portfolio.

While our gross non-performing investments are monitored and recovery efforts are carried out, any increase in the amount of non-performing investments due to adverse developments in the domestic or international markets, may adversely affect our financial condition.

Similarly, our derivative portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. While we invest in corporate debt instruments as part of our normal business, we are exposed to the risk of an issuer defaulting on its obligations. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Although we have risk and operational controls and procedures in place for our treasury operations, such as sensitivity limits, value at risk ("VaR") 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 lose our investments in the course of trading on our fixed income book in held for trading and available-for-sale portfolio. Any such losses could materially and adversely affect our business, financial condition, results of operations and prospects.

#### 24. Our risk management policies and procedures may not adequately address unidentified or unanticipated risks

Our risk management functions are divided on the basis of principal risks defined under applicable Basel III guidelines, i.e., credit risk, market risk, operational risk and liquidity risk. 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.

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. Further, while we have not encountered such instance in the nine month period ended December 31, 2024 and the past three Fiscals, we cannot assure that we will not be subject to such instances in the future. 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.

As we seek to expand the scope of our operations, we also face the risk that we may not be able 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, financial condition and results of operations.

# 25. We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition.

As on the date of this Placement Document, there are certain outstanding legal proceedings involving our Bank and our Directors. These proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Such proceedings could divert management time and attention and consume financial resources in their defence. Furthermore, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition, results of operations and future cash flows.

A summary of outstanding litigation proceedings involving our Bank and our Directors is provided below:

Type of proceeding	Number of cases	Amount* (₹ in million)
Legal proceedings involving our Bank		
Material civil litigation	2	6,170.93
Tax matters (direct and indirect tax matters)	118	114,340.00
Actions and proceedings initiated by statutory and regulatory authorities <sup>(1)</sup>	1	10.00
Criminal matters	290	204.99
Insolvency matters	177	385,460.80
DRT matters	5,133	351,049.00
Fraud matters	485	101,137.00
Banking Ombudsman complaints	59	-
Legal proceedings involving our Directors		
Actions and proceedings initiated by statutory and regulatory authorities	N.A.	N.A.
Criminal matters	N.A.	N.A.
Material civil litigation	N.A.	N.A.
Tax matters	N.A.	N.A.

<sup>\*</sup>Amount to the extent quantifiable.

We cannot provide any assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

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

Our business is largely dependent on our information technology systems. We service our customers, undertake our risk management functions, provide deposit services, loan origination functions, as well as increase our 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 and other delivery channels. Our hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet backbone providers. Our information technology systems may be subject to interruptions and temporary disruptions and may not meet our requirements or be suitable for use at all times. Further, while we have not encountered such instance in the nine month period ended December 31, 2024 and the past three Fiscals, we cannot assure you that we will not encounter service disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Further, any continued disruption in our information technology systems may also result in certain measures being imposed by the RBI, including limiting certain business activities.

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 (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures) or any other failures, or if we are unable to develop necessary technology, our business, financial condition and results of operations may be adversely affected.

#### 27. Our international operations are subject to legal and regulatory risks. If we do not effectively manage our

<sup>(1)</sup> Notice issued by RBI

<sup>(2)</sup> Includes cases filed under Negotiable Instruments Act, 1881

#### foreign operations or any further international expansion, our operations may incur losses or otherwise adversely affect our business and results of operations.

As on the date of this Placement Document, our Bank has operations in four countries, being, Singapore, Hongkong, Thailand and Sri Lanka. In addition, we have one Joint Venture in Malaysia. As a result, we are subject to additional risks related to complying with wide variety of international banking and financial services laws and regulations and regulatory and enforcement authorities in the jurisdictions in which we operate. In addition, we also face risks related to economic and political environment challenges, restrictions on the import and export of certain intermediates, banking regulations, technologies and multiple and possibly overlapping tax structures.

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, securitization, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices, with sometimes overlapping jurisdictional or enforcement authorities. Further, while we have not encountered such instance in the nine month period ended December 31, 2024 and the past three Fiscals, we cannot assure that we will not be subject to such instances in the future.

Any failure to comply with applicable regulations in various jurisdictions, including unauthorized 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. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture or comply with unfamiliar laws and regulations. In addition, we face competition from banks in other countries that may have more experience and resources in those countries or in international operations generally. We remain a small-size operator in foreign markets where we are currently present and many of our competitors have much greater resources. If we do not effectively manage our foreign operations, our results of operations may be adversely affected.

## 28. Any downgrade in the Bank's credit ratings could affect our ability to access cost effective funding, thereby adversely affect our business, results of operations and financial condition.

The pricing on our issuances of debt will be negatively impacted by any downgrade or potential downgrade in our credit ratings, which could increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis. There is no downgrade of Bank's/ Bank's Instrument in the nine month period ended December 31, 2024 and in the past three Fiscals. Set forth below are details of our credit ratings as of the corresponding periods:

Rating	Instrument/		period ended iber 31,	Fiscal ended March 31,			
agency	purpose/ issue	2024	2023	2024	2023	2022	
CRISIL	Tier II Bonds	CRISIL	CRISIL AA-	CRISIL AA-	CARE	CRISIL A1+	
		AA/Stable	/Positive	/Positive	AA-; Stable	Positive	
	Fixed Deposit	-	CARE AA/	-	CRISIL	FAA	
	Programme		Positive		AA; Stable	Positive	
	Certificate of Deposit	-	CRISIL A1+	-	CRISIL	CRISIL A1+	
					A1+		
India	Basel III Tier II	-	IND AA-	IND AA-	IND AA-	IND AA-	
Ratings	Bonds		/Stable	/Positive	/Stable	/Stable	
CARE	Tier II Bonds (Basel	CARE	CARE AA-	CARE AA-	CARE AA-	CARE AA-	
	III)	AA/Stable	/Positive	/Positive	/Stable	/Stable	
	Certificate of	CARE A1+	CARE A1+	-	-	-	
	Deposits						
ICRA	Basel III Tier II	ICRA	ICRA AA-	ICRA AA-	ICRA	ICRA	
	Bonds	AA/Stable	/Positive	/Stable	A+/Positive	A+/Positive	

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 profitability and future growth.

Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debts in domestic and international markets, which would increase our financing costs and adversely affect both our future debt issuances and our ability to raise new capital on a competitive basis, which may, in turn, adversely affect our profitability and future growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any financing or refinancing arrangements in the future.

Further, we cannot guarantee that our ratings will not change, or that any other rating agency will not downgrade India's credit rating. Also see, "- Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows" on page 69.

# 29. We may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation.

Although the Bank complies with the guidelines related to Anti-Money Laundering issued by Reserve Bank of India and Financial Intelligence Unit-India and all necessary reporting is also being done but Banking Channels have an inherent risk of misuse by money launderers, terrorists and cyber criminals. Since July 2019, regulatory reports are being submitted as per guidelines and no penalty has been imposed till date regarding regulatory reporting.

While we continue to strengthen our AML and KYC procedures, to the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, ask us to cease operations. In addition, any adverse action taken by such agencies could adversely affect our reputation, thereby affecting our business and future financial performance.

# 30. Our ability to pay dividends in the future will depend upon applicable RBI regulations, our earnings, financial condition and capital requirements. Any inability to declare 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, meeting the RBI mandated CRAR and net NPA parameters and our operating performance. Dividends distributed by us may attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. Our present and future dividend policy is based on the terms of the extant GoI/ RBI guidelines and directives, and is dependent on our revenues, profits, cash flow, financial condition, capital requirements and other factors. For further information, see "*Dividend Policy*" beginning on page 79.

The RBI has prescribed limits on the dividend pay-out ratio of banks in India linked to certain parameters such as the risk-based capital ratio and net non-performing assets ratio. Under the RBI's Basel III guidelines, banks are subject to higher minimum capital requirements and must maintain a capital conservation buffer above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments. Any change in restrictions on payment of dividend or capital requirements may limit our ability to pay dividends to Shareholders. The declaration and payment of dividends are subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder including RBI Circular (RBI/2004-05/451DBOD.NO.BP.BC.88/21.02.067/2004-05) dated May 4, 2005 ("RBI Dividend Circular"). The Bank follows the Banking Regulation Act, the RBI Dividend Circular and Regulation 43A of the SEBI Listing Regulations in this regard. Dividends that our Bank has paid in the past may not be reflective of the dividends that our Bank may pay in a future period.

### 31. Our business and financial condition may be adversely affected if we are unable to develop new products and services.

The role of technology in driving differentiation and business growth is crucial in the highly competitive banking sector. Our Bank is committed to leveraging technological advancements to continually innovate and enhance customer experiences across all digital platforms. Our strategic focus includes the development

of user-friendly digital banking services such as mobile banking, internet banking, UPI, and streamlined digital processes. Partnerships with third parties underscore our proactive approach in meeting the evolving needs of our diverse customer base.

While we have been diversifying and expanding our products and services to deliver innovative, customercentric solutions and forging strategic partnerships, we cannot assure you that we will be able to continue delivering value and maintain our competitive edge in the banking sector. The successful diversification of our product and service offerings, while managing associated risks and challenges, is essential. Potential outcomes, such as returns on new products falling short of expectations, could materially impact our liquidity, business prospects, financial condition, and overall operational results. Furthermore, heightened competition that better anticipates customer needs within our target markets could potentially diminish our market share and adversely affect our business operations.

32. Our failure to adapt to technological advancements that can potentially disrupt the banking industry could affect the performance and features of our products and services and reduce our attractiveness to customers.

Failing to adapt to technological advancements that have the potential to disrupt the banking industry could significantly impact the performance and features of our products and services, potentially diminishing our attractiveness to customers. In today's rapidly evolving digital landscape, staying ahead of technological changes is imperative for the Bank. Embracing innovation allows us to enhance customer experience, streamline operations, and maintain competitiveness in the market. By proactively integrating cutting-edge technologies into our offerings, we ensure that we not only meet but exceed customer expectations, thereby safeguarding our position as a leader in the banking sector. 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.

33. 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, our Board does not have the prescribed strength as the following positions are vacant:

- 1. Workmen director under Sec 9 (3) (e) of Banking Companies Act;
- 2. Employee director under Sec 9 (3) (f) of Banking Companies Act;
- 3. Director who has been a chartered accountant for not less than 15 years under Sec 9 (3) (f) of Banking Companies Act; and
- 4. Woman independent director as is a mandatory requirement under SEBI Listing Regulations.

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. Due to the current vacancies, the composition criteria as prescribed under the applicable laws, cannot be complied with for the audit committee, nomination and remuneration committee and the risk management committee and hence as on date of this Placement Document our Bank has not constituted these committees.

We cannot provide any assurance that the composition of our Board and the committees thereof will be in terms of the applicable regulations in a timely manner or at all. Such delay or failure could result in statutory / regulatory authority(ies) 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.

# 34. A portion of our Bank's loans have a tenor exceeding one year or are unsecured, exposing the Bank to risks associated with economic cycles. In the event of non-payment by a borrowers of these loans, we may be unable to collect the unpaid balance.

We offer unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. As of December 31, 2024, our unsecured loans amounted to ₹ 300,619.97 million in retail, agriculture, MSME and corporate categories, which contributed 4.57% of our Bank's net advances of ₹ 6,567,809.26 million cumulatively in retail, agriculture, MSME and corporate categories. Unsecured loans are at higher credit risk for us than our secured loan portfolio as they may not be supported by realizable collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated checks from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in our unsecured loan portfolio could require us to increase our provision for credit losses, which would decrease our earnings

# 35. We have existing indebtedness, and may incur additional indebtedness, which could adversely affect our financial condition, and/or our ability to obtain financing in the future, react to changes in our business and/or satisfy our obligations.

As of December 31, 2024, our Bank had ₹ 21,650.00 million of outstanding debt liabilities, *inter alia*, in the form of debt securities such as unsecured redeemable bonds and subordinate debts for Tier II capital. Our existing indebtedness could impose restrictions on our business operations which may be in the nature of following:

- it may be challenging for us to obtain additional financing, should such a need arise, which may limit our ability to satisfy obligations with respect to our debt;
- a portion of our financial resources must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to use for other purposes;
- it may be difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such debt;
- we may be more vulnerable to general adverse economic and industry conditions;
- our ability to refinance debt may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins of our businesses.

In addition, failure to comply with the terms of these financing agreements may lead to action against us, and may require us to accelerate payment of our loans. Default in our repayment obligations may also affect our ability to raise financing in future

## 36. Any deficiencies, inaccuracies or mis-specification in the models and data we rely on for our risk analysis could impact our decision-making and operations.

As part of ordinary decision-making process, our Bank relies on various models for data analysis and risk assessment. These models are based on historical data supplemented with managerial inputs and comments. These models analyse data which may not always be accurate or adequate to guide for strategic and operational decisions and protect from risks. Any misspecification, deficiencies or inaccuracies in the data used for model development might have a material adverse impact on our Bank's business, operations and financial conditions. Further, while we have not encountered such instance in the nine month period ended December 31, 2024 and the past three Fiscals, we cannot assure that we will not be subject to such instances in the future.

As our Bank endeavours to broaden its operations in newer geographies and new product areas, there is a risk that we may struggle to create tailored risk management policies/ procedures/ models suitable for these

new areas and products, or effectively handle the risks linked to the expansion of our current businesses. Further, implementation and monitoring may prove to be challenging with respect to our expansion and development.

# 37. Majority of our offices, branches and ATMs are located on premises taken by us on lease or on leave and license basis. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.

Majority of our offices, branches and ATMs are located on premises taken by us on lease or leave and license basis from third parties. The table below sets forth the total amount of rent paid for all the licensed properties as a percentage of the total revenue from operations for the periods stated:

	Nine mon	th period	ended Dece	mber 31,	Fiscal ended March 31,						
	200	24	202	23	202	24	202	3	2022 Amount		
Particulars	Amount	% of	Amount	% of	Amount	% of	Amount	% of	Amount	% of	
	(₹ in	total	(₹ in	total	(₹ in	total	(₹ in	total	(₹ in	total	
	million)	income	million)	income	million)	income	million)	income	million)	income	
Rent paid	3,146.75	1.45	2,877.35	1.22	4,119.36	1.38	3,952.79	1.91	3,531.39	1.44	

While we have, in the past, renewed our lease arrangements from time to time, if we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future and may need to incur significant costs to relocate.

In the event that any lease agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or premises to set up new offices, branches and ATMs, which may adversely affect our financial condition. Further, if the vacated property or premises is leased or sold to a competitor, we may also face increased competition in that geographic area which could adversely affect our market share and revenues.

# 38. 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 details of the related party transactions, see "*Financial Statements*" beginning on page 281.

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 our 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.

## 39. A reduction in long-term interest rates may increase our pension liabilities which may adversely affect our future financial performance and results of operations.

We operate a defined benefit pension fund scheme. A discount rate is used to calculate the present value of our future liabilities in relation to the scheme and is linked to the long-term yield on GoI securities. A reduction in the long-term interest rate would increase the present value of our pension obligations. As a result, we may be required to make further cash contributions to the scheme in order to cover the deficit which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of already invested securities is likely to go up, thereby offsetting the increase in present value of pension obligation to an extent.

# 40. Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business may adversely impact our business, financial condition and results of operation.

We are required to obtain various statutory and regulatory licences, permits and approvals to operate our business which require us to comply with certain terms and conditions in the ordinary course of our business.

Inability to obtain these licences/ permits/ approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the regulatory authorities if the irregularities pointed out by the inspecting officials of the concerned authorities are not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

Inability to obtain these licences/ permits/ approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the authorities if the irregularities pointed out by the inspecting officials of the concerned authority is not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

## 41. Our inability to attract and retain talented professionals may negatively affect our results of operation and financial position.

Attracting and retaining talented professionals is a key element to our growth strategy. Our remuneration schemes are guided by industry level negotiations between bank management represented by the Indian Banks' Association ("IBA"), and officers/ workmen represented by their respective unions. In addition to such remuneration, we also offer our employees certain incentive such as bonus payments, as may be approved by our Board. Our remuneration scheme is in accordance with industry level settlement formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in the public sector banks are similar except for perks which is determined by individual banks.

If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and we could be forced to alter our remuneration scheme. The resultant pressures may result in diminished profitability, especially if rates of return do not experience a commensurate rise. An inability to attract and retain such talented professionals or the resignation or loss of such professionals may have an adverse impact on our business, future financial performance and trading price of the Equity Shares. In addition, we may experience difficulties in managing our expanding workforce.

# 42. India's existing credit information infrastructure may cause increased risks of loan defaults. We depend 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 business 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. 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 creditworthiness of our borrower which may increase our risk of exposure to default by borrower. 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. Our financial condition and results of operations 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 financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading.

Currently, India has four Credit Information Companies ("CICs"): (i) Credit Information Bureau (India) Limited ("CIBIL"); (ii) CRIF Highmark; (iii) Experian India; and (iv) Equifax India which provide Credit Information Reports. Our Bank is member of all the four CICs. However, these CICs provide the reports on borrower's repayment history only. 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, recognised 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. As a result, higher credit risk may expose us to greater potential losses, which could adversely affect our business, financial condition and results of operations.

# 43. 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.

While we are covered by a range of insurance that we believe is consistent with industry practice in India to cover risks associated with our business, we cannot assure you that the existing coverage will ensure our Bank completely against all risks and losses that may arise in the future. We may not have insurance to cover all of the risks associated with our business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, on time, or at all. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations, financial condition and cash flows could be adversely affected. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. While there has been no instance in the nine month period ended December 31, 2024 and the past three Fiscals where any event occurred where we experienced losses exceeding our insurance coverage, we cannot assure you that such instance will not arise in the future. Further, any damage or loss to our uninsured assets due to unforeseen events such as natural disasters, accidents, thefts, or other incidents may impact our results of operations, financial condition and cash flows and result in significant monetary losses

# 44. Our contingent liabilities could materially and adversely affect our financial condition and results of operations.

As of December 31, 2024, our Bank had contingent liabilities amounting to ₹ 1,630,635.34 million. The table below sets forth the details of contingent liabilities:

(₹ in million)

Contingent Liebilities	Nine-month Decem		Fiscal ended March 31,			
Contingent Liabilities	2024	2023	2024	2023	2022	
			(₹ in million)			
Claims against our Bank not	75.34	25.41	48.79	47.91	41.59	
acknowledged as debts						
Liability for partly paid investments	1.16	1.16	1.16	1.16	1.16	
Liability on account on outstanding	1,350,206.48	1,709,683.99	1,659,989.18	1,656,349.51	687,717.48	
forward exchange contracts						
Guarantees given on behalf of	150,451.29	126,178.85	132,956.53	121,181.64	131,193.82	
constituents:						
(a) In India	148,919.82	124,528.52	131,378.67	117,464.03	127,048.54	
(b) Outside India	1,531.47	1,650.33	1,577.86	3,717.61	4,145.28	
Acceptances, endorsements and other	55,733.23	48,612.59	45,572.79	55,302.86	58,186.64	
obligations						
Other items for which the Bank is	74,167.85	109,961.59	118,853.12	128,431.41	102,848.32	
contingently liable						
TOTAL	1,630,635.34	1,994,463.57	1,957,421.57	1,961,314.49	979,989.01	

Most of the liabilities have been incurred in the normal course of business. 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, financial conditions, result of operations and prospects. If we are unable to recover payment

from our customers in respect of the commitments that we are called upon to fulfill, our business, financial condition, cash flows, results of operations and prospects may be adversely impacted.

## 45. Any non-compliance with law or unsatisfactory service by the third-party service providers engaged by us for certain services could have an adverse impact on our business and results of operations.

We enter into outsourcing arrangements with third party vendors, separate employees and independent contractors, in compliance with the RBI guidelines on outsourcing. These vendors, employees and contractors provide various services including, among others, ATM/ card related services, business correspondents, facility management services related to information technology, software services and call centre services. While we have not encountered any failures by third parties in performing their contractual obligations of these services in the nine month period ended December 31, 2024 and the past three Fiscals, we cannot assure that we will not be subject to such instances in the future.

We are also dependent on various vendors for certain non-core elements of our operations including implementing IT infrastructure and hardware, branch roll-outs, networking, managing our data centre, and back-up support for disaster recovery.

As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure you that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations.

The "Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Bank" issued by the RBI places obligations on banks, its directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to provide prior approval for use of subcontractors by outsourced vendor and to review the subcontracting arrangements and ensure that such arrangements are compliant with aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI, if our third-party service providers act unethically or unlawfully, could adversely affect our business, financial condition and results of operations.

## 46. Failure or disruption of our IT systems may adversely affect our business, financial condition, results of operations and prospects.

We have implemented various IT systems which covers key areas of our operations. Our ability to keep our business operating depends on the proper and efficient operation and functioning and upgradation of various IT systems, which are susceptible to malfunctions, disruptions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network upgrade problems). Such malfunction or disruptions could cause economic losses for which we could be held liable. While we have not faced any significant malfunction or disruptions or cyber frauds in the nine month period ended December 31, 2024 and in the past three Fiscals, there can be no assurance that we would not face such an instance in the future.

A failure of our information technology systems could also cause damage our reputation which could harm our business. Any of these developments, alone or in combination, could have an adverse effect on our business, financial condition and results of operations. Further, a large-scale IT malfunction could lead to disclosure of, and unauthorised access to, our sensitive information.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT systems thereby adversely affecting our ability to operate efficiently. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our business operations, which may increase our costs and otherwise materially adversely affect our business, financial condition, results of operations and prospects.

RBI notified the Cyber Security Framework *vide* circular no. DBS. CO/CSITE/BC.11/33.01.001/2015-16 dated June 2, 2016. Failed security measures or failure to adhere with the cyber security policy under the Cyber Security Framework issued by the RBI or inadequate focus in addressing major issues such as those relating to implementation of risk management system, increase in reported frauds, absence of straight through processing in critical systems and their integration with CBS, inadequate collateral management and delayed compliance in implementing the observations of the risk assessment reports, could have a material adverse effect on our business and operations, our future financial performance and the trading price of the Equity Shares. Our Bank has ensured to put in place all the necessary control measures as required by the RBI. Our audit department conducts annual audit of the same by external auditors to adhere with the Cyber Security Framework issued by the RBI.

## 47. If we are covered by RBI guidelines relating to prompt corrective action then our business, future financial performance and results of operations could be materially and adversely affected.

On November 2, 2021, the RBI revised the Prompt Corrective Action ("PCA") framework for banks. When the PCA framework is triggered, RBI has 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. If we trigger any risk threshold under the PCA framework, it could materially and adversely affect our business, future financial performance and results of operations.

# 48. As the GoI controls a majority of our issued share capital, its public policy decisions may impact our strategy and operations.

The GoI controls a majority of our Bank's issued share capital. As of December 31, 2024, the President of India, acting through the Ministry of Finance, Government of India, owned 96.38% of our Bank's issued and paid up share capital. As our Bank's controlling shareholder, the GoI is able to exercise effective control over our Bank. Although historically we have enjoyed certain autonomy from the Government of India in the management of our affairs and strategic direction, as its controlling Shareholder, the Government of India is able to exercise effective control over the Bank. Furthermore, the Chairman, Managing Director and Chief Executive Officer, the Executive Directors and certain other Directors are appointed by the Government of India. Although our management runs the day-to-day operations, the Government of India may determine material policies and implement such policies or schemes, as a majority and controlling Shareholder, without the consent of the other Shareholders, as well as determine the outcome of any transaction or other matter submitted to Shareholders for approval, except for those matters requiring a special resolution of the Shareholders.

The Banking Companies Act mandates that the GoI's shareholding in our Bank cannot fall below 51.00%. This requirement could result in restrictions in our equity capital raising efforts as the GoI may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of 51.00% 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, we will need to accrete our capital base, whether through organic growth or capital market financing schemes. If we are unable to grow our capital base in step with demand, our business, financial prospects and profitability may be materially and adversely affected. Further, the approval issued by the Department of Financial Services, Ministry of Finance, Government of India to our Bank dated September 17, 2024 in relation to the Issue.

# 49. We may fail to protect our intellectual property and are susceptible to litigation for infringement of intellectual property rights in relation to such designs. This could materially and adversely affect our reputation, results of operations and financial condition.

As on December 31, 2024, our Bank has 10 registered trademarks in India. The use of our registered trademarks by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our registered trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

If our trademarks or other intellectual property are improperly used, the value and reputation of our brand and sub-brands could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may have an adverse effect on our business, results of operations and financial condition. While we have not faced any instance in the nine month period ended December 31, 2024 and the past three Fiscals, where we have failed to protect our intellectual property, however we cannot assure that such failure may take place in the future. Any such failure could materially and adversely affect our reputation, results of operations and financial condition.

#### 50. Our Bank may not be successful in implementing its growth strategies or penetrating new markets.

Our Bank's strategies may ultimately fail to contribute to our Bank's growth or profitability and may ultimately be unsuccessful. Even if such strategies are partially successful, our Bank cannot assure you that it will be able to manage its growth effectively or fully deliver on its growth objectives. For further information, see "Our Business – Our Growth Strategies" on page 181.

Challenges that may result from our Bank's growth strategies include our ability to, among other things:

- manage efficiently the operations and employees of its expanding businesses;
- maintain or grow its existing customer base;
- develop the technology and infrastructure necessary for the digital platforms and offerings necessary to compete effectively;
- assess the value, strengths and weaknesses of future investments;
- finance strategic investments;
- align the current information technology systems adequately with those of a larger group;
- apply risk management policy effectively to a larger group;
- hire and train additional skilled personnel; and
- manage a growing number of branch offices without over-committing management or losing key personnel,
- each of which would have a potential adverse effect on our Bank's business and results of operations.

Our Bank may not be able to effectively manage this growth or achieve the desired profitability in the expected time frame, if at all, or the expected improvement in indicators of financial performance from the expansion. In addition, we also may fail to develop or retain the technical expertise required to operate and develop these new digital solutions. To the extent that our Bank fails to meet required targets, develop and launch new products or services successfully, it may lose any or all of the investments that it has made in promoting them, and our Bank's reputation with its customers could be harmed. Moreover, if our Bank's competitors are better able to anticipate the needs of individuals in its target market, our Bank could lose market share and our business, results of operations and financial condition could be adversely affected.

#### 51. 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 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.

# 52. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 77 of this Placement Document towards to utilize the Net Proceeds towards augmentation of Bank's Tier-I capital base to meet Bank's future capital requirements and to support growth plans and to enhance the business of the Bank.

As on the date of this Placement Document, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting the Bank's Tier I Capital to meet the Bank's future capital requirements and to support growth plans and to enhance the business of the Bank or any other purposes in the manner specified in "Use of Proceeds" on page 77, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will not be monitored by any monitoring agency.

Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

#### RISKS IN RELATION TO DOING BUSINESS IN INDIA

# 53. A slowdown or downturn in economic growth in India could cause our business to suffer which may adversely affect our business, financial condition, results of operations and cash flows.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our

expansions; 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, like application of GST; 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; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

### 54. Our business is affected by global economic conditions which may adversely affect on our business, financial condition, results of operations and prospects.

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, financial condition and results of operations.

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.

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. In the event that 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, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

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

#### 55. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. Any change in the policies by the government may impact our business growth due to a potential change in terms of such contracts which may adversely affect our business, financial condition, results of operations and prospects.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

56. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of 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 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 facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. 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. 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.

57. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

# 58. Certain non-GAAP measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. These non-GAAP measures are not measures of operating performance or liquidity defined by Indian GAAP and may not be comparable.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included 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 and because such measures are frequently used by security analysts, investors and others to evaluate the operational performance of companies in our industry, many of which provide such non-GAAP.

These non-GAAP measures are not a measurement of our financial performance or liquidity under Indian GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Indian GAAP. In addition, these are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. 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 companies and are not measures of operating performance or liquidity defined by Indian GAAP and may not be comparable to similarly titled measures presented by other bank.

# 59. Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Placement Document.

Our Unaudited Consolidated Financial Results as of, and for the nine months period ended December 31, 2024 and for the Fiscal ended and our Audited Consolidated Financial Statements as of, and for March 31, 2024, March 31, 2023 and March 31, 2022 incorporated in this Placement Document have been prepared and presented in accordance with Indian GAAP. Indian GAAP differs from Ind AS and accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP, Ind AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on the prospective investor's familiarity with Indian GAAP. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Placement Document should accordingly be limited.

# 60. Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows.

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-". In November 2017, Moody's Investors Service ("Moody's") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3 and changed the outlook on the rating to stable from positive. On June 1, 2020, Moody's downgraded India's sovereign rating to the lowest investment grade and maintained the outlook from stable to negative. In October 2021, Moody's affirmed India's sovereign rating to Baa3 with a stable outlook and it continues to be the same. Prior to the onset of the

pandemic, India's GDP growth slowed on account of existing vulnerabilities such as a weak financial sector and subdued private investment. Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business, financial condition, results of operations and cash flows.

## 61. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our chemical products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

## 62. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Additionally, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246.

In terms of the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade ("DPIIT"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended and the General Financial Rules, 2017, as amended, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

# 63. It may not be possible for investors to enforce any judgment obtained outside India against us, the Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Bank is incorporated and operates under the laws of India. Our Board of Directors comprises members majority of whom are Indian citizens. All our Key Managerial Personnel and Senior Management Personnel are residents of India and majority of the assets of our Bank and such persons 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 in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended. 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.

### 64. Our business and activities may be regulated by the Competition Act and proceedings may be enforced against us.

The Competition Act, 2002, of India, as amended ("Competition Act"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("AAEC"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by an entity took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such entity, that person shall be also guilty of the contravention and may be punished.

Further, the Competitive Commission of India ("CCI") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, results of operations, financial condition and cash flows.

The Competition (Amendment) Act, 2023 ("Competition Amendment Act") was recently notified. The Competition Amendment Act amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, inter alia, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

#### RISKS IN RELATION TO OUR EQUITY SHARES AND THE ISSUE

# 65. An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Issue of the Equity Shares, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

#### 66. The price of the Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our 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, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, results of operations and financial condition. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

# 67. Investors will be subject to market risks until the Equity Shares credited to the investor's 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 investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated 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.

# 68. Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/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 our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in this Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Bank may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are 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 capital gains exceeding ₹125,000, 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 rate of 12.5% (plus applicable surcharge and health and education cess). This beneficial provision is, inter alia, subject to payment of STT. The exemption of ₹125,000 will not apply if the listed equity shares are sold using any platform other than a recognized stock exchange and on which no STT has been paid. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in

India at the rate of 20% (plus applicable surcharge and health and education cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Non-resident investors may claim relief under the beneficial provisions, if any, of the treaty between India and the country of which such investor is resident, read with the Multilateral Instrument, if and to the extent applicable. However, generally, Indian tax treaties do not limit India's right to impose a tax on capital gains arising from the sale of shares of an Indian company. As a result, non-resident investors may be liable for tax in India as well as in their own jurisdiction on a gain realized upon the sale of equity shares. They may, however, be eligible for tax credit in their home country as per the law prevailing in the home country. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares..

# 70. Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupees and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

# 71. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

#### MARKET PRICE INFORMATION

As of the date of this Placement Document, 18,902,412,256 Equity Shares of our Bank are issued, subscribed and fully paid up.

On March 21, 2025, the closing price of Equity Shares on BSE and NSE was ₹ 43.53 and ₹ 43.56 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 the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2024, 2023, and 2022:

	BSE									
Fiscal	High (₹)	Date of high	Number of Equity Shares traded on the date of high	of Equity Shares traded on	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ millions)	Average price for the year (₹)	
2024	79.73	07/02/2024	30,416,989	2,272.15	22.64	10/04/2023	1,587,273	36.15	38.79	
2023	34.75	15/12/2022	19,552,790	679.71	15.35	20/06/2022	383,736	5.99	21.18	
2022	28.05	30/06/2021	10,018,442	277.59	15.55	03/05/2021	578,842	8.95	20.36	

(Source: www.bseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.

- 2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
- 3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

	NSE									
Fiscal	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ millions)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	of Equity Shares traded on	Average price for the year	
2024	79.65	07/02/2024	379,528,75 4	28,439.14	22.65	10/04/2023	5,319,021	121.16	38.78	
2023	34.75	15/12/2022	284,921,01 5	9,918.49	15.35	20/06/2022	1,523,828	23.81	21.18	
2022	28.05	30/06/2021	89,616,855	2,491.81	15.55	03/05/2021	5,303,824	82.01	20.36	

(Source: www.nseindia.com)

Notes:

- 1. High, low and average prices are based on the daily closing prices.
- 2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
- 3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	Number of Equit	ty Shares Traded	Turnover (₹ in million)		
riscai	BSE	NSE	BSE	NSE	
2024	988,774,118	9,102,687,348	42,816.60	414,256.87	
2023	625,175,389	5,458,253,922	17,453.75	156,985.35	
2022	439,152,729	3,026,986,005	9,437.44	64,530.70	

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

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

	BSE										
			Number of	Total turnover of			Number of	Total turnover of		Equity Shares traded in the month	
Month	High (₹)	Date of high	Equity Shares traded on date of high	Equity Shares traded on date of high (₹ in millions)	Low (₹)	Date of low	Equity Shares traded on date of low	Equity Shares traded	Average price for the month (₹)		Turnover (₹ in millions)
February, 2025	51.47	05/02/2025	505,138	25.93	43.54	28/02/2025	626,091	27.47	47.75	8,552,717	407.16
January, 2025	54.11	14/01/2025	1,400,837	72.35	45.38	13/01/2025	409,507	19.06	50.55	14,098,330	714.04
December, 2024	58.98	04/12/2024	2,395,621	138.23	50.56	30/12/2024	252,476	12.85	54.61	14,763,724	824.09
November, 2024	55.13	06/11/2024	573,699	31.38	49.27	13/11/2024	383,813	19.20	52.40	10,029,393	527.36
October, 2024	57.62	01/10/2024	181,856	10.50	50.14	25/10/2024	638,207	32.10	53.86	10,922,326	585.88
September, 2024	61.04	23/09/2024	2,285,042	137.86	57.29	09/09/2024	1,147,728	65.54	58.82	14,247,590	840.54

(Source: www.bseindia.com)

High, low and average prices are based on the daily closing prices.
 In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

	NSE										
		N	Number of	Total turnover of			Number of	Total turnover of		Equity Shares traded in the month	
Month	High (₹)	Date of high	on date of high	Equity Shares traded on date of high (₹ in millions)	( )	Date of low	Equity Shares traded on date of low	Equity Shares traded	(2)	Volume	Turnover (₹ in millions)
February, 2025	51.43	05/02/2025	9,836,644	505.41	43.53	28/02/2025	3,898,293	171.25	47.74	80,184,663	3,859.85
January, 2025	53.77	14/01/2025	25,580,989	1,322.95	45.45	13/01/2025	7,160,861	332.52	50.53	194,322,222	9,877.94
December, 2024	58.97	04/12/2024	47,725,663	2,762.44	50.58	30/12/2024	4,383,524	223.31	54.62	201,639,448	11,380.16
November, 2024	55.11	06/11/2024	5,204,537	284.84	49.32	13/11/2024	5,350,849	267.68	52.41	113,595,887	5,975.12
October, 2024	57.53	01/10/2024	4,093,769	236.19	50.22	25/10/2024	7,301,659	366.40	53.87	148,969,118	7,999.15
September, 2024	61.05	23/09/2024	20,391,748	1,230.59	57.26	09/09/2024	6,623,395	378.23	58.82	145,507,930	8,590.15

#### Notes:

- 1. High, low and average prices are based on the daily closing prices.
- 2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

  3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.
- The following table sets forth the market price on the Stock Exchanges on April 23, 2024 being the first working day following the approval of our Board for the Issue:

	BSE						
Open High Low Close Number of Equity Shares traded Volume (₹ millions)							
64.26	64.56	63.20	63.40	802,206	51.18		

(Source: www.bseindia.com)

	NSE						
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ millions)		
64.50	63.15	63.35	11,000,303	701.76	64.50		

(Source: www.nseindia.com)

#### **USE OF PROCEEDS**

The gross proceeds from the Issue are ₹ 14,368.98 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 expected to be approximately ₹ 14,294.30 million ("Net Proceeds").

# Purpose of Funds and Utilization of Net Proceeds

Subject to compliance with applicable laws, our Bank intends to utilize the Net Proceeds towards augmentation of Bank's Tier-I capital base to meet Bank's future capital requirements and to support growth plans and to enhance the business of the Bank.

#### Schedule of deployment of funds

Our Bank currently proposes to deploy the Net Proceeds in the aforesaid object in Fiscal 2026.

# Monitoring of utilization of funds

In terms of the proviso to Regulation 173A(1) of the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Issue.

#### **Other Confirmations**

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 December 31, 2024 which has been extracted from our Unaudited Consolidated Financial Results, 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 80 and 281, respectively.

(₹ in million)

Particulars	Pre-Issue (as at December 31, 2024	Post-Issue as adjusted
Current borrowing:		
Secured	109,995.02	109,995.02
Unsecured	161,305.75	161,305.75
Non-current borrowing (including current maturities of long-term debt):		
Secured	120,890.84	120,890.84
Unsecured	38,775.08	38,775.08
Total borrowing (a)	430,996.69	430,996.69
Shareholders' funds:		
Share capital	189,024.12	192,565.90
Securities premium	85,579.01	96,406.22
Reserves and surplus (excluding securities premium)	103,583.50	103,582.50
Non- controlling Interest	0	0
Shareholders' funds (excluding borrowings) (b)	378,186.63	392,554.62
Total capitalization (a + b)	809,183.32	823,551.31
Current Borrowing / Shareholders Funds	0.72	0.69
Total Borrowing / Shareholders Funds	1.14	1.09

Note:

<sup>(1)</sup> 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.

#### DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Banking Regulation Act and regulations made thereunder, 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 "Key Regulations and Policies" beginning on page 206 and "Description of the Equity Shares – Declaration of Dividend" on page 254. For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "Taxation" beginning on page 256.

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.

In addition, *vide* RBI Master Direction on Financial Statements – Presentation and Disclosures dated August 30, 2021, Commercial Banks (excluding LABs and RRBs) are required to transfer not less than 25 per cent of 'net profit' before appropriations to the Statutory Reserve.

Our Bank has not paid any dividend in the nine month period ended December 31, 2024 and for the Fiscals 2024, 2023 and 2022.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Bank or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See "Description of the Equity Shares" beginning on page 253. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "Risk Factor – Risks relating to our business – Our ability to pay dividends in the future will depend upon applicable RBI regulations, our earnings, financial condition and capital requirements. Any inability to declare dividend may adversely affect the trading price of our Equity Shares." on page 57.

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

The following discussion is intended to convey our management's perspective on our financial condition and operating performance for the nine month period ended December 31, 2024 and as at and for the Fiscals 2024, 2023 and 2022, including the notes thereto and reports thereon, each included in this document, and our assessment of the factors that may affect our prospects and performance in future periods. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Unaudited Standalone Financial Results and the Audited Standalone Financial Statements included in this Placement Document in "Financial Statements" beginning on page 281. 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.

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 19. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. For a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" beginning on page 38.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Placement Document, each of which is a supplemental measure of our performance and liquidity and not required by, or presented in accordance with Indian GAAP. Furthermore, such measures and indicators are not defined under Indian GAAP, and therefore should not be viewed as substitutes for performance, liquidity or profitability measures under such accounting standards. In addition, such measures and indicators, are not standardised terms, hence a direct comparison of these measures and indicators between banks may not be possible. Other banks may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating our operating performance.

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 "GoI") 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 our Bank, the Lead Managers or any of their affiliates or advisers.

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

#### **OVERVIEW**

For details in relation to our business overview, strengths, strategies and business operations, please see "*Our Business*" beginning on page 176.

# SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

#### Macroeconomic environment

As a bank with significant operations in India, the Bank's financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India. The Indian economy is exhibiting steady growth, underpinned by solid macroeconomic fundamentals and strong domestic growth drivers. The domestic financial system is demonstrating resilience, supported by healthy balance sheets of banks

and non-banks, and fortified by strong capital buffers, robust earnings and improving asset quality. (Source: RBI – Financial Stability Report December 2024). Strong economic growth tends to positively impact our 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 our Bank offers. The fiscal policy adopted also contributes to our Bank's results of operations. Stronger economic growth also generally increases the interest income that our Bank is able to generate from the loans it offers and tends to improve the overall creditworthiness of our Bank's customers.

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, the Bank's costs, such as operating expenses, may increase, which could have an adverse effect on the Bank's 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 in relation to doing business in India – A slowdown or downturn in economic growth in India could cause our business to suffer which may adversely affect our business, financial condition, results of operations and cash flows." on page 66.

#### NPA levels and provisioning

The quality of our Bank's portfolio of loan assets, in other words, the likelihood that its loans will be repaid in full and on time, is a fundamental driver of its financial performance. Our Bank uses 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.

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 Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021; 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 April 2023, 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 nonrenewal of limits on the due date or non-submission of stock statements. 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.

The RBI has increasingly imposed greater focus and stricter standards on identifying and disclosing NPAs. Our Bank's NPA levels directly affect profitability, primarily through the provisions that it is required to recognize to account for the estimated losses it expects to incur on those loan assets. These provisions are recorded on the Bank's profit and loss account for the period in which they are incurred, reducing 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. Our Bank complies with these guidelines, as well as any stricter requirements in the foreign jurisdictions in which it operates. In addition, they may make additional specific provisions where it believes they are required to reflect anticipated losses.

For further details on our Bank's management of NPAs, NPA portfolio and provisions for NPAs, see "Select Statistical Information – Non Performing Assets" on page 141.

# Capital adequacy, liquidity requirements and reserve ratios

The Basel III framework on 'Liquidity Standards' includes 'Liquidity Coverage Ratio', 'Net Stable Funding Ratio' ("NSFR") and liquidity risk monitoring tools. In June, 2014, the 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' in January, 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' in January, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for 2015 with effect from January 1, 2015, minimum 90% with effect from January 1, 2018 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 issued a notification dated April 17, 2020, permitting banks to maintain LCR as set forth below:

From date of circular to September 30, 2020	80%
October 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

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 drawdowns 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"). 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 NSFR 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 had published a circular dated November 29, 2018, notifying that the NSFR guidelines shall come into effect from April 1, 2020. RBI had published a circular dated March 27, 2020, which deferred to the implementation.

As of December 31, 2024, the Bank's capital adequacy ratio was 16.97% as per Basel III comprising Tier I capital of ₹ 226,013.40 million and Tier II capital of ₹ 41,702.00 million. Although it currently exceeds the applicable capital adequacy requirements, adverse developments could affect our Bank's ability to satisfy these requirements in the future, including deterioration in asset quality, decline in the value of investments and inability to meet any regulatory requirements or changes. The regulatory minimum CET1, including capital conservation buffer, is 8% with effect from March 31, 2020.

Our Bank's profit may be affected by the amount of its provisions against loans. Banks are required to disclose the provisioning coverage ratio in the notes to accounts to their balance sheet. For further information, see "Risk Factors – Risk relating to our business – We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio ("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 results of operations and financial condition." on page 51.

### Regulatory measures and reforms

The banking industry in India is subject to extensive regulations issued by Governmental organizations and regulatory bodies including the RBI, SEBI and the Insurance Regulatory and Development Authority, and self-regulatory organisations. These regulations cover various aspects such as loans and advances, investments, deposits, risk management, foreign investment, corporate governance and market conduct, customer protection, foreign exchange management, capital adequacy, margin requirements, know-your customer and anti-money laundering, and provisioning for NPAs. The RBI also prescribes required levels of lending to "priority sectors" such as agriculture, which may expose us to higher levels of risk than we may otherwise face.

Since 2013, the GoI has introduced various economic reforms intended to provide increased control and transparency in the banking and financial services industry. In order to strengthen banks' ability to effectively resolve stressed assets and enhance transparency, the RBI has issued guidelines on the sale of stressed assets by banks and introduced measures to deal with stressed assets. These guidelines require banks to identify the specific financial assets identified for sale to other institutions, including securitisation companies/ reconstruction companies.

Basel III reforms are the response of Basel Committee on Banking Supervision ("BCBS") to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the pro cyclical amplification of these risks over time.

Monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of advances and deposits. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting its monetary policy. A monetary policy

designed to combat inflation typically results in an increase in RBI lending rates. Further, in addition to having gradually established more stringent capital adequacy requirements, the RBI has also instituted several prudential measures including an increase in risk weights for capital adequacy computation and general provisioning for certain types of asset classes.

For further information, see "Key Regulations and Policies in India" beginning on page 206. Other similar measures and regulatory developments relating to the Indian banking and financial services industry may have a significant impact on our operations and financial performance.

# SIGNIFICANT ACCOUNTING POLICIES

Below are the significant accounting policies for Fiscal 2024 used for the preparation of the latest Audited Consolidated Financial Statements:

#### 1. **Basis of Preparation**

- 1.1. The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the Banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.
- 1.2. The consolidated financial statements comprise the financial statements of the Bank and its Joint Ventures and Associates as at and for the year ended 31 March, 2024. The Consolidated Financial Statements have been prepared on the basis of:
  - a. Audited financial statements of Indian Overseas Bank (Parent).
  - b. Consolidation of Joint Ventures 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
  - c. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

#### **Use of Estimates**

1.3. The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

# 2. Revenue Recognition and Expense Accounting

2.1. Income is recognized on accrual basis on performing assets and on realization basis in respect of nonperforming assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning). NCLT admitted accounts shall be treated as suit filed accounts and the appropriation of recovery in these NCLT accounts whether it is from the process initiated against the corporate debtor or guarantors shall be done as in suit filed accounts. Recovery is in the form of debentures/equity/other debt or equity or quasi equity instruments etc. in the NCLT approved resolution plan amount as cash recovery and to appropriate the same as is done in suit filed accounts i.e. towards principal and thereafter towards interest.

- 2.2. Interest on bills purchased/ Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- 2.3. Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.
- 2.4. Expenditure is accounted for on accrual basis, unless otherwise stated.
- 2.5. In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI guidelines.
- 2.6. Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss Account. Such amount when recovered is treated as income.
- 2.7. In respect of foreign branches, Income and Expenditure are recognized/ accounted for as per local laws of the respective countries.

# 3. Foreign Currency Transactions

- 3.1. Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 3.2. Transactions in respect of Treasury (Foreign):
  - a. Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
  - b. Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each quarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
  - c. The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/"Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.
  - d. Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.

# 3.3. Translation in respect of overseas branches:

- a. As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
- b. Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
- c. Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
- d. The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment. 522Annual Report 2023-24 Indian Overseas Bank

#### 4. Investments

- 4.1. Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under sixclassifications viz., a) Government Securities b) Other Approved securities including those issued by local bodies, c) Shares, e) Bonds & Debentures, f) Subsidiaries / Joint Ventures and g) Units of Mutual Funds and Others.
- 4.2. Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- 4.3. Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
  - 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt. Ltd.). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored except for the depreciation on Non Performing Investments, which is not netted off against appreciation available in the basket. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

- 4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.
- 4.4. Investments are subject to appropriate provisioning / de –recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- 4.5. Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- 4.6. Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based on the difference between the holding cost and the face value i.e. discount income.
- 4.7. Repo / Reverse Repo transactions are accounted as per RBI guidelines.
- 4.8. Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.

- 4.9. All the investments are held by adopting the Weighted Average Pricing Method
- 4.10. All the investments are held in the book on settlement date basis only
- 4.11. Dividend income on investments is accounted on cash basis
- 4.12. Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments
- 4.13. Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14. An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI)
- 4.15. As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/21.04.0489/2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the Bank against increase in yields in future. The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following:
  - a. Net Profit on sale of investments during the year or
  - b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the HFT and AFS Portfolio, on a continuing basis.

# 5. Advances

- 5.1. Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.
- 5.2. Advances are stated net of provisions, except general provisions for standard advances.
- 5.3. For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances. In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators 524Annual Report 2023-24 Indian Overseas Bank

#### 6. **Derivatives**

- 6.1. The Bank enters into Derivative Contracts in order to hedge interest bearing assets/ liabilities, and for trading purposes.
- 6.2. In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/ payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assets/ liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is designated with an asset/ liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/ liability.

6.3. Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

# 7. Fixed Assets (Property, Plant and Equipment)

- 7.1. Fixed Assets, except revalued premises, are stated at historical cost.
- 7.2. Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

Premises	2.50%
Furniture	10%
Electrical Installations, Vehicles & Office Equipments	20%
Computers	33 1/3%
Fire Extinguishers	100%
Computer Software	33 1/3%

Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- 7.3. Depreciation is provided for the full year irrespective of the date of acquisition / revaluation.
- 7.4. Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 7.5. In respect of leasehold properties, premium is amortized over the period of lease.
- 7.6. Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

### 8. Staff Benefits

- 8.1. Contribution to Provident Fund and National Pension System is charged to Profit and Loss Account.
- 8.2. Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Funds. Provision for encashment of accumulated leave payable on retirement is made based on actuarial valuation at the year-end.
- 8.3. In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 9. 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 comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

#### 10. Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

# 11. Impairment of Assets

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

# 12. Segment Reporting

The Bank recognizes 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. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

#### CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, as on the date of this Placement Document, there are no changes to the significant accounting policies of our Bank:

<b>Modification 01:</b>	Existing Clause2.1	Proposed modified clause 2.1
	Income is recognized on accrual basis on	Income is recognized on accrual basis on
	performing assets and on realization basis in	performing assets.
	respect of non-performing assets as per the	
	prudential norms prescribed by Reserve Bank of	Recovery in case of Non-Performing Assets is
	India.	first appropriated towards principal and the
		balance, if any, towards interest and charges.
	Recovery in Non-Performing Assets is first	-
	appropriated towards interest and the balance, if	Recovery in case of Suit Filed Accounts shall be
	any, towards principal, except in the case of Suit	appropriated towards principal or as per the
	Filed Accounts and accounts under One Time	directives of the court concerned.
	Settlement, where it would be appropriated	
	towards principal. In case of assets sold to Asset	Recovery under One Time Settlement (OTS)
	Reconstruction Companies (ARCs), the income	shall be appropriated towards principal and
	is recognized to the extent of cash component of	excess over principal shall be adjusted towards
	the Sale Consideration received, where the sale	interest.
	consideration is over and above Net Book Value	
	(i.e. Book outstanding less Provisioning).	If any borrower account is classified as NPA
		from back date, any recovery till such present
	NCLT admitted accounts shall be treated as suit	date of classification is first appropriated
	filed accounts and the appropriation of recovery	towards interest and the balance, if any, towards
	in these NCLT accounts whether it is from the	principal. Subsequent recovery made in such

process initiated against the corporate debtor or guarantors shall be done as in suit filed accounts.

Recovery is in the form of debentures/equity/other debt or equity or quasi equity instruments etc. in the NCLT approved resolution plan amount as cash recovery and to appropriate the same as is done in suit filed accounts i.e. towards principal and thereafter towards interest.

Non-Performing Assets is first appropriated towards principal and the balance, if any, towards interest and charges.

In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning).

NCLT admitted accounts shall be treated as suit filed accounts and the appropriation of recovery in these NCLT accounts whether it is from the process initiated against the corporate debtor or guarantors shall be done as in suit filed accounts.

Recovery by way of debentures / equity / other debt or equity or quasi equity instruments etc. in the NCLT approved resolution plan amount as cash recovery to be appropriated in the same manner as is done in suit filed accounts i.e. first towards principal and remaining amount towards interest.

#### Modification 02:

#### **Existing Clause 4.1**

Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz.,

- a) Government Securities
- b) Other Approved securities including those issued by local bodies,
- c) Shares,
- d) Bonds & Debentures,
- e) Subsidiaries / Joint Ventures and
- f) Units of Mutual Funds and Others.

#### Proposed modified clause 4.1

In line with the RBI Guidelines, Banks shall classify their entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS) and Fair Value through Profit and Loss (FVTPL). Held for Trading (HFT) shall be a separate investment sub-category within FVTPL.

The premium/ discount, if any, of acquisition cost in comparison the face value of each security (other than NPI) is amortized/ accrued on straight line method, over the remaining period of maturity.

Disclosures of Investments are made under six classifications viz.,

- a) Government Securities
- b) Other Approved securities including those issued by local bodies,
- c) Shares,
- d) Bonds & Debentures,
- e) Subsidiaries / Joint Ventures and
- f) Others (to be specified).

# **Existing Clause 4.3.1**

Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture

# Proposed modified clause 4.3.1

Individual securities under "Fair Value through Profit & Loss "(FVTPL)" and "Available for Sale" categories are marked to market at quarterly intervals. Individual securities under HFT are marked to market on daily basis.

Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed

Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored except for the depreciation on Non-Performing Investments, which is not netted off against appreciation available in the basket. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations, the valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS-Reserve.The performing securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account.

The book value of individual securities would undergo change due to valuation at the prescribed intervals in the books of account.

# **Existing Clause 4.3.2**

"Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortized on an effective interest rate method, over the remaining period of maturity.

Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.

# **Proposed modified clause 4.3.2**

"Held to Maturity": Such investments are carried at acquisition cost/amortized cost/ carrying value.

Investments in subsidiaries, associates and sponsored institutions are valued at carrying cost.

#### **Existing Clause 4.5**

Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".

### Proposed modified clause 4.5

Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and FVTPL) is taken to Profit & Loss account.

In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS-Reserve and recognized in the Profit and Loss Account. In the case of equity instruments designated under AFS at the time of initial recognition, any

				be transf	oss on sale of such invest ferred from AFS-Reser s Account. Instead, su transferred from AFS- Reserve.	ve to the Profit ch gain or loss		
Modification 03:	Existin	ng Clause 7.0 (7.1 to 7.6)		Propose	d modified clause 7.0 (	(7.1 to 7.10)		
Mountainon oct	7.1	Fixed Assets, except re premises, are stated at		7.1	Fixed Assets, except r premises, are stated at	evalued		
	7.2	Depreciation is provide line method at the rates appropriate by the Mar under:	s considered nagement as	7.2	Depreciation is provided on straight- line method at the rates considered appropriate by the Management as under:			
		Furniture types	Dep. %		Furniture Types	Dep. %		
		Premises	2.50%		Premises	2.50%		
		Furniture	10%		Furniture and	10%		
		Electrical	20%		Fixtures (Metal			
		Installations,			and Wooden)			
		Vehicles & Office Equipment's			Electrical Installation	20%		
		Computers	33.33%		Vehicles	20%		
		Fire Extinguishers	100%		Computers	33.33%		
		Computer Software	33.33%		Computer	33.33%		
		Computer Software	33.3370			33.3370		
			0.1 6 1		Software	1000/		
		ciation on revalued portion			Fire Extinguishers	100%		
		is charged to the profit an			and the assets			
		quivalent amount is tra			whose value is			
	Revalu	ation reserve to Revenue l	Reserves.		more than			
					Rs.1000/- but less			
	7.3	Depreciation is provid	led for the full		than Rs.5000/-			
	vear ir	respective of the date o						
	revalua		1	Denrecia	Depreciation on revalued portion of the fixed			
	To various			assets is charged to the profit and loss account and equivalent amount is transferred from				
	7.4	Depreciation is provide	ad on Land					
	/.4	and Building as a whol separate costs are not a	le where		Revaluation reserve to Revenue Reserves.			
		separate costs are not a	iscertamatic.	7.2	C:4-1:4:			
	7.5			7.3	Capitalization of the			
	7.5	In respect of leasehold			furniture/fixtures can			
		premium is amortized of lease.	over the period		the nature and use of t	the items.		
	7.6	Depreciation on Fixed foreign branches is pro the applicable laws/pra	vided as per	7.4	Depreciation of the assets is provided for the full year irrespective of the			
		respective countries.	etices of the		date of acquisition / re (Under straight line m			
				7.5	7.5 Depreciation of the assets is allowed only if the assets is put to use in the year of purchase.			
				7.6	If the value of single a or equal to Rs.1000/-, capitalize the asset and	Bank will not d treat the asset		
					as a revenue expenditure case, asset will not be capitalization.			
				7.7	If the value of single at than Rs.1000/- but less Rs.5000/-, it will be excapitalization. However will be applicable to the solution of value of asset the financial year. The carry Rs.1/- in the book	s than ligible for er, depreciation he extent of t at the end of creafter, it will		

7.8 Depreciation is provided on Land and Building as a whole, where separate costs are not ascertainable.
7.9 In respect of leasehold properties, premium is amortized over the period of lease.
Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

#### **OUR RESULTS OF OPERATIONS**

# NINE MONTH PERIOD ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023

The following tables set forth our selected financial information for the nine month period ended December 31, 2024 and December 31, 2023:

	Nine-month period end	ed December 31,	
Particulars	2024	2023	% increase/ (decrease)
	Amount (₹ in	million)	
INCOME			
Interest earned	204,974.22	174,208.47	17.66
Other income	39,639.68	31,788.88	24.69
TOTAL	244,613.90	205,997.35	18.74
EXPENDITURE			
Interest expended	127,301.66	103,545.14	22.94
Operating expenses	56,611.32	54,425.58	4.01
Provisions and contingencies (net)	37864.52	29551.37	28.13
TOTAL	221777.50	187522.09	18.26
PROFIT/ LOSS (-)			
Net profit/ loss (-) for the period	22,836.40	18,475.24	23.60
Profit/ loss (-) brought forward	(144,692.91)	(164,486.98)	(12.03)
TOTAL	(121,856.51)	(146,011.74)	(16.54)

# NINE MONTH PERIOD DECMEBER 31, 2024 COMPARED TO NINE MONTH PERIOD DECMEBER 31, 2023

#### Income

#### Interest earned

Total interest earned increased by 17.66% to ₹ 204,974.22 million in the nine month period ended December 31, 2024 from ₹ 174,208.47 million in the nine month period ended December 31, 2023. This increase is primarily due to increase in interest income from loans and investment.

# Other income

Other income increased by 24.69% to ₹ 39,639.68 million in the nine month period ended December 31, 2024 from ₹ 31,788.88 million in the nine month period ended December 31, 2023. This was primarily due to moderated recovery in technical written off account.

# **Expenditure**

# Interest expended

Total interest expended increased by 22.94% to ₹ 127,301.66 million in the nine month period ended December 31, 2024 from ₹ 103,545.14 million in the nine month period ended December 31, 2023. This increase was

primarily due increase in deposit interest rate, increase in deposit, increase in borrowing and repricing of term deposits with higher rate.

#### **Operating** expenses

Operating expenses increased by 4.01% to ₹ 56,611.32 million in the nine month period ended December 31, 2024 from ₹ 54,425.58 million in the nine month period ended December 31, 2023. The increase was primarily due to an increase in payments to and provisions for employees, an increase in payment of rent, an increase in taxes, an increase in lighting, an increase in depreciation in Bank property and an increase in other expenditures.

#### Provisions and contingencies (net)

Provisions and contingencies increased by 28.13% to ₹ 37,864.52 million in the nine month period ended December 31, 2024 from ₹ 29,551.37 million in the nine month period ended December 31, 2023. This increase was primarily due to accelerated provisions for standards assets and migration provisions for bad debts.

# Profit/ (loss) for the period

As a result of the reasons discussed above, our net profit for the period increased by 23.60% to ₹ 22,836.40 million in the nine month period ended December 31, 2024 from ₹ 18,475.24 million in the nine month period ended December 31, 2023.

#### FINANCIAL CONDITION

#### Assets

The table below sets out the principal components of our Bank's assets as of the dates indicated:

	Nine-month period ended December 31,		% increase/
Particulars	2024	2023	(decrease)
	Amount (₹	in million)	(decrease)
Cash and balances with the RBI	167,057.36	137,907.98	21.13
Balance with banks and money at call and	68,041.97	12,627.81	438.82
short notice			
Investments	1,091,032.25	982,120.23	11.08
Advances (net)	2,325,068.33	2,089,023.95	11.29
Fixed assets	37,048.09	37,615.91	(1.51)
Other assets	175,901.64	181,828.68	(3.26)
TOTAL ASSETS	3,864,149.64	3,441,124.56	12.29

Total assets increased by 12.29% to ₹ 3,864,149.64 million in the nine month period ended December 31, 2024 from ₹ 3,441,124.56 million in the nine month period ended December 31, 2023. This increase was primarily due to an increase in cash and balances with the RBI by 21.13%, an increase balance with banks and money at call and short notice by 438.82%, an increase investment by 11.08% and an increase advances by 11.29% *Advances* 

The following table sets forth a breakdown of our Bank's gross advances as of the dates indicated:

	Nine month period ended December 31,		% increase/
<b>Particulars</b>	2024	2023	, , , , , , , , , , , , , , , , , , , ,
	Amount (₹	in million)	(decrease)
Bills purchased and discounted	96,904.83	72,826.11	33.06
Cash credits, overdrafts and loans repayable	1,225,693.67	1,226,524.12	(0.06)
on demand			
Term loans	1,462,659.25	1,310,087.43	11.64
TOTAL	2,785,257.75	2,609,437.66	6.73

Our Bank's advances increased by 6.73% to ₹ 2,785,257.75 million in the nine month period ended December 31, 2024 from ₹ 2,609,437.66 million in the nine month period ended December 31, 2023. This increase was primarily due to contribution from all the segment in RAM to an increase in advances.

#### Investments

Our Bank's investments primarily represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds, investments in equity shares, and investments in joint venture and other investments (investments in mutual funds, venture capital funds certificate of deposits and commercial papers).

Net Investments increased by 11.09% to ₹ 1,091,032.25 million in the nine month period ended December 31,2024 from ₹ 982,120.23 million in the nine month period ended December 31,2023. This increase was primarily due to an increase in investments in Government securities.

#### Balances with banks and money at call and short notice

Balances with banks and money at call and short notice was ₹ 68,041.98 million in the nine month period ended December 31, 2024 as compared to ₹ 12,627.81 million in the nine month period ended December 31, 2023. This increase was primarily due to increase in current accounts, other deposit accounts and money at call and short notice outside India.

#### Other Assets

Other assets primarily include inter office adjustments (net), interest accrued, tax paid in advance/ tax deducted at source (net), stationery and stamps, non-banking assets acquired in satisfaction of claims, others(including deposits placed with NABARD).

Other assets amounted to ₹ 175,901.60 million in the nine month period ended December 31, 2024 as compared to ₹ 181,828.68 million in the nine month period ended December 31, 2023. This decrease was primarily due to decrease in inter office adjustments and partially offset by increase in tax paid in advance (net of provisions) and an increase in interest accrued.

#### Liabilities

The table below sets out the principal components of our Bank's shareholders' funds and liabilities as of the dates indicated:

	Nine month period e	% increase/	
Particulars	2024	2023	
	Amount (₹ in million)		(decrease)
Capital	189,024.12	189,024.12	0.00
Reserves and surplus	103,583.53	82,548.69	25.48
Deposits	3,051,212.97	2,780,457.51	9.73
Borrowings	430,966.69	309,936.63	39.05
Other liabilities and provisions	89,362.40	79,157.49	12.89
TOTAL LIABILITIES	3,864,149.71	3,441,124.44	12.29

Total liabilities amounted to ₹ 3,864,149.71 million in the nine month period ended December 31, 2024 as compared to ₹ 3,441,124.44 million in Fiscal 2023. This increase was primarily due to an increase in deposits, an increase in borrowings, an increase in other liabilities and provisions and an increase in reserve and surplus.

#### **Deposits**

The following table sets forth a breakdown of our Bank's deposits, as well as the percentage of total deposits that each item contributes, as of the dates indicated:

	Nine-month period ended December 31,			
	2024		2024 2023	
	Amount (₹ in million) % of total deposits		Amount (₹ in million)	% of total deposits
Demand deposits	274,987.05	9.01	220,960.06	7.94
Savings bank deposits	1,048,388.29	34.36	988,185.05	35.54
Term deposits	1,727,837.62	56.62	1,571,312.39	56.51
Total deposits	3,051,212.96	100.00	2,780,457.50	100.00

Deposits mainly comprise demand deposits, savings bank deposits and term deposits.

Deposits increased by 9.73% to ₹ 3,051,212.96 million in the nine month period ended December 31, 2024 from ₹ 2,780,457.50 million in the nine month period ended December 31, 2023. This increase was primarily due to low-cost CASA and retail term deposits.

#### **Borrowings**

Borrowings mainly comprise borrowings from the RBI, banks, institutions, agencies and unsecured redeemable debt.

Our Bank's borrowings increased by 39.05% to ₹ 430,966.70 million in the nine month period ended December 31, 2024 from ₹ 309,936.63 million in the nine month period ended December 31, 2023. This increase was primarily driven by an increase in borrowings mainly from other banks and other institutions and agencies.

#### Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, interest payable, deferred tax liability and other provisions.

Other liabilities and provisions increased by 12.89% to ₹ 89,362.40 million in the nine month period ended December 31, 2024 from ₹ 79,157.49 million in the nine month period ended December 31, 2023. This increase was primarily due to an increase in bills payable, net inter-office adjustment and other provisions.

#### FISCAL 2024 AND 2023

The following tables set forth our selected financial information for Fiscals 2024 and 2023:

	Fiscal ended Ma	arch 31,	0/ • /
Particulars	2024	2023	% increase/
	Amount (₹ in r	nillion)	(decrease)
INCOME			
Interest earned	240,497.34	194,003.26	23.96
Other income	56,562.62	41,087.48	37.66
TOTAL	297,059.96	235,090.74	26.36
EXPENDITURE			
Interest expended	142,203.20	111,454.44	27.58
Operating expenses	87,219.07	64,214.63	35.82
Provisions and contingencies (net)	41,081.44	38,433.80	6.88
TOTAL	270,503.71	214,102.87	26.34
PROFIT/ LOSS (-)			
Net profit/ loss (-) for the period	26,556.25	20,987.87	26.53
Profit/ loss (-) brought forward	(164,486.98)	(179,992.87)	(8.61)
TOTAL	(137,930.73)	(159,005.00)	(13.25)

# FISCAL 2024 COMPARED TO FISCAL 2023

#### Income

Interest earned

Total interest earned increased by 23.96% to ₹ 240,497.34 as of March 31, 2024 from ₹ 194,003.26 million in the as of March 31, 2023. This increase is primarily due to an increase in interest income from loans and investment.

#### Other income

Other income increased by 37.66% to ₹ 56,562.62 as of March 31, 2024 from ₹ 41,087.48 million in the as of March 31, 2023. This increase was primarily due to moderated recovery in technical written off account.

#### **Expenditure**

#### Interest expended

Total interest expended increased by 27.58% to ₹ 142,203.20 million as of March 31, 2024 from ₹ 111,454.44 million in the as of March 31, 2023. This was primarily due to an increase in interest expenses caused by an increase in deposit interest rate, an increase in deposit, an increase in borrowing as well as repricing of term deposits with higher rate.

#### **Operating** expenses

Operating expenses increased by 35.82% to ₹87,219.07 as of March 31, 2024 from ₹64,214.63 million in the as of March 31, 2023. This increase was primarily due to The increase was primarily due to an increase in payments to and provisions for employees, an increase in payment of rent, an increase in taxes, an increase in lighting, an increase in depreciation in Bank property and an increase in other expenditures.

# Provisions and contingencies (net)

Provisions and contingencies (net) increased by 6.88% to ₹41,081.44 as of March 31, 2024 from ₹38,433.80 million in the as of March 31, 2023. This increase was primarily due to increase in provisions and contingencies is due to accelerated provisions for standards assets and migration provisions for bad debts.

# Profit/ (loss) for the period

As a result of the reasons discussed above, our net profit for the period increased by 26.53% to  $\stackrel{?}{\stackrel{\checkmark}}$  26,556.24 million as of March 31, 2024 from  $\stackrel{?}{\stackrel{\checkmark}}$  20,987.86 million in the as of March 31, 2023.

# FINANCIAL CONDITION

#### Assets

The table below sets out the principal components of our Bank's assets as of the dates indicated:

	Fiscal ende	0/ • /	
<b>Particulars</b>	2024	2023	% increase/
	Amount (₹	in million)	(decrease)
Cash and balances with the RBI	169,045.62	171,480.94	(1.42)
Balance with banks and money at call and	16,498.55	34,587.27	(52.29)
short notice			
Investments	996,320.81	941,704.10	5.80
Advances (net)	2,133,188.09	1,780,525.73	19.80
Fixed assets	37,397.55	37,099.76	0.80
Other assets	167,885.53	171,942.03	(2.35)
TOTAL ASSETS	3,520,336.15	3,137,339.83	12.20

Total assets increased by 12.20% to ₹ 3,520,336.15 million in Fiscal 2024 from ₹ 3,137,339.83 million in Fiscal 2023. This increase was primarily due to an increase in investments by 5.80%, an increase in advances by 19.80%, an increase in offset by 52.29% and was partially offset by a decrease in balance with banks and money at call and short notice by 52.30% and a decrease in cash and balances with the RBI and other assets by 1.42%.

#### Advances

The following table sets forth a breakdown of our Bank's gross advances as of the dates indicated:

	Fiscal ende	Fiscal ended March 31,		
Particulars	2024	2023	% increase/	
	Amount (₹	in million)	(decrease)	
Bills purchased and discounted	83,328.95	45,668.53	82.46	
Cash credits, overdrafts and loans repayable on demand	771,519.24	773,581.27	(0.26)	
Term loans	1,278,339.89	961,275.93	32.98	
TOTAL	2,133,188.08	1,780,525.73	19.80	

Our Bank's advances increased by 19.98% to ₹ 2,133,188.08 million in Fiscal 2024 from ₹ 1,780,525.73 million in Fiscal 2023. This increase was primarily due to contribution from all the segment in RAM to an increase in advances.

#### Investments

Our Bank's investments primarily represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds, investments in equity shares, and investments in joint venture and other investments (investments in mutual funds, venture capital funds certificate of deposits and commercial papers).

Net investments increased by 5.80% to ₹ 996,320.81 million in Fiscal 2024 from ₹ 941,704.10 million in Fiscal 2023. This increase was primarily due to an increase in investments in Government securities.

#### Balances with banks and money at call and short notice

Balances with banks and money at call and short notice million decreased by 52.29% to ₹ 16,498.55 in Fiscal 2024 from ₹ 34,587.27 million in Fiscal 2023. This decrease was primarily due to decrease in other deposit accounts in Indiaand decrease in current accounts, other deposits accounts outside India.

#### Other Assets

Other assets primarily include inter office adjustments (net), interest accrued, tax paid in advance/ tax deducted at source (net), stationery and stamps, non-banking assets acquired in satisfaction of claims, others(including deposits placed with NABARD).

Other assets decreased by 2.35% to ₹ 167,885.53 in Fiscal 2024 from ₹ 171,942.03 million in Fiscal 2023. This decrease was primarily due to decrease in inter office adjustments and was partially offset by increase in tax paid in advance (net of provisions) and an increase in interest accrued.

#### Liabilities

The table below sets out the principal components of our Bank's shareholders' funds and liabilities as of the dates indicated:

	Fiscal ended	0/ :	
Particulars	2024	2023	% increase/
	Amount (₹ in million)		(decrease)
Capital	189,024.12	189,024.12	0.00
Reserves and surplus	90,398.88	63,605.32	42.12
Deposits	2,859,053.78	2,608,832.90	9.59
Borrowings	303,871.65	208,037.71	46.06
Other liabilities and provisions	77,987.74	67,839.78	14.95
TOTAL LIABILITY	3,520,336,17	3,137,339,83	12.20

Total liabilities amounted to ₹ 3,520,336.17 million in Fiscal 2024 as compared to ₹ 3,137,339.83 million in Fiscal 2023. This increase was primarily due to an increase in deposits, an increase in borrowings, an increase in other liabilities and provisions and an increase in reserve and surplus.

#### **Deposits**

The following table sets forth a breakdown of our Bank's deposits, as well as the percentage of total deposits that each item contributes, as of the dates indicated:

	Fiscal ended March 31,			
	2024		20	23
	Amount (₹ in million)	% of total denosits   % of total d		% of total deposits
Demand deposits	229,189.69	8.01	166,702.59	6.39
Savings bank deposits	1,025,893.20	35.88	974,425.45	37.35

	Fiscal ended March 31,			
	20	24	20	23
	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits
Term deposits	1,603,970.87	56.10	1,467,704.85	56.25
TOTAL DEPOSITS	2,859,053.76	100.00	2,608,832.89	100.00

Deposits mainly comprise demand deposits, savings bank deposits and term deposits.

Deposits increased by 9.59% to ₹ 2,859,053.76 million in Fiscal 2024 from ₹ 2,608,832.89 million in Fiscal 2023. This increase was primarily due to low-cost CASA and retail term deposits.

#### **Borrowings**

Borrowings mainly comprise borrowings from the RBI, banks, institutions, agencies and unsecured redeemable debt.

Our Bank's borrowings increased by 46.07% to ₹ 303,871.65 million in Fiscal 2024 from ₹ 208,037.71 million in Fiscal 2023. This was primarily driven by an increase in borrowings mainly from other institutions and agencies.

#### Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, interest payable, deferred tax liability and other provisions.

Other liabilities and provisions increased by 14.96% to ₹ 77,987.74 million in Fiscal 2024 from ₹ 67,839.78 million in Fiscal 2023. This increase was primarily due to an increase in net inter-office adjustment and an increase in other provisions and partially offset by a decrease in bills payable.

#### FISCAL 2023 AND 2022

The following tables set forth our selected financial information for Fiscals 2023 and 2022:

	Fiscal ended I	March 31,	0/ * /	
Particulars	2023	2022	% increase/	
	Amount (₹ in	n million)	(decrease)	
INCOME				
Interest earned	194,003.26	167,298.66	15.96	
Other income	41,087.48	49,030.19	(16.20)	
TOTAL	235,090.74	216,328.85	8.67	
EXPENDITURE				
Interest expended	111,454.44	104,187.28	6.97	
Operating expenses	64,214.63	54,512.43	17.79	
Provisions and contingencies (net)	38,433.80	40,533.71	(5.18)	
TOTAL	214,102.87	199,233.42	7.46	
PROFIT/ LOSS (-)				
Net profit/ loss (-) for the period	20,987.87	17,095.43	22.76	
Profit/ loss (-) brought forward	(179,992.87)	(188,138.62)	(4.33)	
TOTAL	(159,005.00)	(171,043.19)	(7.03)	

#### FISCAL 2023 COMPARED TO FISCAL 2022

#### Income

Interest earned

Total interest earned increased by 15.96% to ₹ 194,003.26 million in Fiscal 2023 from ₹ 167,298.66 million in Fiscal 2022. This increase was primarily due to an increase in interest income from loans and investment.

Other income

Other income decreased by 16.20% to ₹41,087.48 million in Fiscal 2023 from ₹49,030.19 million in Fiscal 2022. This decrease was primarily due to a decrease in the profit/loss of sale in investments, a decrease in revaluation of investments and a decrease in profit/loss on exchange transactions.

#### **Expenditure**

# Interest expended

Total interest expended increased by 6.97% to ₹ 111,454.44 million in Fiscal 2023 from ₹ 104,187.28 million in the Fiscal 2022. This was primarily due to an increase in interest expenses caused by an increase in deposit interest rate, an increase in deposit, an increase in borrowing as well as repricing of term deposits with higher rate.

#### Operating expenses

Operating expenses increased by 17.79% to ₹ 64,214.63 million in Fiscal 2023 from ₹ 54,512.43 million in the Fiscal 2022. The increase was primarily due to an increase in payments to and provisions for employees, an increase in payment of rent, an increase in taxes, an increase in lighting, an increase in depreciation in Bank property and an increase in other expenditures.

#### Provisions and contingencies (net)

Provisions and contingencies decreased by 5.18% to ₹ 38,433.80 million in Fiscal 2023 from ₹ 40,533.71 million in the Fiscal 2022. The decrease was primarily due to an increase in provisions and contingencies caused by accelerated provisions for standards assets and migration provisions for bad debts.

# Profit/ (loss) for the period

As a result of the reasons discussed above, our net profit for the period increased by 22.76% to ₹ 20,987.87 million in Fiscal 2023 from ₹ 17,095.43 million in the Fiscal 2022.

# FINANCIAL CONDITION

### Assets

The table below sets out the principal components of our Bank's assets as of the dates indicated:

	Fiscal ende	Fiscal ended March 31,		
Particulars	2023	2022	% increase/ (decrease)	
	Amount (₹	in million)	(decrease)	
Cash and balances with the RBI	171,480.94	227,489.93	(24.62)	
Balance with banks and money at call and short notice	34,587.27	140,241.99	(75.33)	
Investments	941,704.10	981,793.12	(4.08)	
Advances (net)	1,780,525.73	1,442,435.24	23.43	
Fixed assets	37,099.76	33,648.96	10.25	
Other assets	171,942.03	168,162.42	2.24	
TOTAL ASSETS	3,137,339.83	2,993,771.66	4.79	

Total assets increased by 4.79% to ₹ 3,137,339.83 million in Fiscal 2023 from ₹ 2,993,771.66 million in the Fiscal 2022. This increase was primarily due to an increase in advances by 23.43% and an increase in fixed assets by 10.25% which was partially offset by a decrease in cash and balances with the RBI by 24.62% and a decrease in balance with banks and money at call and short notice by 75.33%.

# Advances

The following table sets forth a breakdown of our Bank's gross advances as of the dates indicated:

	Fiscal ende	0/:	
Particulars	2023	2022	% increase/
	Amount (₹	in million)	(decrease)
Bills purchased and discounted	45,668.53	29,026.99	57.33
Cash credits, overdrafts and loans repayable on demand	773,581.27	446,007.72	73.44

	Fiscal ende	0/ :	
Particulars	2023	2022	% increase/
	Amount (₹	(decrease)	
Term loans	961,275.93	967,400.52	(0.63)
TOTAL	1,780,525.73	1,442,435.23	23.43

Our Bank's advances by 23.43% to ₹ 1,780,525.73 million in Fiscal 2023 from ₹ 1,442,435.24 million in the Fiscal 2022. This increase was primarily due to contribution from all the segment in RAM to an increase in advances.

#### Investments

Our Bank's investments primarily represent investments in government securities and other approved securities, investments in debt instruments such as debentures and bonds, investments in equity shares, and investments in joint venture and other investments (investments in mutual funds, venture capital funds certificate of deposits and commercial papers).

Net investments decreased by 4.08% to ₹ 941,704.10 million in Fiscal 2023 from ₹ 981,793.12 million in the Fiscal 2022. This decrease was primarily due to a decrease in the debentures and bonds, a decrease in shares and a decrease in other investment in India.

#### Balances with banks and money at call and short notice

Balances with banks and money at call and short notice was ₹ 34,587.27 million in Fiscal 2023 from ₹ 140,241.99 million in the Fiscal 2022. This decrease was primarily due to a decrease in current account and a decrease in other deposits accounts outside India.

#### Other Assets

Other assets primarily include inter office adjustments (net), interest accrued, tax paid in advance/ tax deducted at source (net), stationery and stamps, non-banking assets acquired in satisfaction of claims, others(including deposits placed with NABARD).

Other assets amounted to ₹ 171,942.03 million in Fiscal 2023 from ₹ 168,162.42 million in the Fiscal 2022. This increase was primarily due to an increase in interoffice adjustments and an increase in tax paid in advances and an increase in interest accrued.

#### Liabilities

The table below sets out the principal components of our Bank's shareholders' funds and liabilities as of the dates indicated:

	Fiscal ende	Fiscal ended March 31,		
<b>Particulars</b>	2023	2022	% increase/ (decrease)	
	Amount (₹	Amount (₹ in million)		
Capital	189,024.12	189,024.12	0.00	
Reserves and surplus	63,605.32	40,979.84	55.21	
Deposits	2,608,832.90	2,621,589.24	(0.48)	
Borrowings	208,037.71	30,706.36	577.50	
Other liabilities and provisions	67,839.78	111,472.10	(39.14)	
TOTAL LIABILITIES	3,137,339.83	2,993,771.66	4.79	

Total liabilities amounted to ₹ 3,137,339.83 million in Fiscal 2023 from ₹ 2,993,771.66 million in the Fiscal 2022. This increase was primarily due to an increase in reserves and surplus and an increase in borrowings which was partially offset by a decrease in deposits and a decrease in other liabilities and provisions.

#### **Deposits**

The following table sets forth a breakdown of our Bank's deposits, as well as the percentage of total deposits that each item contributes, as of the dates indicated:

	Fiscal ended March 31,				
	20	23	20	2022	
	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	
Demand deposits	166,702.59	6.39	173,758.36	6.62	
Savings bank deposits	974,425.45	37.35	965,008.34	36.81	
Term deposits	1,467,704.85	56.25	1,482,822.54	56.56	
Total deposits	2,608,832.89	100.00	2,621,589.24	100.00	

Deposits mainly comprise demand deposits, savings bank deposits and term deposits.

Deposits decreased by 0.48% to ₹ 2,608,832.89 million in Fiscal 2023 from ₹ 2,621,589.24 million in the Fiscal 2022. This decrease was primarily due to decrease in the term deposits of the bank especially bulk deposits.

#### **Borrowings**

Borrowings mainly comprise borrowings from the RBI, banks, institutions, agencies and unsecured redeemable debt.

Our Bank's borrowings increased 577.50% to ₹ 208,037.71 million in Fiscal 2023 from ₹ 30,706.36 million in the Fiscal 2022. This was primarily driven by an increase in borrowings mainly from other institutions and agencies and raising of subordinated debt.

#### Other Liabilities and Provisions

Other liabilities and provisions represent bills payable, interest payable, deferred tax liability and other provisions.

Other liabilities and provisions decreased by 39.14% to ₹ 67,839.78 million in Fiscal 2023 from ₹ 111,472.10 million in the Fiscal 2022. This decrease was primarily due to a decrease in net inter-office adjustment and a decrease in other provisions which was partially offset by an increase in bills payable and an increase in interest accrued.

#### Divergence in asset classification and provisioning:

The RBI assesses the compliance by banks with the extant prudential norms on income recognition, asset classification and provisioning ("IRACP") as part of its supervisory processes. As per RBI Master Direction on Financial Statements – Presentation and Disclosures No. DOR.ACC.REC.N0.45/21.04.018/2021-22 dated August 30, 2021 (updated as on April 1, 2024), banks shall make suitable disclosures as tabulated below, if either or both of the following conditions are satisfied:

- (i) The additional provisioning for NPAs assessed by the RBI as part of its supervisory process exceeds 5% of the reported profit before provisions and contingencies for the reference period; and/ or
- (ii) The additional gross NPAs identified by RBI as part of its supervisory process exceed 5% of the reported incremental Gross NPAs for the reference period.

There has been no divergence in respect of provision and NPAs for the financial year ended March 31, 2023.

#### LIQUIDITY AND CAPITAL RESOURCES

Our 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. Our Bank maintains diverse sources of funding and liquid assets to facilitate flexibility in meeting its liquidity requirements.

# **CASH FLOWS**

The following table sets forth our Bank's statement of cash flows for the periods indicated:

Doutionlans	Fiscal 2024	Fiscal 2023	Fiscal 2022
Particulars		(₹ in million)	
Net cash from/ (used in) operating activities	(11,654.21)	(155,952.75)	55,658.68

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Farticulars		(₹ in million)	
Net cash from/ (used in) investing activities	(3,592.90)	(5,594.84)	(479.74)
Net cash from/ (used in) financing activities	(5,276.91)	(116.11)	4,789.61
Net change in cash and cash equivalents	(20,524.02)	(161,663.70)	59,968.55

#### Fiscal 2024

#### **Operating Activities**

Net cash used in operating activities was ₹ 11,654.21 million in Fiscal 2024, while net profit after tax for the period was ₹ 26,556.24 million. The difference was primarily attributable to adjustments for amortisation of held to maturity ("HTM") investments, loss on revaluation of investments, depreciation on fixed assets, provision for non-performing assets ("NPAs"), provision for standard assets and provision for other items interest on Tier II bonds. This was partially offset by profit on sale of assets depreciation on investments (net of provision for non-performing investments ("NPIs")).

Further, there was an increase in deposits, an increase in borrowings, an increase in other liabilities and provisions, an increase in investments, an increase in advances and an increase in other assets.

Our cash used in operations was ₹ 11,654.21 million, adjusted by direct tax (net).

#### **Investing Activities**

Our net cash flow used in investing activities for Fiscal 2024 was ₹ 3,592.90 million, primarily on account of purchase of fixed assets. This was partially offset by sale/ disposal of fixed assets.

### Financing Activities

Our net cash flow used in financing activities for Fiscal 2024 was ₹ 5,276.91 million, primarily on account of redemption Tier II bonds/ other borrowings and interest paid on Tier II capital

# Fiscal 2023

# **Operating Activities**

Net cash used in operating activities was ₹ 155,952.75 million in Fiscal 2023, while net profit after tax for the period was ₹ 20,987.86 million. The difference was primarily attributable to adjustments for amortisation of HTM investments, loss on revaluation of investments, depreciation on fixed assets, provision for NPAs, provision for standard assets and provision for other items interest on Tier II bonds. This was partially offset by profit on sale of assets depreciation on investments (net of provision for NPIs).

Further, there was a decrease in deposits, a decrease in other liabilities and provisions, a decrease in investments and a decrease in other assets. This was partially offset by an increase in borrowings and an increase in advances.

Our cash used in operations was ₹ 155,952.75 million, adjusted by direct tax (net).

# **Investing Activities**

Our net cash used in investing activities for Fiscal 2023 was ₹ 5,594.84 million, primarily on account of purchase of fixed assets. This was partially offset by sale/ disposal of fixed assets.

# Financing Activities

Our net cash flow used in financing activities for Fiscal 2023 was ₹ 116.11 million, primarily on account of issue of Basel III Tier II bonds. This was partially offset by interest paid on Tier II capital.

#### Fiscal 2022

#### **Operating Activities**

Net cash generated from operating activities was ₹ 55,658.68 million in Fiscal 2022, while net profit after tax for the period was ₹ 17,095.42 million. The difference was primarily attributable to adjustments for amortisation of HTM investments, loss on revaluation of investments, depreciation on fixed assets, provision for NPAs, provision for standard assets and provision for other items interest on Tier II bonds. This was partially offset by profit on sale of assets depreciation on investments (net of provision for NPIs).

Further, there was an increase in deposits, an increase in other liabilities and provisions and an increase in advances. This was partially offset by a decrease in borrowings a decrease in investments and a decrease in other assets.

Our cash generated in operations was ₹ 55,658.68 million, adjusted by direct tax (net).

#### **Investing Activities**

Our net cash used in investing activities for Fiscal 2022 was ₹ 479.74 million, primarily on account of purchase of fixed assets. This was partially offset by sale/ disposal of fixed assets.

#### Financing Activities

Our net cash generated in financing activities for Fiscal 2022 was ₹ 4,789.61 million, primarily on account of issue of Basel III Tier II bonds. This was partially offset by interest paid on Tier II capital

#### **CAPITAL**

We calculate our capital to risk weighted assets ratio under Basel III guidelines. Our Bank's CRAR under Basel III was 16.97% (on a standalone basis) as of December 31, 2024.

We are registered with and subject to supervision by the RBI, including the RBI's detailed guidelines for implementation of Basel III capital regulations that were issued in May 2012. Basel III capital regulations are being implemented in India with effect from April 1, 2013 in a phased manner, which our Bank has complied with.

Our Bank's regulatory capital and capital adequacy ratios calculated under Basel III as of the dates indicated, are as follows:

		As of December 31, 2024
Reg	ulatory Capital	(₹ in million)
Tier	I capital	226,013.40
Tier	II capital	41,702.00
Tota	ıl Capital	267,715.40
Reg	ulatory Capital	(in%)
(i)	Common Equity Tier I Ratio	11.80%
(ii)	Capital Conservation Buffer (comprising Common Equity)	2.50%
(iii)	Common Equity Tier I Ratio plus Capital Conservation Buffer	14.33%
	(i)+(ii)	
(iv)	Additional Tier I capital (CRAR)	Nil
(v)	Tier I capital adequacy ratio (iii) +(iv)	14.33%
(vi)	Tier II capital (CRAR)	2.64%
(vii)	Total Capital Ratio (MTC) (v)+(vi)	16.97%
(viii	Total Capital Ratio plus Capital Conservation Buffer (vii)	16.97%

#### **CAPITAL EXPENDITURE**

Our capital expenditure consists principally of expenditure relating to branch network expansion as well as investment in technology and communication infrastructure, in each case principally in India. During the nine month period ended December 31, 2024 and December 31, 2023 and during the Fiscals 2024, 2023 and 2022, our Bank incurred ₹2,144.49 million, ₹1,929.96 million, ₹2,125.95million, ₹3,234.58 million and ₹1,534.81 million, respectively, as capital expenditure.

#### **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 contingent liabilities as of the dates indicated:

Construent Linkilisie	Nine-month   Decemb		Fiscal ended March 31,		31,
Contingent Liabilities	2024	2023	2024	2023	2022
			(₹ in million)		
Claims against our Bank not acknowledged as debts	75.34	25.41	48.79	47.91	41.58
Disputed income tax/GST and interest tax demands under appeal, references. Etc.	50,355.19	89,278.86	97,807.49	109,684.06	75,496.15
Liability for partly paid investments	1.16	1.16	1.16	1.16	1.16
Liability on account on outstanding forward exchange contracts	1,350,206.47	1,709,683.98	1,659,989.18	1,656,349.51	687,717.48
Guarantees given on behalf of constituents:	150,451.28	126,178.84	132,956.53	121,181.64	131,193.82
(c) In India	148,919.82	124,528.51	131,378.67	117,464.03	127,048.54
(d) Outside India	1,531.46	1,650.33	1,577.86	3,717.61	4,145.28
Acceptances, endorsements and other obligations	55,733.22	48,612.58	45,572.75	55,302.86	58,186.64
Other items for which the Bank is contingently liable	23,812.68	20,682.74	21,045.66	18,747.35	27,352.18
TOTAL	1,630,635.34	1,994,463.57	1,957,421.56	1,961,314.49	979,989.01

# 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

Except as disclosed below, there are no reservations, qualifications or adverse remarks highlighted by the auditors in their reports to our financial statements:

Fiscal	Details of reservation, qualification, adverse remarks or matters of emphasis
Nine month period ended December 31, 2024	a) Note No. 1 relating to quarterly/nine months Financial results being placed directly to the Board for review for want of quorum in Audit Committee of the Board by invoking para 14A of Nationalized Banks (Management and Miscellaneous Provisions ) Scheme 1970.
	b) Note No.17 of the Statement regarding carried balance of ₹4,40,438.92 lakhs relating to Deferred tax asset and reversal of ₹36,000 lakhs and ₹66,000 lakhs during the quarter and nine months ended December 31, 2024 respectively, on estimated basis and the management assessment of the realizability of the carried balance of the Deferred tax asset as on December 31, 2024.
	c) Note No.18 of the Statement relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein.
Financial year ended March 31, 2024	a) Note No.5relating to the reconciliation and elimination of entries in inter branch and internal/office accounts which are at different stages.

	b) Note No. 7.3relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein and Note No. 7.2regarding pending reconciliation of tax paid in advance.
	c) Note No. 7.5regarding carried balance of ₹5,299.94 crores relating to Deferred tax asset, reversal of ₹734.24 crores during the year on estimated basis and the management assessment of the realizability of the carried balance of the Deferred tax asset as on March 31,2024.
Financial year ended March 31, 2023	a) Note No. 7.2 regarding Tax paid in Advance (Net of provision) where amounts pending assessment, appeals and under dispute are under reconciliation.
	b) Note No. 7.3 relating non providing of any additional provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.
	c) Note No. 14 (h) (1) of the statement regarding amortization of additional liability on account of revision in family pension amounting to ₹425.86 Crores. The Bank has charged an amount of ₹85.17 crores to the profit and loss account for the year ended 31st March 2023 and the balance unamortized expense of ₹255.52 crore has been carried forward in terms of RBI Circular No. RBI/2021-22/105 DOR.ACC. REC.57/ 21.04.018/ 2021-22 dated October 4, 2021.
	d) Note No.17 to the statement which explains that the extent to which the Covid-19 pandemic's impact on the bank's operation will depend on future developments, which are highly uncertain.
Financial year ended March 31, 2022	a) Note No. 7.3 of Schedule 18 detailing the fact that the bank has decided to continue with the existing tax regime and has recognized Net Deferred Tax Assets during the year on timing differences in accordance with Accounting Standard -22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.
	b) Note No.7.1 of Schedule 18 relating to non-providing of any additional liability provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.
	c) Note No.14.h(1) of Schedule 18 of the financial statement regarding amortization of additional liability on account of revision in family pension amounting to ₹425.86 Crores. The Bank has charged an amount of Rs.85.17 Crores to the profit and loss account for the year ended 31st March 2022 and the balance unamortized expense of ₹340.69 Crores has been carried forward in terms of RBI Circular No.RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021. Had the bank charged the entire additional liability to the profit and loss account, the net profit for the year ended March 31, 2022 would have been lower by ₹340.69 Crores.

# 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*" beginning on page 281.

# 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.

# SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2024

Except as otherwise as set out in this Placement Document and mentioned below, to our knowledge and belief, no circumstances have arisen since the date of the last financial information contained in this Placement Document

which materially affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

#### SELECTED STATISTICAL INFORMATION

The section should be read together with the information included in the sections "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 176, 80 and 281, respectively.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein as at and for the fiscal years ended March 31, 2024, 2023 and 2022 is derived from the Audited Standalone Financial Statements and the financial information herein for the as at and for the nine month period ended December 31, 2024 is derived from the Unaudited Standalone Financial Results.

Our Bank's management primarily utilises our Bank's standalone financial information to monitor the operational strength and performance of our Bank's business and hence, the following information is based on our Bank's standalone financial information.

Demand deposits are current account deposits. Although our Bank does not pay interest on demand deposits, demand deposits have been included as interest bearing liabilities in this section. The following information is included for analytical purposes.

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. Our Bank computes and discloses such non-GAAP financial measures and such other statistical information relating to our Bank's operations and financial performance as our Bank considers such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of banks, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP financial measures and other statistical and operational information are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our Bank's 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.

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# Average Balance Sheet of the Bank

The tables below set forth the Bank's average balances for interest-earning assets and interest-bearing liabilities together with the related interest income and expense amounts, resulting in the presentation of the average yield and average cost of average interest bearing liabilities, for the periods indicated.

		d for the nine r			d for the nine i					As of a	nd for the Fi	scal			
	period e	ended December 2024	er 31,	period e	ended December 2023	er 31,		2024			2023			2022	
	Average balance(	Interest income/ Profit/expe nse <sup>(3)</sup>	Aver age yield/ cost (%)	Average balance(	Interest income/ Profit/expe nse <sup>(3)</sup>	Aver age yield/ cost (%)	Average balance(	Interest income/ Profit/expe nse <sup>(3)</sup>	Aver age yield/ cost (%)	Average balance	Interest Profit/inc ome/ expense <sup>(3)</sup>	Aver age yield/ cost (%)	Average balance(	Interest income/ Profit/expe nse <sup>(3)</sup>	Aver age yield/ cost (%)
							(₹ in million	s, except perc	entages)						
	arning asset		1	ı		ı	Ī		1	Ī			Ī		ı
Advance s	2,278,96 1.66	149,243.13	8.73	1,975,31 5.58	128,156.79	8.65	2,023,11 4.82	175,756.07	8.69	1,684,72 2.45	131,506.8 7	7.81	1,446,06 4.04	106,651.67	7.38
Investm ents	1,015,38 0.88	52,218.55	6.86	925,175. 46	44,063.14	6.35	931,600. 40	59,457.71	6.38	1,007,71 0.47	58,486.29	5.80	970,919. 64	56,745.85	5.84
Others <sup>(2)</sup>	27,226.7 1	3,512.54	-	47,356.8 1	1,988.54	-	40,340.6 4	5,283.56	-	1,21,166 .38	4,010.10	-	201,418. 99	3,901.14	-
Total interest- earning assets	3,321,56 9.24	204,974.22	-	2,947,84 7.84	174,208.47	-	2,995,05 5.86	240,497.34	-	2,813,59 9.31	194,003.2 6	-	2,618,40 2.68	167,298.66	-
Non-inter	est earning	assets:													
Fixed assets	59,574.6 0	9.39	-	57,339.4 5	13.74	-	57,495.3 6	22.09	-	54,650.0 1	15.83	-	46,429.2 9	12.00	-
Other assets	310,962. 27	39,630.29	-	246,855. 42	31,775.14	-	245,487. 36	56,540.53	-	235,757. 09	41,071.65	-	240,437. 47	49,018.19	-
Total non- interest earning assets	370,536. 88	39,639.68	-	304,194. 87	31,788.88	-	302,982. 72	56,562.62	-	290,407. 10	41,087.48	-	286,866. 76	49,030.19	-
Total Assets	3,692,10 6.12	244,613.90	-	3,252,04 2.71	205,997.35	-	3,298,03 8.58	297,059.96	-	3,104,00 6.41	235,090.7 4	-	2,905,26 9.44	216,328.86	-
Liabilities	¥.														
Total deposits	2,928,83 1.22	111,139.77	9.57	2,668,23 0.11	92,713.06	8.99	2,683,22 4.32	126,085.65	9.10	2,552,31 0.65	105,356.0 9	8.14	2,424,43 4.51	102,195.97	8.32

	156 500	0.01	0.00	120 474	0.04	0.00	120.012	0.05	0.00	122.021	0.04	0.00	121 010	0.07	0.00
-	156,788.	0.01	0.00	138,474.	0.04	0.00	139,013.	0.05	0.00	133,021.	0.04	0.00	121,918.	0.07	0.00
Demand	22			77			28			94			74		
deposits(															
4)															
-	985,262.	20,971.89	2.84	970,096.	20,567.79	2.83	971,069.	27,437.38	2.83	937,182.	26,381.55	2.81	866,331.	26,272.81	3.03
Savings	00			93			97			00			88		
deposits															
- Term	1,786,78	90,167.87	6.73	1,559,65	72,145.23	6.17	1,573,14	98,648.21	6.27	1,482,10	78,974.49	5.33	1,436,18	75,923.08	5.29
deposits	1.00			8.42			1.08			6.71			3.89		
Borrowi	3,570,17	143,463.55	20.69	3,108,39	114377.21	20.28	3,161,86	158,320.75	20.48	2,774,30	117,552.7	18.19	2,554,46	106,178.59	14.76
ngs	4.19			6.11			1.91			7.65	8		9.71		
-		1,446.62	8.91		1694.32	9.28	23,726.9	2,170.18	9.15		1,834.08	9.33	16,000.0	1,546.50	9.67
Unsecur	21,650.1	,		24,350.0			2	,		19,650.0	,		0	,	
ed	5			0						0					
subordin	_			_											
ated															
bonds															
- Other	299,021.	14,715.27	6.56	195,733.	9137.75	6.22	215,591.	13,947.37	6.47		4,264.26	4.67	49,017.6	444.81	0.91
borrowi	33	11,713.27	0.50	00	7137.73	0.22	87	13,717.37	0.17	91,348.5	1,201.20	1.07	0	111.01	0.51
ngs	33			00			07			0			o o		
Total	3,249,50	127,301.66	5.22	2,888,31	103545.14	4.78	2,922,54	142,203.20	4.87	266,330	111,454.4	4.18	2,489,45	104,187.28	4.19
interest-	2.71	127,301.00	3.22	3.11	103343.14	7.70	3.12	142,203.20	7.07	9.15	4	7.10	2.11	104,107.20	7.17
bearing	2.71			3.11			3.12			9.13	7		2.11		
liabilitie															
S															
5															
Non interes	4 h	li a la : 11:41 a a .													
	est bearing	nabinues:		271 572			270 422		l	252 (20			220.002		
Capital	292,607.	-	-	271,572.	-	-	279,423.	-	-	252,629.	-	-	230,003.	-	-
and	65			82			01			45			97		
reserves															
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
liabilitie															
S															
Total	292,607.	-	-	271,572.	-	-	279,423.	-	-	252,629.	-	-	230,003.	-	-
non-	65			82			01			45			97		
interest															
bearing															
liabilitie															
S															

Total	3,542,11	127,301.66	-	3,159,88	103,545.14	-	3,201,96	142,203.20	-	2,915,93	111,454.4	-	2,719,45	104,187.28	-
liabilitie	0.36			5.93			6.13			8.60	4		6.08		i
s															1

- (1) Average balances are daily averages for deposits/ advances/investments and all others are based on monthly averages as reported to the RBI.
- (2) Other interest-earning assets comprises monthly average of overseas earning assets excluding advances, money at call and short notice and contribution to the Rural Infrastructure Development Fund ("RIDF").
- (3) Interest earned on advances includes Balances with Reserve Bank of India in other accounts, Balances with banks in other deposit accounts, money at call and short notice
- (4) Demand deposits do not bear interest.

## 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 (including, with respect to equity investments, dividend income) and interest expense between average volume and changes in average rates.

		Analysis o	f Changes in Ir	iterest Revenue an	d Interest Expense	by Volume and Ra	ite		
	Nine month period	ended December	· 31, 2024 vs.		eal 2024 vs. Fiscal 2			eal 2023 vs. Fiscal 2	2022
	Increase	/ (Decrease) Due	to	Incr	ease/ (Decrease) Du	ie to	Incr	ease/ (Decrease) D	ue to
	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Change in Average Volume	Change in Average Rate	Net Change	Average Volume  855.20 238,658.41  740.44 36,790.83  108.96 (80,252.61)  704.60 195,196.63  160.12 127,876.14  287.58 3,650.00  819.45 42,330.90  267.15 173,857.04	Change in Average Rate
				(₹ in mill	ion, unless otherwis	se stated)			
Interest revenue									
Advances	21,086.34	303,646.08	0.08	44,249.20	338,392.37	0.88	24,855.20	238,658.41	0.43
Investments	8,155.41	90,205.42	0.51	971.42	(76,110.08)	0.58	1,740.44	36,790.83	(0.04)
Others <sup>(1)</sup>	1,524.00	(20,130.10)	0.00	1,273.46	(80,825.74)	0.00	108.96	(80,252.61)	0.00
Total interest- earning assets	30,765.75	373,721.40	0.59	46,494.08	181,456.55	1.46	26,704.60	195,196.63	0.39
Total deposits <sup>(2)</sup>	18,426.71	260,601.11	0.57	20,729.56	130,913.68	0.95	3,160.12	127,876.14	(0.18)
Subordinated loan	(247.70)	(2,699.85)	(0.37)	336.10	4,076.92	(0.19)	287.58	3,650.00	(0.33)
Borrowings <sup>(3)</sup>	5,577.52	103,288.33	0.34	9,683.11	124,243.37	1.80	3,819.45	42,330.90	3.76
Total interest- bearing liabilities.	23,756.53	361,189.60	0.54	30,748.77	259,233.97	2.57	7,267.15		3.25
Net interest revenue	7,009.22	12,531.80	0.05	15,745.31	(77,777.42)	(1.11)	19,437.45	21,339.59	(2.86)

<sup>(1)</sup> Other interest-earning assets comprises monthly average of overseas earning assets excluding advances, money at call and short notice and contribution to the Rural Infrastructure Development Fund ("RIDF").

<sup>(2)</sup> Total deposits comprises savings deposits, demand deposits and term deposits. Demand deposits do not bear interest.

<sup>(3)</sup> Borrowings comprises unsecured subordinated bonds and other borrowings.

## **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.

	As of and for the	As of and for the nine		As of and for the Fiscal	
Particulars	nine month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022
		,	million, except percenta		
Interest income on interest-earning assets (advances)	149,243.13	128,156.79	175,756.07	131,506.87	106,651.67
Interest expense on interest-bearing liabilities	127,301.66	103,545.14	142,203.20	111,454.44	104,187.28
Average interest-earning assets (advances) <sup>(1)</sup>	2,278,961.70	1,975,315.58	2,023,114.80	1,684,722.50	1,446,064.00
Average interest-bearing liabilities <sup>(1)</sup>	3,249,502.71	2,888,313.13	2,922,543.10	2,663,309.10	2,489,452.10
Average total assets <sup>(1)</sup>	3,692,106.10	3,252,042.71	3,298,040.00	3,104,006.40	2,905,269.40
Pre-provisioning operating profit <sup>(2)</sup>	60,700.93	48,026.62	67,637.69	59,421.67	57,629.14
Profit after tax	22,836.40	18,475.24	26,556.24	20,987.86	17,095.42
Net interest income	77,672.60	70,663.32	98,294.14	82,548.81	63,111.37
Average interest-earning assets as a percentage of average total assets <sup>(1)</sup>	61.73	60.74	61.34	54.28	49.77
Average interest-bearing liabilities as a percentage of average total assets <sup>(1)</sup>	88.01	88.82	88.61	85.80	85.69
Average interest-earning assets as a percentage of average interest-bearing liabilities <sup>(1)</sup>	70.13	68.39	69.22	63.26	58.09
Average Yield <sup>(3)</sup>	8.88	9.02	8.92	8.52	7.24
Yield on advances <sup>(4)</sup>	8.81	8.78	8.80	7.81	7.38
Yield on funds <sup>(5)</sup>	8.23	7.88	8.03	6.90	6.39
Yield on investments <sup>(6)</sup>	6.87	6.36	6.39	5.83	5.85
Cost of funds <sup>(7)</sup>	5.22	4.78	4.87	4.18	4.19
Cost of deposits <sup>(8)</sup>	5.06	4.63	4.70	4.13	4.22
Spread <sup>(9)</sup>	2.10	2.17	2.98	2.66	2.17
Net interest margin <sup>(10)</sup>	3.13	3.20	3.28	2.93	2.41
Credit to deposit ratio <sup>(11)</sup>	77.88	77.74	76.61	72.45	59.46
Cost to Income ratio <sup>(12)</sup>	48.26	53.12	56.32	51.94	48.61
Other income to operating income ratio <sup>(13)</sup>	0.07	0.08	0.12	0.09	0.10

<sup>(1)</sup> Average balances are daily averages for deposits/ advances/ investments and all others are based on monthly averages as reported to the RBI.

<sup>(2)</sup> Pre-provisioning operating profit is calculated as interest earned plus other income less interest expended and operating expenses.

<sup>(3)</sup> Yield is interest income divided by total quarterly average interest-earning assets.

<sup>(4)</sup> Yield on advances is interest on advances divided by daily average balance of advances.

<sup>(5)</sup> Yield on funds is interest income earned on monthly average assets.

<sup>(6)</sup> Yield on investments is income earned on investments divided by daily average investment.

- (7) Cost of funds is interest expense divided by total monthly average assets.
- (8) Cost of deposits is interest paid on deposits divided by average deposits.
- (9) Spread is net interest income divided by monthly average assets
- (10) Net interest margin is the difference of interest earned and interest expended divided by the total average interest-earning assets, where advances, investment and money at call and short notice are based on daily averages and others are based on monthly averages.
- (11) Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.
- (12) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).
- (13) Other income to operating income ratio is calculated as a ratio of other income divided by total operating income (total of net interest income and non-interest income).

#### Financial Ratios of the Bank

The following tables set forth certain key financial indicators as of and for the dates and periods indicated for the Bank.

	As of and for the nine month	As of and for the nine month		As of and for the Fiscal	
	period ended December 31, 2024	period ended December 31, 2023	2024	2023	2022
		(	percentage)		
Return on average equity <sup>(1)</sup>	15.93	23.45	16.24	15.55	17.89
Return on average assets <sup>(2)</sup>	0.82	0.76	0.81	0.68	0.59
Dividend payout ratio <sup>(3)</sup>	-	1	-	-	-
Net non-performing assets ratio <sup>(4)</sup>	0.42	0.62	0.57	1.83	0.42
Allowance as percentage of gross non- performing assets <sup>(5)</sup>	83.92	84.56	82.09	76.79	83.92
Average net worth to total average assets <sup>(6)</sup>	5.46	5.19	5.48	4.72	5.46

- (1) Return on average equity is the ratio of the net profit after tax to the quarterly average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).
- (2) Return on average assets is the ratio of the net profit after tax to the monthly average assets.
- (3) Dividend payout ratio is the ratio of dividend to adjusted net profit (after dividend tax).
- (4) Net non-performing assets ratio is the ratio of net non-performing assets divided by net advances.
- (5) Allowance as a percentage of gross non-performing assets is the ratio of non-performing asset provisions made to the gross non-performing assets i.e., (Gross NPA-Net NPA)/Gross NPA.
- (6) Average net worth to total average assets is the ratio of quarterly average capital and reserves capital plus reserves excluding revaluation reserves, DTA and other deduction) divided by total monthly average assets.

## **Return on Equity and Assets**

The following table presents selected financial ratios for the Bank for the periods indicated:

	As of and for the nine month	As of and for the nine month		As of and for the Fiscal	
	period ended December 31, 2024	period ended December 31, 2023	2024	2023	2022
		(₹ in millio	on, except percentages)		
Net profit	22,836.40	18,475.24	26,556.24	20,987.86	17,095.42
Average total assets <sup>(1)</sup>	3,692,106.10	3,252,042.71	3,298,038.58	3,104,006.41	2,905,269.44
Average shareholders' equity <sup>(2)</sup>	191,119.51	157,599.20	163,563.30	134,997.80	95,542.40
Net profit as a percentage of average total	0.62	0.57	0.81	0.68	0.59
assets					
Net profit as a percentage of average	11.95	11.72	16.24	15.55	17.89
shareholders' equity					
Average shareholders' equity as a	5.18	4.85	4.96	4.35	3.29
percentage of average total assets					

#### Notes:

- (1) The Average Total Assets is the monthly average of balances of total assets outstanding for the year.
- (2) Average shareholders' equity is average tangible net worth.

### **Investment Portfolio**

As of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022, the Bank's investments comprised 28.50% 29.23% 28.98% 30.81% 33.63%, respectively, of its total assets, while total advances were 61.50% 62.82% 62.22% 60.24% 52.04%, respectively, of the Bank's total 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, as of December 31, 2024. In addition, the surplus funds of the Bank's deposits and advances are invested by the domestic treasury. These investments are in conformity with the Bank's policy on investments and the risk limits set by the Bank's board.

# Total Bank Investment Portfolio

The following tables set forth, as of the dates indicated, information relating to the Bank's total investment portfolio.

# DOMESTIC

		the nine					month p		As	s of Marc	ch 31, 20	24	As	s of Marc	ch 31, 202	23	A	s of Marc	ch 31, 202	22
	Book Value	Mark et Value	Unre alise d Gain	Unre alise d Loss	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unre alise d Loss												
										(₹ in m	illion)									
Govern ment securiti es	1,008, 246.4 1	1,003, 563.0 8	2,868	7,965 .16	904,4 00.76	886,0 67.59	334.0	17,67 4.35	917,0 82.46	904,7 69.84	1,028 .61	12,78 0.14	868,6 96.17	842,7 64.08	4.73	23,27 0.72	885,6 49.64	873,3 33.13	3,104	12,85 7.42
Other debt securiti es <sup>(1)</sup>	29,10 4.60	26,02 3.72	46.53	696.5 8	29,15 6.24	25,87 6.33	0.00	0.00	30,67 5.32	26,80 8.32	0.00	0.00	25,35 4.94	23,27 9.38	0.00	0.00	34,97 5.52	31,45 4.37	82.41	0.00
Total debt securi ties	1,037, 351.0 1	1,029, 586.8 1	2,915 .12	8,661 .74	933,5 57.00	911,9 43.92	334.0	17,67 4.35	947,7 57.78	931,5 78.15	1,028 .61	12,78 0.14	894,0 51.11	866,0 43.46	4.73	23,27 0.72	920,6 25.15	904,7 87.50	3,186 .57	12,85 7.42
		1		1		1	1						1							
Non- debt securiti es <sup>(2)</sup>	16,22 3.19	10,81 6.30	767.6 5	597.1 8	25,93 4.89	10,14 9.46	0.00	6,262	26,33 2.23	10,66 7.59	0.00	6,299 .80	25,73 0.30	8,945 .30	0.00	6,217 .48	29,61 8.82	11,24 7.36	32.11	5,756
Subsi diaries and associ ates — at cost	6,156. 47	6,156. 47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	4,835 .74	3,882 .44	0.00	0.00	4,352 .17	2,590 .61	0.00	0.00	5,491 .38	3,910 .36	0.00	0.00	14,35 7.61	15,53 0.85	0.00	0.00
Total	1,059, 730.6 6	1,046, 559.5 8	3,682 .77	9,258 .92	964,3 27.62	925,9 75.82	334.0 4	23,93 6.86	978,4 42.18	944,8 36.35	1,028 .61	19,07 9.94	925,2 72.79	878,8 99.13	4.73	29,48 8.20	964,6 01.59	931,5 65.71	3,218 .67	18,61 3.63

#### Notes:

- (1)
- (2)
- Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

  Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

  Includes investments in certificates of deposits, commercial paper, units of mutual funds, pass through certificates, security receipts and deposits with NABARD, SIDBI and NHB under the priority/weaker (3) section lending schemes

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		the nine					month p		A	s of Marc	ch 31, 202	24	A	s of Marc	ch 31, 202	23	A	s of Mar	ch 31, 20	22
	Book Value	Mark et Value	Unre alised Gain	Unre alised Loss	Book Value	Mark et Value	Unre alised Gain	Unreal ised Loss												
											nillion)		ı							
Gover nment securi ties	38,38 2.42	38,19 0.87	111.9 7	303.5	38,36 6.44	38,11 5.71	202.3	453.0	38,34 4.89	38,17 0.50	201.2	375.6 8	37,10 1.83	36,76 3.36	93.80	432.2	36,46 1.01	36,02 7.66	14.13	447.48
Other debt securi ties <sup>(1)</sup>	849.0	849.0	0.00	0.00	836.7	818.1	0.00	18.56	838.4	819.8	0.00	18.63	1,821. 42	1,797. 41	0.00	24.01	3,189. 41	3,185. 07	13.86	18.20
Total debt secur ities	39,23 1.44	39,03 9.89	111.9 7	303.5	39,20 3.17	38,93 3.88	202.3	471.5 9	39,18 3.35	38,99 0.33	201.2	394.3	38,92 3.25	38,56 0.77	93.80	456.2 8	39,65 0.42	39,21 2.73	27.99	465.68
Non- debt securi ties <sup>(2)</sup>	477.9 8	477.9 8	0.00	0.00	464.6 7	464.6 7	0.00	0.00	465.5	465.5 9	0.00	0.00	458.5 9	458.5 9	0.00	0.00	422.8	422.8	0.00	0.00
Subsi diarie s and associ ates — at cost	1,995. 75	1,995. 75	0.00	0.00	1,995. 75	1,995. 75	0.00	0.00												
Other s	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	41,70 5.17	41,51 3.62	111.9 7	303.5 2	41,66 3.59	41,39 4.30	202.3	471.5 9	41,64 4.69	41,45 1.67	201.2 9	394.3 1	41,37 7.59	41,01 5.11	93.80	456.2 8	42,06 9.06	41,63 1.37	27.99	465.68

- (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 capital funds.
   (3) Includes investments in certificates of deposits commercial paper units of mutual funds pass through certificates security receipts and deposits with NABARD SIDBI and NHB under the priority/weaker section lending schemes

## Treasury

The following tables set forth, as of the dates indicated, information relating to the Bank's total gross investments.

	As at the nine month	As at the nine month		As of and for the Fiscal	
	period ended December 31, 2024	period ended December 31, 2023	2024	2023	2022
			(₹ in million)		
Gross domestic investment	1,059,730.66	964,327.62	978,442.18	925,272.79	964,601.59
SLR	800,060.19	680,290.86	692,972.55	644,586.27	661,539.73
SLR as a percentage to domestic investment	26.18	24.15	24.34	25.10	25.83
Non-SLR	259,670.47	284,036.77	285,469.63	280,686.52	303,061.85
Held to maturity ("HTM")	909,690.18	817,091.75	818,601.44	777,422.90	769,710.57
HTM to gross domestic investment (%)	22.39	20.83	20.66	21.30	20.91
Available for sale ("AFS")	123,558.38	145,154.55	159,840.74	147,849.89	194,891.02
Held for trading ("HFT")	3,234.00	2,081.33	0.00	-	0.00
Fair value through profit and loss (non-HFT)	17,091.63	0.00	0.00	0.00	0.00
Subsidiaries, joint venture & associates	6,156.47	0.00	0.00	0.00	0.00
Modified duration (AFS+HFT)	5.57	3.28	3.36	4.69	4.41
Net demand and time liabilities	3,055,689.20	2,816,783.20	2,846,877.10	2,568,352.20	2,561,507.30
Investment by overseas branches	39,709.42	39,667.84	39,648.94	39,381.84	40,073.31
Total gross investment	1,101,435.83	1,005,991.21	1,020,086.87	966,650.38	1,006,670.65

## Non-SLR Investment

The following tables set forth, as of the dates indicated, information relating to the Bank's non-SLR investments.

## **DOMESTIC**

	As at the nine	month period	As at the nine	month period			As of and fo	or the Fiscal		
	ended Decen	nber 31, 2024	ended Decen	nber 31, 2023	20	24	20	23	20	22
	(₹ in million)	As a		As a		As a		As a		As a
		percentage of	(₹ in million)	percentage of						
		total non-	(X III IIIIIIIIII)	total non-						
		SLR		SLR		SLR		SLR		SLR

		investments (%)		investments (%)		investments (%)		investments (%)		investments (%)
PSU bonds	14,994.30	5.77	14,823.04	5.22	16,260.80	5.70s	14,256.50	5.08	15,119.14	4.99
Corporate and other bonds & debentures	14,110.30	5.43	14,070.42	4.95	14,151.74	4.96	10,740.56	3.83	18,250.76	6.02
Special government sector (excluding recap bonds)	0.00	0.00	262.78	0.09	262.78	0.09	357.88	0.13	1,605.62	0.53
Central government recap bond	208,196.31	80.18	224,120.00	78.91	224,120.00	78.51	224,120.00	79.85	224,120.00	73.95
Share of PSU/ corporate/ others	15,532.03	5.98	25,223.06	8.88	25,574.17	8.96	25,029.73	8.92	28,989.17	9.57
Venture capital fund	365.35	0.14	701.73	0.25	737.97	0.26	685.81	0.24	619.56	0.20
Regional rural bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security receipts	0.00	0.00	4,648.24	1.64	4,164.67	1.46	5,057.89	1.80	14,170.11	4.68
Subsidiaries JV	6,156.47	2.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	315.71	0.12	187.50	0.07	187.50	0.07	438.15	0.16	187.50	0.06
Total non- SLR investment	259,670.47	100.00	284,036.77	100.00	285,459.63	100.00	280,686.52	100.00	303,061.86	100.00

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	As at the nir	ne month period	As at the ni	ne month period			As of and	for the Fiscal		
	ended Dece	ember 31, 2024	ended Dec	ember 31, 2023		2024		2023		2022
	(₹ in million)	As a percentage of total non-SLR investments (%)	(₹ in million)	As a percentage of total non-SLR investments (%)	(₹ in million)	As a percentage of total non-SLR investments (%)	(₹ in million)	As a percentage of total non-SLR investments (%)	(₹ in million)	As a percentage of total non-SLR investments (%)
PSU bonds	367.35	0.88	364.47	0.87	365.42	0.88	765.88	1.85	1798.04	4.27

Corporate and	0.00	0.00	0.00	0.00	0.00	0.00	587.03	1.42	909.20	2.16
other bonds & debentures										
Special government sector (excluding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
recap bonds)										
Central government recap bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share of PSU/ corporate/ others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Venture capital fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Regional rural bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Security receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subsidiaries JV	1,995.75	4.79	1,995.75	4.79	1,995.75	4.79	1,995.75	4.82	1,995.75	4.74
Other	39,342.07	94.33	39,303.37	94.34	39,283.52	94.33	38,028.93	91.91	37,366.07	88.82
Total non-SLR investment	41,705.17	100.00	41,663.59	100.00	41,644.69	100.00	41,377.59	100.00	42,069.06	100.00

# Available for Sale Investments

The following tables set forth, as of the dates indicated, information related to the Bank's investments available for sale.

# DOMESTIC

			month p			the nine			A	s of Marc	ch 31, 202	24	As	s of Mar	ch 31, 202	23	A	s of Marc	ch 31, 202	22
	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unre alise d Loss																
										(₹ in n	nillion)									
Govern ment securiti es	114,8 66.71	114,8 66.71	0.49	413.7	91,49 0.19	90,49 4.05	0.00	0.00	104,7 80.81	104,2 19.72	0.00	0.00	97,49 0.95	94,82 4.85	0.00	0.00	126,0 12.84	123,4 49.60	0.00	0.00
Other debt securit ies <sup>(1)</sup>	1,859 .48	1,083 .91	0.00	0.00	29,15 6.24	25,87 6.33	0.00	0.00	30,67 5.32	26,80 8.32	0.00	0.00	25,35 4.94	23,27 9.38	0.00	0.00	30,70 0.52	27,09 6.96	0.00	0.00
Total debt securi ties	116,7 26.19	115,9 50.62	1,521 .88	658.2	120,6 46.43	116,3 70.38	0.00	0.00	135,4 56.13	131,0 28.04	0.00	0.00	122,8 45.89	118,1 04.23	0.00	0.00	156,7 13.36	150,5 46.55	0.00	0.00
Non- debt securit ies <sup>(2)</sup>	6,832	6,832	767.6 5	597.1 8	19,67 2.38	10,14 9.46	-	-	20,03 2.43	10,66 7.59	0.00	0.00	19,51 2.62	8,945 .30	0.00	0.00	23,82 0.05	11,18 2.79	0.00	0.00
Subsidiaries and associates—at cost	-	1	1	-	-	-	•	1	-	1	•	0.00	-	-	-	-	0.00	0.00	0.00	0.00
Others (3)	-	ı	-	-	4,835 .74	3,882 .44	-	1	4,352 .17	2,590 .61	0.00	0.00	5,491 .38	3,910 .36	0.00	0.00	14,35 7.61	15,53 0.85	0.00	0.00
Total	123,5 58.38	122,7 82.80	768.1 4	1,010 .92	145,1 54.55	130,4 02.29	-	•	159,8 40.74	144,2 86.24	0.00	0.00	147,8 49.89	130,9 59.89	0.00	0.00	194,8 91.02	177,2 60.19	0.00	0.00

- (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 capital funds.
- (3) Includes investments in certificates of deposits, commercial paper, units of mutual funds, pass through certificates, security receipts and deposits with NABARD, SIDBI and NHB under the priority/weaker section lending schemes

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		the nine				the nine			A	s of Marc	ch 31, 20	24	As	of Marc	ch 31, 20	23	A	s of Marc	ch 31, 202	22
	Book Value	Market Value	Unreali sed Gain	Unreali sed Loss	Book Value	Market Value	Unreali sed Gain	Unreali sed Loss	Book Value	Market Value	Unreali sed Gain	Unreali sed Loss	Book Value	Marke t Value	1664	Unreal ised Loss	Book Value	Market Value	Unreali sed Gain	Unreali sed Loss
											nillion)									
Governm ent securities	2,408.0 7	2,408.0 7	0.00	0.00	1,211.0 7	1,222.5 9	11.52	0.00	2,776.1 1	2,775.7 2	0.00	0.39	0.00	0.00	0.00	0.00	10,290.6 8	10,290.6 8	0.00	0.00
Other debt securities(	373.33	373.33	0.00	0.00	373.74	355.17	0.00	18.57	374.60	355.98	0.00	18.62	777.24	753.23	0.00	24.01	1,900.44	1,882.30	0.00	18.14
Total debt securities	2,781.4	2,781.4	0.00	0.00	1,584.8 1	1,577.7 6	11.52	18.57	3,150.7	3,131.7	0.00	19.01	777.24	753.23	0.00	24.01	12,191.1	121,722. 98	0.00	18.14
Non-debt securities <sup>(</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subsidiari es and associates — at cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others <sup>(3)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2,781.4 0	2,781.4 0	0.00	0.00	1,584.8 1	1,577.7 6	11.52	18.57	3,150.7 1	3,131.7 0	0.00	19.01	777.24	753.23	0.00	24.01	1,2191.1 2	121,722. 98	0.00	18.14

- (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 capital funds.
- (3) Includes investments in certificates of deposits commercial paper units of mutual funds pass through certificates security receipts and deposits with NABARD SIDBI and NHB under the priority/weaker section lending schemes

## Held to Maturity Investments

The following tables set forth, as of the dates indicated, information related to the Bank's domestic investments held to maturity.

			month p			the nine	_		A	s of Mar	ch 31, 20	24	A	s of Mar	ch 31, 20	23		As of Ma	arch 31, 2	022
	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unre alised Loss	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unre alise d Loss	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unre alise d Loss	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unre alise d Loss	Book Valu e	Mar ket Valu e	Unre alise d Gain	Unrealis ed Loss
											million)									
Governm	)	,	2,868.1	7,551.43			334.04		812,301	800,550	1,028.6		771,205		4.73		759,636		3,104.1	12,857.42
ent	.88	.56	0		.24	.93		35	.65	.11	1	14	.22	.23		72	.80	.53	5	
securities																				
Other debt	17,319.	16,669.	46.53	696.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,275.0	4,357.4	82.41	0.00
securities(	30	24															0	1		
1)																				
			2,914.6	8,248.00	-		334.04		812,301		1,028.6	-			4.73	23,270.	763,911	-	3,186.5	12,857.42
debt	.18	.80	3		.24	.93		35	.65	.11	1	14	.22	.23		72	.80	.94	7	
securiti																				
es																				
					I			I				1							1 1	
Non-	0.00	0.00	0.00	0.00	6,262.5	0.00	0.00	6,262.5	6,299.8	0.00	0.00		6,217.6	0.00	0.00	6,217.6	5,798.7	64.57	32.11	5,756.21
debt					1			1	0			0	8			8	7			
securitie																				
s <sup>(2)</sup>																				
Subsidia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ries and																				
associat																				
es — at																				
cost																				
Others <sup>(3)</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	909,69		2,914.6	8,248.0	817,09	793,48	334.04	23,936.	818,60	800,55	1,028.6	19,079.	777,42	747,93	4.73	29,488.	769,71	754,30	3,218.6	1,8613.63
Notage	0.18	6.80	3	0	1.75	8.93		86	1.44	0.11	1	94	2.90	9.23		40	0.57	5.52	7	

Non-SLR other than equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.
 Non-SLR equity, equity linked mutual funds, units of asset reconstruction companies and venture capital funds.

<sup>(3)</sup> Includes investments in certificates of deposits, commercial paper, units of mutual funds, pass through certificates, security receipts and deposits with NABARD, SIDBI and NHB under the priority/weaker section lending schemes

## Held for Trading Investments

The following tables set forth, as of the dates indicated, information related to the Bank's domestic investments held for trading.

			e month j mber 31,	L.			e month pember 31,		1	As of M	arch 31, 2	024	4	As of M	arch 31, 2	023	4	As of M	arch 31, 2	022
	Boo k Valu e	Mar ket Valu e	Unrea lised Gain	Unrea lised Loss	Boo k Valu e	Mar ket Valu e	Unrea lised Gain	Unrea lised Loss	Bo ok Val ue	Mar ket Val ue	Unrea lised Gain	Unrea lised Loss	Bo ok Val ue	Mar ket Val ue	Unrea lised Gain	Unrea lised Loss	Bo ok Val ue	Mar ket Val ue	Unrea lised Gain	Unrea lised Loss
										(₹ in ı	nillion)									
Govern ment securitie s	1,00 8.81	1,00 8.81	-	-	2,08 1.33	2,08 4.61	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-debt securitie s	2,22 5.19	2,22 5.20	1	1	1	-	1	1	-	1	1	-	-	-	1	-	-	-	1	-
Total	3,23 4.00	3,23 4.02	-	-	2,08 1.33	2,08 4.61	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## **Residual Maturity Profile**

## Available for sale

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.

Up to O	ne Year	One to F	ive Year	Five to T	en Years	More than	Ten Years
Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
			(₹ in million, exc	ept percentages)			
			As of Decem	ber 31, 2024			

Government securities	0.00	0.00	23,266.29	6.75	58,636.06	6.84	32,964.36	6.91
Other debt securities	158.11	0.30	1,107.96	0.18	534.13	0.20	59.29	1.00
Gross book value	158.11	0.30	24,374.25	6.45	59,170.19	6.78	33,023.64	6.90
Total debt securities market value	146.80	0.29	23,978.80	6.55	58,849.09	6.82	32,975.93	6.90
				As of Decem	ber 31, 2023			
Government securities	4,836.06	6.50	63,620.32	6.27	16,153.77	7.16	6,880.05	7.30
Other debt securities	1,421.64	7.81	15,617.10	7.17	11,691.07	5.60	426.42	3.60
Gross book value	6,257.70	6.79	79,237.42	6.45	27,844.84	6.61	7,306.47	7.08
Total debt securities market value	6,240.16	6.80	77,624.94	6.49	25,458.57	7.08	7,046.72	7.27
				As of Mar	ch 31, 2024			
Government securities	7,254.91	6.46	64,007.59	6.35	20,590.45	7.16	12,927.86	7.20
Other debt securities	1,880.81	7.41	17,238.60	7.23	10,962.22	5.43	593.69	2.89
Gross book value	9,135.72	6.66	81,246.19	6.54	31,552.67	6.56	13,521.56	7.01
Total debt securities market value	9,099.47	6.66	79,871.27	6.59	28,823.05	7.17	13,234.25	7.17
				As of Mar	ch 31, 2023			
Government securities	18,867.31	6.51	4,896.52	6.09	44,728.82	6.79	28,998.30	6.75
Other debt securities	2,598.69	7.57	11,898.53	7.12	10,113.42	6.73	744.30	2.29
Gross book value	21,466.00	6.64	16,795.05	6.82	54,842.24	6.78	29,742.59	6.63
Total debt securities market value	21,457.14	6.64	16,155.77	6.97	52,609.34	6.89	27,881.98	6.73
				As of Mar	ch 31, 2022			
Government securities	54,817.37	3.98	36.62	4.74	15,617.07	6.30	55,541.78	6.63
Other debt securities	2,609.34	7.48	13,378.92	7.18	10,937.39	7.23	3,774.87	0.36
Gross book value	57,426.71	4.14	13,415.55	7.18	26,554.46	6.69	59,316.64	6.23
Total debt securities market value	57,461.00	4.14	13,212.95	7.41	25,720.77	6.86	54,151.83	6.56

# Held to maturity

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.

	Up to O	ne Year	One to F	ive Year	Five to To	en Years	More than	Ten Years
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
				(₹ in million, exc	ept percentages)			
				As of Decem	ber 31, 2024			
Government securities	37,431.39	5.64	193,230.00	6.76	501,778.05	6.76	159,931.45	6.80
Other debt securities	1,898.04	7.09	9,294.39	7.76	6,126.87	7.57	0.00	0.00
Gross book value	39,329.43	5.71	202,524.38	6.80	507,904.92	6.77	159,931.45	6.80
Total debt securities market value	38,991.87	6.85	201,524.59	6.99	503,835.10	6.93	160,005.24	6.80
				As of Decem	,			
Government securities	57.26	7.18	85,295.65	6.71	506,618.80	6.56	218,857.53	6.22
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	57.26	7.18	85,295.65	6.71	506,618.80	6.56	218,857.53	6.22
Total debt securities market value	58.10	7.17	83,671.01	6.71	496,407.24	6.56	213,352.58	6.21
				As of Marc	ch 31, 2024			
Government securities	57.26	6.68	103,549.20	6.81	507,052.89	6.57	201,642.30	6.16
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	57.26	6.68	103,549.20	6.81	507,052.89	6.57	201,642.30	6.16
Total debt securities market value	58.06	6.67	102,077.81	6.81	499,634.47	6.57	198,779.77	6.15
				As of Marc	eh 31, 2023			
Government securities	129.06	6.13	114,555.04	6.35	404,411.23	6.54	252,109.89	6.05
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	129.06	6.13	114,555.04	6.35	404,411.23	6.54	252,109.89	6.05
Total debt securities market value	128.57	6.12	111,600.54	6.35	392,742.70	6.54	243,467.43	6.03
				As of Marc	ch 31, 2022			
Government securities	10,774.53	8.14	69,300.81	6.09	415,971.51	6.60	263,589.96	5.94
Other debt securities	3,250.00	8.76	1,025.00	8.25	0.00	0.00	0.00	0.00
Gross book value	14,024.53	8.29	70,325.81	6.42	415,971.51	6.60	263,589.96	5.94
Total debt securities market value	14,236.57	8.29	71,315.48	6.45	409,868.60	6.61	258,820.29	5.93

# Held for trading

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.

	Up to O	ne Year	One to F	ive Year	Five to To	en Years	More than	Ten Years
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
				(₹ in million, exc	ept percentages)			
				As of Decem	ber 31, 2024			
Government securities	0.00	0.00	550.72	6.76	458.10	6.77	0.00	0.00
Other debt securities	203.04	3.09	6,572.86	7.36	3,060.05	1.10	89.87	2.09
Gross book value	203.04	3.09	7,123.58	7.31	3,518.15	1.84	89.87	2.09
Total debt securities market value	196.73	3.19	6,968.06	7.47	2,013.07	3.19	100.63	1.97
				As of Decem	ber 31, 2023			
Government securities	0.00	0.00	0.00	0.00	499.56	7.19	1,581.76	7.31
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	0.00	0.00	0.00	0.00	499.56	7.19	1,581.76	7.31
Total debt securities market value	0.00	0.00	0.00	0.00	500.09	7.19	1,584.52	7.31
				As of Marc	ch 31, 2024			
Government securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total debt securities market value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				As of Marc	ch 31, 2023			
Government securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total debt securities market value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				As of Marc	ch 31, 2022			
Government securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross book value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total debt securities market value	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## **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 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. Retail term deposits raised was ₹1,505,870.00 million, ₹ 1,412,190.00 million, ₹ 1,358,150.00 million, ₹ 1,303,030.00 million and ₹ 1,372,340.00 million and accounted for 50.77%, 50.62%, 50.15%, 51.24% and 53.42% of total domestic deposits as of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022, respectively, respectively. Of the Bank's domestic deposits as of December 31, 2024, 8.56% were current deposits and 35.21% were savings bank deposits, while 50.77% were retail term deposits.

Bank's ratio of domestic CASA deposits to its total domestic deposits as of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022 was 43.76%, 43.75%, 44.25%, 44.07% and 43.60%, respectively.

## **Total Deposits**

As of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022, the average cost (interest expense divided by the daily average of balance for the relevant period) of savings deposits was 34.42%, 36.23%, 36.28%, 37.86% and 36.13%, respectively, and the daily average cost of time deposits was 60.04%, 58.49%, 58.27%, 56.78% and 58.47%, respectively.

The average deposits (domestic) on a quarterly average basis for the periods set forth are as follows:

	As of and for th	he nine month	As of and for the	nine month			As of and for	the Fiscal		
	period ended l 202	,	period ended De 2023		202	4	202	3	203	22
	Amount	Percentage of total (%)	Amount	Percentage of total (%)	Amount	Percentage of total (%)	Amount	Percentage of total (%)	Amount	Percentage of total (%)
				(₹ in n	nillions, except p	ercentages)				
Current deposits	158,918.65	5.53	141,146.20	5.26	146,097.00	5.43	133,759.82	5.35	131,758.83	5.38
Savings deposits	988,988.58	34.42	970,472.08	36.23	976,038.99	36.28	945,945.82	37.86	883,511.81	36.13
CASA deposits	1,147,907.23	39.95	1,111,618.28	41.50	1,122,135.99	41.72	1,079,705.64	43.21	1,015,270.65	41.52
Time deposits	1,724,972.77	60.04	1,566,807.77	58.49	1,567,418.75	58.27	1,418,526.75	56.78	1,429,844.41	58.47
Total	2,872,880.00	100.00	2,678,426.05	100.00	2,689,554.74	100.00	2,498,232.39	100.00	2,445,115.06	100.00

The following table sets forth, as at the dates indicated, the regional exposure of the Bank's domestic deposits (based on RBI classification):

		he nine month December 31, 24	As of and for t period ended 20	· · · · · · · · · · · · · · · · · · ·	20	24	20	23	20	22
	Balance Percentage outstanding of total (%)		Balance	Percentage	Balance	Percentage	Balance	Percentage	Balance	Percentage
	outstanding	of total (%)	outstanding	of total (%)	outstanding	of total (%)	outstanding	of total (%)	outstanding	of total (%)
				(	₹ in millions, exc	cept percentages	)			
Central region	282,013.33	9.51	256,307.97	9.46	270,646.68	9.70	247,036.44	9.71	242,174.66	9.43
Eastern region	368,998.93	12.44	310,817.29	11.48	343,083.41	12.30	303,953.52	11.95	316,071.72	12.30
Northeastern region	26,756.54	0.90	238,16.518	0.88	2,4821.5	0.89	227,96.332	0.90	22,708.48	0.88
Northern region	415,477.97	14.01	369,493.27	13.64	381,955.15	13.69	331,043.21	13.02	362,295.32	14.10
Southern region	1,504,570.60	50.72	1,385,014.75	51.14	1,430,043.80	51.26	1,318,211.55	51.83	1,277,764.08	49.74
Western region	368,398.28	12.42	362,572.40	13.39	339,132.86	12.16	320,198.25	12.59	347,887.19	13.54
Total	2,966,215.64	100.00	2,708,022.20	100.00	2,789,683.40	100.00	2,543,239.30	100.00	2,568,901.45	100.00

## **Total Borrowings**

The following tables set forth, for the periods indicated, the Bank's daily average outstanding borrowings from debt securities with and without Tier 2 bonds:

	As of and	l for the ni	ne month	As of and	l for the ni	ne month				As of a	and for the	Fiscal			
	period e	period ended December 31, 2024		period e	od ended December 31, 2023 2023					2022					
	Averag e balance	Interes t expens e	Averag e cost	Averag e balance	Interes t expens e	Averag e cost	Averag e balance	Interes t expens e	Averag e cost	Averag e balance	Interes t expens e	Averag e cost	Averag e balance	Interes t expens e	Averag e cost
Borrowings excluding Tier 2 bonds	60,040.00	2,940.70	6.50	56,624.70	2,826.70	6.63	68,648.20	4,573.60	6.64	21,837.20	1,234.60	5.65	6,012.50	200.10	3.33
Tier 2 bonds	21,650.00	454.01	-	21,650.00	805.01	-	21,650.00	2,276.91	-	24,650.00	2,116.11	-	22,650.00	1,544.21	-
Total Borrowings	81,690.00	3,394.71	ı	78,274.70	3,631.71	1	90,298.20	6,850.51	-	46,487.20	3,350.71	ı	28,662.50	1,744.31	-

# 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.

	As of and for the nine	As of and for the nine		As of and for the Fiscal	
	month period ended December 31, 2024 December 31, 2023 December 31, 2023		2024	2023	2022
	,				
Period end balance	37,600.00	23,500.00	4,000.00	99,937.00	0.00
Average balance during the period not captured <sup>(1)</sup>	37,325.00	38,013.20	33,443.60	20,383.10	5,971.40
Average interest rate during the period <sup>(2)</sup>	6.41	6.59	6.57	5.59	3.32
Interest at period end <sup>(3)</sup>	1,802.90	1,886.80	2,203.00	1,139.30	198.40

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.

## Cash Flow Mismatch Analysis

The following table sets forth the Bank's structural liquidity gap position for its standalone operations as of December 31, 2024:

		(₹ iı	n million, except percenta	ges)	
	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Total
Cash and bank balances	102,806.27	35,817.25	51,521.03	25,403.43	215,547.98
Advances	270,964.39	548,545.31	875,902.25	451,043.25	2,146,455.20
Investments	415,730.72	231,857.24	359,666.44	21,675.05	1,028,929.45
Fixed assets	-	-	-	28,716.99	28,716.99
Other assets	327,704.88	388,315.60	4,677.41	208,083.88	928,781.77
Total inflows	1,117,206.26	1,204,535.40	1,291,767.14	734,922.59	4,348,431.39
Capital and Reserves	-	-	-	287,438.92	287,438.92
Deposits	466,328.30	926,553.34	1,554,917.07	18,426.94	2,966,225.66
Borrowings	132,369.98	147,527.60	42,240.39	16,666.95	338,804.93
Other liabilities	397,044.34	426,773.80	4,575.02	68,996.40	897,389.57
Total outflows	995,742.63	1,500,854.74	1,601,732.48	391,529.22	4,489,859.07
Liquidity gap	121,463.63	(296,319.35)	(309,965.34)	343,393.37	(141,427.68)
Cumulative liquidity gap	121,463.63	(174,855.71)	(484,821.05)	(141,427.68)	
Cumulative liabilities	995,742.63	2,496,597.37	4,098,329.85	4,489,859.07	
Cumulative liquidity gap as a % of cumulative liabilities	12.20%	(7.00%)	(11.83%)	(3.15%)	-

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 behavioural analysis or management judgment.

### Loan Portfolio

As of December 31, 2024, the Bank's gross loan portfolio was ₹ 2,376,319.89 million. As of December 31, 2024, the Bank's gross non-fund based outstanding was ₹ 96,904.83 million. 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 set forth, for the periods indicated, the Bank's retail loan portfolio:

	As of and for the nine	As of and for the nine		As of and for the Fiscal	
Particulars	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022
			(₹ in million)		
MSME loans	431,234.06	406,406.43	415,443.52	348,528.04	295,141.78
Micro enterprises	234,884.13	241,708.53	247,725.56	236,508.11	185,559.63
Small enterprises	105,883.20	76,310.14	78,122.92	69,588.54	65,292.92
Medium enterprises	90,466.73	88,387.76	89,595.04	42,431.39	44,289.23
Agriculture loans	691,386.83	503,263.85	556,359.01	439,881.56	385,770.43
Retail loans	585,288.37	466,156.41	485,142.23	423,995.51	369,611.85
Home loans	305,727.07	266,123.63	276,212.05	241,160.40	204,833.86
Vehicle loans	51,307.83	42,484.29	44,907.02	37,508.30	34,915.45
Personal loans	25,723.46	19,049.10	20,827.79	15,371.50	10,953.20
Gold loans	73,618.24	30,243.47	32,244.38	23,006.30	14,993.83
Others	128,911.78	108,255.92	110,951.00	106,949.10	103,915.51
Corporate and others	485,990.00	604,690.00	549,950.00	524,250.00	381,700.00
<b>Total Gross domestic advances</b>	2,194,720.00	1980,540.00	2,006,970.00	1,736,690.00	1,432,020.00
International loans	181,599.89	181,093.20	183,214.95	153,395.13	125,987.09
<b>Total Gross advances</b>	2,376,319.89	2161,633.20	2,190,184.95	1,890,085.13	1,558,007.09

As of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022, the Bank's RAM (as a percentage of domestic advances) was 77.86%, 69.47%, 72.60%, 69.81% and 73.35% respectively.

The following table sets forth the rating-wise distribution of the Bank's standard domestic Corporate advances as of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022:

	As of and f	or the nine	As of and f	or the nine			As of and fo	or the Fiscal		
Rating	month period ended December 31, 2024		-	riod ended r 31, 2023	20	2024 2023			2022	
	Amount (₹ in millions)	Percentage of total (%)	Amount (₹ in millions)	Percentage of total (%)	Amount (₹ in millions)	Percentage of total (%)	Amount (₹ in millions)	Percentage of total (%)	Amount (₹ in millions)	Percentage of total (%)
AAA and above	52,559.10	10.81	128,268.40	21.21	96,840.30	17.61	162,354.40	30.97	37,280.90	9.77
AA	84,862.30	17.46	82,846.30	13.70	98,671.90	17.94	119,283.00	22.75	100,797.40	26.41
A	84,515.80	17.39	62,437.20	10.33	69,949.60	12.72	55,798.20	10.64	54,123.90	14.18
BBB	81,283.30	16.73	112,935.70	18.68	114,939.80	20.90	72,102.20	13.75	79,644.00	20.87
Total BBB and above	303,220.50	62.39	386,487.60	63.91	380,401.50	69.17	409,537.80	78.12	271,846.20	71.22
BB	982.90	0.20	1,863.20	0.31	1,703.30	0.31	25,680.10	4.90	12,295.80	3.22
В	552.10	0.11	793.50	0.13	785.70	0.14	1,302.30	0.25	1,343.40	0.35
С	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D	32,178.10	6.62	31,799.00	5.26	29,033.40	5.28	14,467.90	2.76	15,295.40	4.01
Total BB and below	33,713.10	6.94	34,455.70	5.70	31,522.50	5.73	41,450.30	7.91	28,934.60	7.58
Unrated	149,056.40	30.67	183,746.70	30.39	138,033.80	25.10	73,261.80	13.97	80,919.30	21.20
Total	485,990.00	100.00	604,690.00	100.00	549,950.00	100.00	524,250.00	100.00	381,700.00	100.00

Guarantees to public sector undertakings/ enterprises was ₹ 43,075.30 million ₹ 39,912.60 million ₹ 43,914.22 million ₹ 41,434.28 million and ₹ 32,216.30 million as of December 31 2024 and 2023 and as of March 31 2024 2023 and 2022 respectively.

The following table sets forth the Bank's total advances based on the lending rate as of December 31, 2024 and 2023 and as of March 31, 2024, 2023 and 2022:

	As of and for t	he nine month	As of and for t	he nine month			As of and fo	or the Fiscal		
	period ended December 31, 2024		*	December 31, 23	2024 2023			20	22	
Rating	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)
Base Rate	143,308.40	6.16	182,559.70	8.35	163,928.60	7.49	200,121.20	10.32	255,714.40	15.42
MCLR	835,531.90	35.92	732,439.30	33.51	762,046.00	34.82	654,088.50	33.73	648,017.90	39.08
BPLR	4,327.10	0.19	4,848.10	0.22	4,589.80	0.21	5,416.50	0.28	7,342.90	0.44
RLLR	1,122,574.80	48.25	890,560.50	40.75	932,259.40	42.60	799,418.70	41.23	638,685.40	38.52
Others	220,630.90	9.48	375,027.30	17.16	325,534.50	14.88	279,888.80	14.44	108,463.80	6.54

The table below shows the amount of the Bank's net RETAIL advances which are secured or covered by guarantees, as at the dates indicated.

	As of and for	the nine month	As of and fo	r the nine month			As of and fo	r the Fiscal		
	-	period ended December 31, 2024		December 31, 2023	20	2024 2023			20	22
Rating	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)
Secured by tangible assets (including advances against book debts)	521,600.45	89.12	410,113.75	86.77	428,595.18	88.35	363,349.86	85.56	308,392.85	83.37
Covered by bank or Government guarantees	-		-	-	-	-	-	-	-	-
Unsecured	63,687.92	10.88	56,042.66	13.23	56,547.04	11.65	60,645.74	14.44	61,219.00	16.63
Total	585,288.37	100.00	466,156.41	100.00	485,142.22	100.00	423,995.60	100.00	369,611.85	100.00

The table below shows the amount of the Bank's net Corporate advances which are secured or covered by guarantees, as at the dates indicated.

	As of and for the nine	As of and for the nine		As of and for the Fiscal	
Particulars	month period ended December 31, 2024 month period ended December 31, 2023		2024	2024	2024
Secured by tangible assets (including advances against book debts)	2,419,366.00	3,751,364.00	3,313,257.00	4,153,215.00	2,857,023.00
Covered by bank or Government guarantees	2,208,606.00	2,109,858.00	2,015,020.00	887,525.00	751,429.00
Unsecured	231,928.00	185,678.00	171,223.00	201,760.00	208,548.00
Total	4,859,900.004,859,900	6,046,900.00	5,499,500.00	5,242,500.00	3,817,000.00

The table below shows the amount of the Bank's net Agri advances which are secured or covered by guarantees, as at the dates indicated:

	As of and for	r the nine	As of and fo	r the nine			As of and fo	r the Fiscal		
	month period ended December 31, 2024		month perion		20	24	20	23	22	
Rating	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)
Secured by tangible assets (including advances against book debts)	686,382.87	99.99	503,133.62	99.97	555,730.79	99.88	439,171.51	99.83	385,571.62	99.95
Covered by bank or Government guarantees	5,003.96	0.01	130.23	0.03	628.22	0.12	710.61	0.17	198.81	0.05
Unsecured	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	691,386.83	100.00	503,263.85	100.00	556,359.01	100.00	439,882.12	100.00	385,770.43	100.00

The table below shows the amount of the Bank's net MSME advances which are secured or covered by guarantees, as at the dates indicated:

	As of and fo	or the nine	As of and fo	r the nine			As of and fo	or the Fiscal		
	-	month period ended December 31, 2024		nth period ended cember 31, 2023 2024 2023		20	2022			
Rating	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)	Amount (₹ in million)	Percentage of total advances (%)
Secured by tangible assets (including advances against book debts)	352,189.50	81.67	319,715.70	78.67	319,477.70	76.90	311,148.72	89.28	276,549.60	93.70
Covered by bank or Government guarantees/State Govt Guarantee/CGTMSE/C GFMU/CGSSI or Others	79,044.50	18.33	86,690.80	21.33	95,965.80	23.10	37,379.32	10.72	18,592.30	6.30
Unsecured	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	431,234.00	100.00	406,406.50	100.00	415,443.50	100.00	348,528.04	100.00	295,141.90	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 December 31, 2024:

	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non- Sensitive	Total
			(₹ in million	1)		
Assets						
Cash and Balances with RBI	0.00	0.00	0.00	0.00	166,967.01	166,967.01
Balances with other banks	23,570.81	0.00	0.00	0.00	26,010.16	49,580.97
Advances	575,257.75	1,087,208.75	218,324.23	262,907.42	0.00	2,143,698.15
Investments	2,918.06	38,989.24	458,893.50	537,234.87	13,293.16	1,051,328.82
Fixed Assets	0.00	0.00	0.00	0.00	28,716.99	28,716.99
Other Assets	14,783.85	102.46	70,667.86	0.00	493,197.88	578,752.05
Forex Swaps	257,351.10	386,924.50	0.00	0.00	0.00	644,275.60
Total Assets	873,881.57	1,513,224.94	747,885.60	800,142.29	728,185.19	4,663,319.59
OBS Items	154.71	1,433.85	8.13	6.53	0.00	1,603.22
Total RSA/Assets	874,036.28	1,514,658.79	747,893.73	800,148.83	728,185.19	4,664,922.81
Liabilities						
Capital and Reserve	0.00	0.00	0.00	0.00	287,438.92	287,438.92
Deposits	448,369.02	914,662.50	353,650.93	1,222,585.16	0.00	2,939,267.60
Borrowings	22,244.08	68,859.55	37,370.26	16.96	0.00	128,490.85
Other Liabilities	363,251.40	409,978.50	5,000.00	16,650.00	82,021.04	876,900.94
Total Liabilities	833,864.51	1,393,500.55	396,021.18	1,239,252.11	369,459.97	4,232,098.32
OBS Items	0.00	0.00	0.00	0.00	0.00	0.00
Total RSL/Liabilities	833,864.51	1,393,500.55	396,021.18	1,239,252.11	369,459.97	4,232,098.32

## Concentration of Loans and Credit Substitutes

The Bank follows a policy of portfolio diversification and evaluates its total financing exposure in a particular industry in the light of the Bank's growth and profitability forecasts for that industry. The Bank's Risk Department monitors all major sectors of the economy and specifically follows industries in which the Bank has credit exposure. The Bank actively manages its loan portfolio by responding to economic weaknesses in an industry segment by restricting new credits to that industry segment and by increasing new credits to growing industry segments. In order to avoid concentration, the Bank has set internal ceilings on portfolio exposures to different industry sectors.

The following tables set forth, at the dates indicated, the Bank's industry portfolio for corporate advances by borrower industry or economic activity.

	As of and for	r the nine	As of and for the	e nine month			As of and for	the Fiscal		
	month perio		period ended D 2023		2024	ı	2023	3	2022	2
	Amount of loans (₹ in million)	Percentage (%)								
Mining and Quarrying	32,029.36	4.35	5,628.47	1.05	6,002.60	2.25	9,315.85	2.25	8,490.78	3.29
- Coal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Others	32,029.36	4.35	5,628.47	1.05	6,002.60	2.25	9,315.85	2.25	8,490.78	3.29
Food Processing	7,676.57	1.04	5,524.22	1.03	4,718.87	3.09	12,782.10	3.09	9,940.79	3.85
– Sugar	708.93	0.10	1,065.15	0.20	75.38	0.29	1,191.73	0.29	329.64	0.13
<ul> <li>Edible Oils and Vanaspati</li> </ul>	1,627.95	0.22	839.11	0.16	9,81.42	1.78	7,372.67	1.78	6,440.35	2.49
- Tea	8.16	0.00	2.91	0.00	2.94	0.00	13.44	0.00	12.36	0.00
- Coffee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Others	5,331.53	0.72	3,617.05	0.68	3,659.12	1.02	4,204.26	1.02	3,158.43	1.22
Beverages (excluding Tea and Coffee) and Tobacco	5,294.71	0.72	7,489.13	1.40	8,554.32	4.47	18,486.04	4.47	1,216.74	0.47
Tobacco and tobacco products	5,294.71	0.72	7,489.13	1.40	8,554.32	4.47	18,486.04	4.47	1,216.74	0.47
- Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Textiles	24,228.13	3.29	15,906.87	2.98	15,648.69	3.84	15,902.41	3.84	23,727.65	9.18
- Cotton	14,339.41	1.95	11,771.80	2.20	11,168.99	2.74	11,324.45	2.74	7,305.63	2.83
- Jute	35.50	0.00	16.50	0.00	17.23	0.01	43.67	0.01	45.65	0.02
<ul> <li>Man Made</li> </ul>	1,889.19	0.26	1,323.08	0.25	1,444.04	0.40	1,655.63	0.40	1,544.62	0.60
- Others	7,964.03	1.08	2,795.49	0.52	3,018.43	0.70	2,878.67	0.70	14,831.74	5.74
Leather and Leather products	5,454.86	0.74	4,453.09	0.83	4,516.64	1.14	4,717.31	1.14	3,869.48	1.50
Woodand Wood Products	6,447.07	0.88	4,317.53	0.81	4,087.17	0.96	3,969.94	0.96	3,705.74	1.43
Paper and Paper Products	13,838.75	1.88	7,940.38	1.49	7,630.39	1.89	7,803.63	1.89	7,046.01	2.73
Petroleum (non- infra), Coal Products (non-mining) and Nuclear Fuels	21,637.75	2.94	25,736.97	4.82	25,194.11	4.76	19,680.66	4.76	5,066.21	1.96
Chemicals and Chemical Products	30,850.70	4.19	27,876.67	5.22	28,757.65	6.55	27,087.71	6.55	10,924.49	4.23

	As of and for		As of and for the				As of and for	the Fiscal		
	month perio		period ended Do 2023		2024	1	2023	3	202	2
	Amount of loans (₹ in million)	Percentage (%)	Amount of loans (₹ in million)	Percentage (%)						
(Dyes, Paints, among others)										
<ul><li>Fertilizers</li></ul>	16,857.24	2.29	16,920.26	3.17	17,012.26	4.05	16,756.89	4.05	1,776.00	0.69
<ul><li>Drugs and Pharmaceuticals</li></ul>	4,145.75	0.56	3,554.77	0.67	3,659.55	0.71	2,957.13	0.71	3,647.85	1.41
- Petro-chemicals (excluding under Infrastructure)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Others	9,847.71	1.34	7,401.64	1.39	8,085.83	1.78	7,373.69	1.78	5,500.63	2.13
Rubber, Plastic and their Products	14,585.47	1.98	10,846.60	2.03	11,251.77	2.52	10,422.18	2.52	7,923.78	3.07
Glass and Glassware	630.80	0.09	409.64	0.08	584.12	0.11	466.64	0.11	312.16	0.12
Cement and Cement Products	12,969.03	1.76	7,349.64	1.38	6,608.02	1.57	6,475.81	1.57	4,159.46	1.61
Basic Metal and Metal Products	74,289.06	10.09	47,116.32	8.82	43,772.03	16.43	67,979.65	16.43	34,980.38	13.54
<ul> <li>Iron and Steel</li> </ul>	54,037.03	7.34	32,391.39	6.07	29,508.88	12.87	53,243.35	12.87	23,849.28	9.23
Other Metal and Metal Products	20,252.03	2.75	14,724.93	2.76	14,263.15	3.56	14,736.29	3.56	11,131.10	4.31
All Engineering	37,595.06	5.11	19,367.29	3.63	20,947.01	4.03	16,676.87	4.03	11,900.29	4.61
- Electronics	10,694.27	1.45	1,227.75	0.23	1,146.75	0.40	1,651.62	0.40	1,257.32	0.49
- Others	26,900.79	3.65	18,139.53	3.40	19,800.26	3.63	15,025.25	3.63	10,642.97	4.12
Vehicles, Vehicle Parts and Transport Equipment	24,928.51	3.39	17,056.61	3.19	14,168.73	3.54	14,660.37	3.54	12,046.56	4.66
Gems and Jewellery	12,274.48	1.67	13,989.55	2.62	10,187.21	3.44	14,247.19	3.44	7,084.32	2.74
Construction	10,384.55	1.41	5,814.57	1.09	6,594.21	1.29	5,342.01	1.29	4,283.16	1.66
Infrastructure	219,935.79	29.87	153,193.84	28.69	146,427.42	35.33	146,154.90	35.33	83,740.46	32.42
Other Industries	181,189.35	24.61	153,882.42	28.82	161,242.51	2.78	11,480.58	2.78	17,917.52	6.94
All Industries	736,239.98	100.00	533,899.79	100.00	526,893.45	100.00	413,651.84	100.00	258,335.98	100.00

The tables below sets forth the details of the Bank's aggregate exposure to key sectors:

	As of and for the nine  As of and for the nine		As of and for the Fiscal			
Particulars	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022	
			(₹ in million)			
Capital Market	10,870.70	16,020.80	10,533.50	15,692.20	13,581.60	
Commercial Real Estate	28,993.00	23,692.60	23,297.70	21,800.00	15,770.00	
NBFCs	203,107.74	204,045.80	224,675.80	195,400.80	106,724.30	
Aviation	1,549.20	1,710.30	1,709.70	1,705.90	2,095.80	

As of December 31, 2024, the aggregate exposure of the Bank's ten largest group borrowers (fund-based) amounted to ₹130,564.41 million representing 48.77% of the Bank's total capital, which comprises ₹ 267,715.40 million Tier I and ₹ 41,702.00 million Tier II capital. The Bank's exposure to the single largest group borrower (fund-based) on such date was ₹20,780.00 million representing 7.76 % of the Bank's capital.

The Bank's exposure (fund based) to its ten largest individual borrowers as of December 31, 2024 was ₹317403.20 million.

## **Priority Sector Lending**

As stipulated by the RBI guidelines, commercial banks in India are required to lend, through advances or investment, 40.00% of their adjusted net bank credit ("ANBC") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to certain specified "priority sectors", subject to certain exemptions permitted by the RBI from time to time. We actively extend financial support and finance to such sectors. Our "priority sector" advances include loans to the agriculture, small-scale industries and services, loans to certain sectors targeted as requiring special assistance, such as education, food and agriculture based processing sectors, and loans to the housing sector. Although the GoI and the RBI have identified the "priority sectors" and provided lending guidelines, we have complete discretion in determining the commercial terms and conditions in extending financing to borrowers in such sectors.

In the case of non-achievement of priority sector lending targets, including sub-targets, we are required to invest in the Rural Infrastructure Development Fund established with NABARD and other government directed funds as decided by the RBI from time to time. The amount to be deposited, interest rates on such deposits and periods of deposits, and other terms, are determined by the RBI from time to time. We report priority sector loans to the RBI on a quarterly basis. Pursuant to the RBI guidelines, at least 18.00% and 7.50% of the net bank credit is also required to be provided to the agriculture sector and micro enterprises sector, respectively, within priority sector lending requirements.

As of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023 and 2022, our outstanding priority sector lending, as a percentage of our ANBC were 54.92%, 65.96%, 49.56%, 78.00% and 61.15%, respectively. The following table presents certain information on our outstanding priority sector lending, as a percentage of our ANBC as of the dates indicated:

As of and for the nine		As of and for the nine	As of and for the Fiscal			
Particulars	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022	

	Amount (₹ in million)	Percentage of ANBC (%)								
Agriculture credit	578,273.10	31.45	407,624.14	29.22	404,063.03	23.17	444,469.18	37.73	372,582.29	27.53
MSMEs	346,294.19	18.83	371,730.29	26.64	317,523.68	18.21	336,846.99	28.60	342,199.93	25.29
Other Priority Sectors credit	85,204.40	4.63	140,957.31	10.10	142,482.57	8.17	137,492.36	11.67	112,749.04	8.33
Priority Sectors credit total	1,009,771.69	54.92	920,311.74	65.96	864,069.28	49.56	918,808.53	78.00	827,531.26	61.15
Adjusted net bank credit	1,838,734.30	-	1,395,228.90	1	1,743,608.10	1	1,177,928.60	1	1,353,299.61	-

Note.

The RBI also requires commercial banks to advance at least 12.00% of adjusted net bank credit to weaker sections identified by the RBI. Our Bank actively participates in various Government sponsored schemes, such as, Prime Minister's Employment Generation Programme, National Rural Livelihood Mission, National Urban Livelihood Mission, Differential Rate of Interest Scheme, Stand-Up India and Pradhan Mantri Mudra Yojana. and Our Bank's performance under such Government schemes as of December 31, 2024 is as under:

Scheme	Outstanding as of December 31, 2024 (₹ in million)
Agri Infra	1,155.69
DRI	2.21
Kisan Credit Card	116,127.34
Mudra	1,144.88
PMFME	721.07
Self Help group	20,815.85
Scheme	Sanction from April 01, 2024 to December 31, 2024 (₹ in million)
Agri Infra	504.46
DRI	0.12
Kisan Credit card	67,153.12
Mudra	650.10
PMFME	325.00
Self Help Group	4,634.11
Scheme	Outstanding as of December 31, 2024 (₹ in million)
Affordable Housing TN	41.93
Affordable Housing Karnataka	3.94
Affordable Housing Odisha	28.31
Scheme	Sanction as of December 31, 2024 (₹ in million)
Affordable Housing TN	44.23

All figures and % to ANBC for December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023 and 2022 are on a quarterly average basis.

<sup>\*</sup> The RBI has set a target of 40% of ANBCs for the priority sectors credit total, with 18% of ANBCs allocated to agriculture credit. Therefore, there are no specific targets for MSMEs or other priority sectors credit and are marked as 'NA' accordingly.

Affordable Housing Karnataka	4.15
Affordable Housing Odisha	33.21

In particular, under the differential rate of interest scheme, we extend loans to the lower-income sections of the community that are engaged in productive ventures at an interest rate of 4.00% per annum to meet their credit requirements.

## Fee based income

The following table presents a breakdown of the Bank's fee based income as of the dates indicated:

	As of and for the nine	As of and for the nine	As of and for the Fiscal					
Particulars	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022			
	(₹ in millions)							
Processing fees	3,019.87	3,100.00	4,476.92	3,600.00	3,010.00			
Non fund based income (LC/LG)	1,363.59	1,330.00	1,792.06	1,840.00	1,800.00			
Incidental	0.00	0.00	0.00	0.00	0.00			
Bills & remittance	3,642.10	2,230.00	3,626.75	3,960.00	3,280.00			
Rent on safe deposit vault (lockers rent)	892.10	649.40	690.30	591.70	573.50			
Income from insurance & mutual fund	220.20	188.20	263.00	242.70	195.30			
Government business	83.10	160.70	237.50	197.80	205.50			
Miscellaneous income	5,788.10	5,887.70	8,146.14	6,727.80	5,375.70			

## **Regional Concentration**

The Bank's widespread branch network enables the Bank to diversify its lending risks geographically. The following table presents an analysis of the Bank's domestic advances by region (based on RBI classification) as of the dates indicated:

		GROSS ADVANCES						
Region	State or UTs	As of and for the nine Decemb	-	As of and for the Fiscal				
		2024	2023	2024	2024	2024		
Central region	Chhattisgarh	13,364.86	12,070.02	12,488.23	10,072.22	6,841.88		
Central region	Madhya Pradesh	40,506.34	16,009.41	26,448.13	14,840.86	12,275.09		
Central region	Uttarakhand	14,330.45	12,059.96	12,448.13	10,564.41	9,115.28		
Central region	Uttar Pradesh	75,956.01	64,639.24	67,001.72	58,500.91	52,584.58		
Eastern region	Andaman & Nicobar Islands (UT)	356.28	277.98	293.07	256.62	216.51		
Eastern region	Bihar	17,379.49	19,411.70	19,205.36	12,209.14	13,211.46		
Eastern region	Jharkhand	12,536.21	10,613.20	10,870.48	9,497.31	8,389.16		
Eastern region	Odisha	41,901.79	34,716.23	33,454.74	28,936.27	26,792.97		

Eastern region	Sikkim	264.80	250.87	256.31	245.38	283.64
Eastern region	West Bengal	66,018.74	54,463.54	55,513.71	43,648.14	43,338.05
North eastern region	Arunachal Pradesh	254.56	188.17	194.97	149.98	102.34
North eastern region	Assam	9,056.56	8,007.40	8,041.31	6,801.29	6,045.13
North eastern region	Manipur	1,216.18	1,002.60	1,047.39	967.47	714.75
North eastern region	Meghalaya	719.31	659.67	660.44	623.49	545.72
North eastern region	Mizoram	237.74	178.70	185.59	127.89	98.96
North eastern region	Nagaland	216.56	154.22	175.91	102.42	81.69
North eastern region	Tripura	944.40	851.32	916.72	798.69	751.41
Northern region	Chandigarh (UT)	4,185.65	4,804.18	3,417.72	4,995.92	6,417.00
Northern region	Haryana	30,782.29	32,008.56	37,801.40	26,790.32	24,176.70
Northern region	Himachal Pradesh	1,361.64	1,227.10	1,210.74	1,114.72	911.49
Northern region	Jammu & Kashmir (UT)	9,329.45	9,910.28	9,738.97	10,336.02	7,781.10
Northern region	Ladakh	0.00	0.00	0.00	0.00	0.00
Northern region	NCT of Delhi (UT)	228,130.56	295,239.11	242,618.66	203,986.20	121,637.33
Northern region	Punjab	30,380.10	27,531.60	28,042.58	27,076.01	25,038.56
Northern region	Rajasthan	36,562.28	30,072.79	28,568.67	27,863.27	27,085.40
Southern region	Andhra Pradesh	129,376.24	108,263.29	115,222.78	97,368.59	87,080.61
Southern region	Karnataka	75,121.99	61,104.96	63,351.76	57,297.53	52,240.32
Southern region	Kerala	99,480.98	81,792.14	82,073.36	67,660.35	64,921.65
Southern region	Lakshadweep	0.00	0.00	0.00	0.00	0.00
Southern region	Puducherry (UT)	11,140.13	8,584.08	8,974.14	7,591.19	6,987.72
Southern region	Tamil Nadu	794,970.28	665,739.57	702,642.83	588,284.48	527,103.11
Southern region	Telangana	122,624.92	119,248.78	105,544.93	112,244.80	85,001.98
Western region	DNH and daman & Diu (UT)	674.97	526.08	553.84	472.05	436.85
Western region	Goa	8,137.69	6,762.76	7,274.37	5,845.82	5,311.82
Western region	Gujarat	74,522.12	62,633.17	65,336.89	54,293.67	40,498.49
Western region	Maharashtra	242,677.35	229,534.70	255,395.60	245,125.04	167,999.56
Total		2,194,718.91	2,194,718.91	1,980,537.42	2,006,971.43	1,736,688.48

### **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. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities.

- d) Our Bank is focusing on:
  - 1. Newly slipped accounts for upgradation;
  - 2. To reduce small accounts, particularly agriculture NPA accounts having balance up to ₹1 million.
- e) Our Bank has been making intensive follow-ups with the defaulting borrowers through visits, letters, notices, Recovery Camps, Lok Adalat's, an actions under SARFAESI / DRT Act. We have also engaged the services of recovery agents and resolution agents.

The management of NPAs has been one of the focus areas of the Bank. Towards this goal, the Bank has focused on:

- Action under SARFAESI / DRT- Timely actions and follow up in SARFAESI/ DRT cases including auctions, private treaty etc. are undertaken. Banks has launched mobile based application for daily monitoring of DRT/Civil suit filed cases;
- Follow up of NCLT cases- All the NCLT cases were thoroughly followed up for early resolutions. Follow up with Resolution Professionals are done on regular basis to speed up the resolution process. Section 7 application of IBC 2016 is being initiated against the eligible corporate debtors. Under Sec 95 of IBC- PIRP is being initiated against the personal guarantor;
- Lok Adalats Special Lok Adalats are conducted on regular basis. In addition to the Adalats, Recovery Drives / Camps are organized to boost the recovery;
- Special OTS schemes Special OTS schemes for accounts are introduced with liberal terms;
- **Reducing Fresh Slippages** Focused efforts to upgrade the newly slipped accounts by recovering the overdues, being soft targets. Follow up with borrower is done right from SMA 0, 1 & 2 level to arrest fresh slippages; and
- Outsourced Agencies- Services of Debt Recovery Agents, Resolution Agents, Enforcement Agents, are being utilized for effective follow up to get recovery / OTS etc.

The Bank's gross NPA ratio decreased to 3.10% as of March 31, 2024, from 7.44% as of March 31, 2023 and decreased to 7.44% as of March 31, 2023 from 9.82% as of March 31, 2022. The Bank's net NPA ratio decreased to 0.57% as of March 31, 2024, from 1.83% as of March 31, 2023 and decreased to 1.83% as of March 31, 2023 from 2.65% as of March 31, 2022.

The Bank's gross NPA ratio decreased] to 2.55% as of December 31, 2024 from 3.90% as of December 31, 2023. The Bank's net NPA ratio decreased from decreased to 0.42% as of December 31, 2024 from 0.62% as of December 31, 2023.

See "Risk Factors – Risks relating to our 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 39.

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio:

	As of and for the	As of and for the		As of and for the Fiscal	
	nine month period ended December 31, 2024	nine month period ended December 31, 2023	2024	2023	2022
			(₹ in million, except perc	entages)	
Non-Performing Assets					
Gross NPAs	60,705.12	84,408.28	67,944.26	14,0715.47	152,986.24
Specific provisions	48,765.41	68,480.02	53,282.95	10,5189.95	111,493.50
Floating provisions	0.00	0.00	0.00	0.00	0.00
NPA net of provisions	9,759.11	13,025.78	12,168.56	32,660.08	38,246.24
Gross customer assets	2,376,319.89	2,161,633.20	2,190,184.95	1,890,085.13	1,558,007.09
Net customer assets	2,325,252.01	2,089,935.48	2,134,094.10	1,781,714.44	1,442,953.11
Gross NPAs/gross customer assets (%)	2.55%	3.90%	3.10%	7.44%	9.82%
Net NPAs/net customer assets (%)	0.42%	0.62%	0.57%	1.83%	2.65%
Specific provision as a percentage of gross NPAs	80.33	81.13	78.42	74.75	72.88
Total provisions as a percentage of gross NPAs	80.33	81.13	78.42	74.75	72.88
Provision cover (including technical write-offs)	97.07	96.85	96.85	92.63	91.66
Slippage Amount	8120.69	11,874.18	15,161.65	40,291.59	48,446.80
Total Recovery (including technical write-offs and residual income)	30,212.40	30,812.90	45,491.61	42,849.89	46,251.92

The Bank's provision coverage ratio (including technical write-off) as of December 31, 2024 and December 31, 2023 and as of March 31, 2024, 2023 and 2022 computed as per RBI guidelines, was 97.07%, 96.85%, 96.85%, 92.63% and 91.66%, respectively.

Details of the Bank's NCLT accounts as of December 31, 2024 are as below:

Parameters	Accounts	Balance (₹ in million)	Provision (₹ in million)	Provision Coverage Ratio (%)
RBI List 1	4	12,408.16	12,408.16	100.00
RBI List 2	9	19,805.01	19,805.01	100.00
Filed by the Bank	16	12,888.34	12,412.48	96.31
Filed by other lenders	150	113,367.49	112,725.28	99.43
Total	179	158,469.00	157,350.93	99.29

# **Provisions for NPAs**

The following table sets forth, for the periods indicated, movements in the Bank's provisions against NPAs:

	As of and for the	As of and for the		As of and for the Fiscal	
	nine month period ended December 31, 2024	nine month period ended December 31, 2023	2024	2023	2022
			(₹ in million)		
Specific provisions:					
Specific provisions at the beginning of the period	53,280.00	105,189.90	105,189.95	111,493.50	114,300.90
Additions during the period	6,337.10	22,971.67	27,064.90	28,576.10	36,043.00
Reductions during the period on account of recovery and	10,851.69	59,681.55	78,971.90	34,870.00	38,850.40
write-offs					
Specific provisions at the end of the period	48,765.41	68,480.02	53,282.95	105,189.95	111,493.50
Floating provisions:					
Floating provisions at the beginning of the period	0.00	0.00	0.00	0.00	0.00
Additions during the period	0.00	0.00	0.00	0.00	0.00
Utilizations during the period	0.00	0.00	0.00	0.00	0.00
Floating provisions at the end of the period	0.00	0.00	0.00	0.00	0.00
Total specific and floating provisions at the end of the period	48,765.41	68,480.02	53,282.95	105,189.95	111,493.50

The following tables set forth the details of the movement in NPAs for the periods indicated:

	Nine month period ended December 31, 2024	Nine month period ended December 31, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
			(₹ in million, except percentag	ges)	
Cash Recovery	5,277.49	7,962.19	11,347.28	12,643.95	13,810.71
Up gradation	2,305.24	4,868.85	5,770.65	10,229.66	9,678.84
Write Off	8,401.17	56,464.48	72,138.17	34,121.44	37,689.13
Gross Reduction	15,983.90	69,295.52	89,256.10	56,995.05	61,178.69
Fresh Slippages	8,120.69	11,874.18	15,161.65	40,291.59	48,446.80
Net Increase/ (Decrease)	(7,239.14)	(56,307.19)	(72,771.21)	(12,270.78)	(10,245.60)
Gross NPA%	2.55%	3.90%	3.10%	7.44%	9.82%

The following table sets forth the classification of gross loan assets of the Bank at the dates indicated:

	As of and for the nine	As of and for the nine		As of and for the Fiscal	
	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022
			(₹ in million)		
Standard	2,315,614.77	2,077,224.92	2,122,240.69	1,749,369.66	1,405,020.85
Non-performing assets	60,705.12	84,408.28	67,944.26	140,715.47	152,986.24
Sub-standard assets	9,190.09	13,085.67	12,043.90	25,582.25	26,954.59
Doubtful assets	39,227.56	49,411.85	44,800.56	87,041.57	107,511.50
Loss assets	12,287.47	21,910.76	11,099.80	28,091.65	18,520.15
Total	2,376,319.89	2,161,633.20	2,190,184.95	1,890,085.13	1,558,007.09

The following tables set forth the details of the Bank's credit cost and slippage ratio as at the dates indicated:

	As of and for the	As of and for the	As of and for the Fiscal					
	nine month period ended December 31, 2024	nine month period ended December 31, 2023	2024	2023	2022			
Credit Cost (NPA provisions)	0.37	1.55	1.34	1.70				
Slippage Ratio	0.38%	0.68%	0.87%	2.87%	3.93%			

The following table sets forth the Bank's NPAs for its ten largest industry NPA accounts, as of December 31, 2024:

Industry	Gross Principal Outstanding (₹ in million)
Basic Metal and Metal Products	2,040.90
Textiles	1,468.05
Infrastructure	1,242.07
All Engineering	1,171.00
Leather and Leather products	1,047.22
Rubber Plastic and their Products	691.38
Vehicle Vehicle parts & Transport Equipment	690.05
Chemicals and Chemical Products (Dyes Paints etc.)	582.76
Paper and Paper Products	404.01
Mining & Quarying	336.31
Total	9,673.75

The following tables set forth details of the Bank's Special Mention Accounts ("SMAs") as of the dates indicated:

		l for the nine n			l for the nine n					As of a	and for the Fis	cal			
	period e	nded Decembe 2024	er 31,	period e	nded Decembe 2023	er 31,		2024			2023			2022	
	No. of account	Amount outstandin g (₹ in million)	(%)	No. of account	Amount outstandin g (₹ in million)	(%)	No. of account	Amount outstandin g (₹ in million)	(%)	No. of account	Amount outstandin g (₹ in million)	(%)	No. of account	Amount outstandin g (₹ in million)	(%)
SMA 2	76,316	51,811.00	33.0	77,746	50,083.90	27.2 5	73,818	44,375.10	25.9 7	49,934	27,418.70	15.0 8	48,301	26,162.20	18.8
SMA 2 as a percentage of gross advances	1.34	2.18	-	1.55	2.32	-	1.43	2.03	-	1.05	1.45	-	1.08	1.68	-
-Retail	31,322	28,219.00	17.9 9	31,651	26,734.40	14.5 5	28,610	25,386.00	14.8 6	14,949	12,964.20	7.13	13,884	8,446.10	6.09
-MSME	29,680	17,670.00	11.2 7	33,856	18,379.40	10.0	32,115	14,655.40	8.58	30,592	12,949.20	7.12	24,540	8,643.90	6.23
- Agricultur e	15,312	5,756.00	3.67	12,236	4,858.90	2.64	13,091	4,266.10	2.50	4,392	1,487.50	0.82	9,874	2,102.70	1.52
- Corporate and Others	2	166.00	0.11	3	111.20	0.06	2	67.50	0.04	1	17.80	0.01	3	6,970.50	5.03
SMA 1	58,054	35,889.00	22.8	63,590	39,412.20	21.4	69,686	39,047.70	22.8	87,903	47,779.30	26.2 9	118,798	60,349.30	43.5
Total SMA 1 and SMA 2	134,370	87,700.00	55.9 2	141,336	89,496.10	48.7 0	143,504	83,422.80	48.8	137,837	75,198.00	41.3	167,099	86,511.50	62.3 8
SMA 0	118,932	69,138.00	44.0 8	142,463	94,268.30	51.3 0	170,437	87,440.10	51.1 8	153,102	106,570.40	58.6 3	112,430	52,164.70	37.6 2
Total	253,302	156,838.00		283,799	183,764.40		313,941	170,862.90		290,939	181,768.40		279,529	138,676.20	

# Recognition of NPAs and Provisioning

## RBI Classification and Provisioning Requirements

The Bank classifies its assets in accordance with the RBI guidelines. The guidelines require Indian banks to classify their NPAs into three categories as described below based on the period for which the asset has remained nonperforming 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 of 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 securitisation of standard assets directions 2021; 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 April 2023 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.

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, and in accordance with RBI guidelines, a doubtful asset is an asset that has remained in the substandard category for a period of 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:
	<ul> <li>assets which have remained in the doubtful category for a period of up to one year;</li> <li>assets which have remained in the doubtful category for a period of more than one year but less than three years; and</li> <li>assets which have remained in the doubtful category for a period of more than three years.</li> </ul>
Loss asset	In accordance with RBI guidelines, a loss asset is an asset where loss has been identified by the bank or internal or external auditors or 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.

Pursuant to the RBI's 'COVID-19 Regulatory Packages', which were announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "COVID-19 Regulatory Packages"), lending institutions, including our Bank, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans (including credit card dues) and working capital facilities falling due between March 1, 2020 and August 31, 2020. The moratorium period, wherever granted, in respect of term loans was excluded by the lending institution from the number of days past-due for the purpose of asset classification under the RBI's Income Recognition and Asset Classification norms in respect of all accounts classified as standard or as SMAs from February 29, 2020. Further, banks were allowed to convert the accumulated interest for the deferment period from March 1, 2020 to August 31, 2020 on working capital facilities into a funded interest term loan that was repayable by March 31, 2021. The RBI's circulars in relation to the moratorium required us to make provisions of up to 10.00% on loans that are subject to the moratorium and that were overdue but standard as at February 29, 2020.

The Supreme Court of India, vide an interim order dated September 3, 2020, directed the banks that accounts that were not declared as NPAs as at August 31, 2020 shall not be declared as NPAs until further orders. Pursuant to the order, which was vacated on March 23, 2021, we did not classify any borrower account as an NPA that has not been

declared an NPA as at August 31, 2020, as per the RBI's prudential norms on income recognition, asset classification, provisioning and other related matters after August 31, 2020 up to March 23, 2021. The Supreme Court of India in *Small Scale Industrial Manufactures Associate (Regd.) vs Union of India and others* Writ Petition (Civil) No. 476 of 2020 under Art 32 of the Constitution of India vide a judgment dated March 23, 2021 directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated. Since the date of the judgment on March 23, 2021, our Bank has classified such overdue accounts as NPAs.

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 and for the nine	As of and for the nine		As of and for the Fiscal	
Asset Category	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022
			(₹ in million)		
Standard assets	2,315,614.77	2,077,224.92	2,122,240.69	1,749,369.66	1,405,020.85
Sub-standard assets	9,190.09	13,085.67	12,043.90	25,582.25	26,954.59
Doubtful assets	39,227.56	49,411.85	44,800.56	87,041.57	107,511.50
Loss assets	12,287.47	21,910.76	11,099.80	28,091.65	18,520.15
Total	2,376,319.89	2,161,633.20	21,901,84.95	1,890,085.13	1,558,007.09

The following table sets forth the Bank's provisions for possible credit losses at the dates indicated:

	As of and for the nine	As of and for the nine	As of and for the Fiscal						
Asset Category	month period ended month period ended December 31, 2024 December 31, 2023		2024	2023	2022				
			(₹ in million)						
Provision held	48,765.41	68,480.02	53,282.95	105,189.95	111,493.50				
Provision held as percentage of gross advances	2.05	3.17	2.43	5.57	7.16				
Provision held as percentage of gross NPAs	80.33	81.13	78.42	74.75	72.88				

## **Non-Accrual Policy**

When an asset is classified as non-performing, interest accrual is stopped and the unrealized interest is reversed by debit to the profit and loss account. In accordance with the RBI guidelines, interest realized on NPAs may be added to the income account provided the credits in the accounts towards interest are not out of additional credit facilities sanctioned to the borrower. The RBI has also stipulated that in the absence of a clear agreement between the Bank and the borrower for the purpose of appropriating recoveries in NPAs (i.e. towards principal or interest due), banks should adopt an accounting principle and exercise the right of appropriation of recoveries in a uniform and consistent manner.

## **Analysis of Non-Performing Loans by Industry Sector**

The following tables set forth 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 for the nine month period ended December 31, 2024 and December 31, 2023 and for the Fiscals 2024, 2023 and 2022. These figures do not include credit substitutes.

		onth perio			onth perio		Ma	arch 31, 2	024	Ma	rch 31, 2	023	Ma	rch 31, 2	022
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	Gross loans	NPA	% of NPA in industry	Gross loans	NPA	% of NPA in industry
	(₹ in million, except percentages)														
Mining and Quarrying	32,029.3 6	336.31	2.74	5,628.47	217.34	0.80	6,002.6 0	204.50	1.40	9,315.8 5	4,515.7 3	8.21	8,490.7 8	4,428.4 0	6.40
Food Processing	7,676.57	77.22	0.63	4,718.87	133.59	0.49	4,718.8 7	104.11	0.71	12,782. 10	6,634.0 8	12.06	9,940.7 9	202.29	0.29
Beverages (excluding Tea and Coffee) and Tobacco	5,294.71	5.61	0.05	8,554.32	12.12	0.04	8,554.3 2	8.02	0.05	18,486. 04	18.14	0.03	1,216.7 4	30.20	0.04
Textiles	24,228.1	1,468.05	11.98	15,648.6 9	2,850.47	10.46	15,648. 69	1,768.5 7	12.07	15,902. 41	3,639.9 0	6.62	23,727. 65	4,198.2 9	6.06
Leather and Leather Products	5,454.86	1,047.22	8.55	4,516.64	548.09	2.01	4,516.6 4	991.86	6.77	4,717.3 1	664.10	1.21	3,869.4 8	685.84	0.99
Wood and Wood Products	6,447.07	175.32	1.43	4,087.17	226.31	0.83	4,087.1 7	228.94	1.56	3,969.9 4	310.14	0.56	3,705.7 4	442.64	0.64
Paper and Paper Products	13,838.7 5	404.01	3.30	7,630.39	983.96	3.61	7,630.3 9	563.30	3.85	7,803.6 3	1,177.4 7	2.14	7,046.0 1	1,138.6 6	1.64
Petroleum (Non-infra), Coal Products (Non-mining) and Nuclear Fuels	21,637.7	16.28	0.13	25,194.1 1	112.07	0.41	25,194. 11	112.37	0.77	19,680. 66	109.24	0.20	5,066.2 1	109.74	0.16
Chemicals and Chemical Products (Dyes, Paints, among others)	30,850.7	582.76	4.76	28,757.6	1,028.69	3.77	28,757. 65	928.18	6.34	27,087. 71	1,166.4 2	2.12	10,924. 49	1,184.7 5	1.71
Rubber, Plastic and their Products	14,585.4	691.38	5.64	11,251.7	1,025.46	3.76	11,251. 77	614.86	4.20	10,422. 18	1,358.0	2.47	7,923.7	1,109.0	1.60
Glass and Glassware	630.80	18.47	0.15	584.12	24.64	0.09	584.12	23.42	0.16	466.64	61.28	0.11	312.16	54.15	0.08
Cement and Cement Products	12,969.0	204.75	1.67	6,608.02	307.73	1.13	6,608.0 2	275.29	1.88	6,475.8 1	447.98	0.81	4,159.4 6	440.72	0.64
Basic Metal and Metal Products	74,289.0 6	2,040.90	16.65	43,772.0	5,855.58	21.48	43,772. 03	2,713.2 2	18.52	67,979. 65	7,298.4 6	13.27	34,980. 38	9,173.8	13.25
All Engineering	37,595.0 6	1,171.00	9.56	20,947.0 1	1,649.91	6.05	20,947. 01	1,503.6 4	10.26	16,676. 87	1,905.5 8	3.46	11,900. 29	2,616.3 1	3.78
Vehicle, Vehicle Parts and Transport Equipment	24,928.5 1	690.05	5.63	14,168.7	4,397.74	16.14	14,168. 73	842.85	5.75	14,660. 37	4,643.8 9	8.44	12,046. 56	5,537.4 8	8.00
Gems and Jewellery	12,274.4 8	158.00	1.29	10,187.2	256.33	0.94	10,187. 21	249.99	1.71	14,247. 19	1,339.9	2.44	7,084.3	1,355.4	1.96
Construction	10,384.5		1.61	6,594.21	220.55	0.81	6,594.2 1	227.98	1.56	5,342.0	882.75	1.60	4,283.1 6	1,161.3	1.68
Infrastructure	21,9935. 79		10.14	14,6427. 42	4,421.54	16.22	146,427 .42	1,398.7 0	9.55	146,154 .90	13,495. 84	24.53	83,740. 46	21,624. 88	31.24

	Nine month period ended December 31, 2024			Nine month period ended December 31, 2023			March 31, 2024			March 31, 2023			March 31, 2022		
Name of the Industry	Gross loans	NPA	% of NPA in industry	Gross loans	NPA	% of NPA in industry	loans	NPA	% of NPA in industry	loans	NPA	% of NPA in industry	Gross loans	NPA	% of NPA in industry
						(₹	in million	, except p	percentage	es)					
Other Industries	18,1189.	1,728.08	14.10	16,1242.	2,982.61	10.94	161,242	1,889.2	12.90	11,480.	5,349.6	9.72	17,917.	13,731.	19.84
	35			51			.51	2		58	3		52	34	
Grand Total	736,239.	12,255.1	100.00	526,893.	27,254.7	100.00	526,893	14,649.	100.00	413,651	55,018.	100.00	258,335	69,225.	100.00
	98	7		45	2		.45	00		.84	53		.98	32	

Business segment analysis of the Bank's domestic NPA portfolio as of the dates indicated:

	As of and for t	he nine month	As of and for t	he nine month			As of and fo	or the Fiscal				
	period ended	December 31,	period ended	December 31,	20	24	20	23	2022			
Business segment	20:	24	201	23								
	GNPA	GNPA (%)	GNPA	GNPA (%)	GNPA	GNPA (%)	GNPA	GNPA (%)	GNPA	GNPA (%)		
				(₹	(₹ in million, except percentages)							
Retail Loans	9,776.14	16.10	8,456.86	10.02	8,239.49	12.13	18,016.95	12.80	12,917.37	8.44		
- Housing	4,161.47	6.86	3,123.82	3.70	2,982.61	4.39	3,729.17	2.65	3,398.80	2.22		
- Car/ Vehicle	669.63	1.10	575.61	0.68	547.05	0.81	1,107.65	0.79	1,114.08	0.73		
- Education	3,654.30	6.02	3,179.99	3.77	3,426.45	5.04	9,173.29	6.52	5,184.49	3.39		
- Others	1,290.74	2.13	1,577.44	1.87	1,283.37	1.89	4,006.84	2.85	3,220.01	2.10		
Agriculture and allied	18,292.47	30.13	21,831.76	25.86	20,979.19	30.88	29,740.92	21.14	30,394.85	19.87		
MSME	17,532.80	28.88	22,909.30	27.14	22,266.71	32.77	31,927.01	22.69	34,107.12	22.29		
Corporate and others	2,667.08	4.39	15,216.05	18.03	2,890.57	4.25	45,431.90	32.29	59,175.70	38.68		
<b>Total - Domestic</b>	48,268.49	79.51	68,413.97	81.05	54,375.96	80.03	125,116.78	88.91	136,595.04	89.29		
Total – Overseas	12,436.63	20.49	15,994.31	18.95	13,568.30	19.97	15,598.69	11.09	16,391.20	10.71		
<b>Global Gross Advances</b>	60,705.12	100.00	84,408.28	100.00	67,944.26	100.00	140,715.47	100.00	152,986.24	100.00		

Business segment analysis of the Bank's domestic NPA portfolio as of December 31, 2024:

Business segment	As of December 31, 2024* (₹ in million)
Corporate	2,667.08
Small and Medium Enterprises	5,107.05
Retail	9,776.14
Other banking operations*	12,425.75
Agriculture	18,292.47
Total – Domestic	48,268.49

<sup>\*</sup>Micro Sector under MSME

#### **Top Ten Non-Performing Corporate Loans**

The following table sets forth, for the period indicated information regarding its ten largest NPAs, classified by industry sector, as well as the value of the collateral securing the loan, as of December 31, 2024. However, the net realizable value of such collateral may be substantially less, if anything. "Risk Factors – Risks relating to our 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 39.

Name	Industry	Type of banking arrangement	Total balance (₹ in million)	Provisions (₹ in million)	Principal outstanding net of provisions for credit losses (₹ in million)	Security (₹ in million)
Saalim Shoes Pvt Ltd	Others	Consortium member	935.55	741.88	193.68	739.67
P And G Enterprises Pvt Ltd	Leather & its products	Sole banking	446.33	446.33	0.00	187.90
Brahmaputra Infrastructure Pvt Ltd	Roads & ports	Consortium leader	379.17	367.02	12.15	810.90
Naolin Infrastructure Private Ltd	Power	Consortium member	336.26	336.26	0.00	128.58
M/S Jadia Pipes India Ltd	Iron & steel	Sole banking	329.21	273.98	55.23	0.00
Osm Projects Private Limited	Rubber & its products	Sole banking	308.06	77.02	231.05	273.50
Sona Alloys Private Limited	Iron & steel	Consortium member	292.23	251.16	41.07	102.66
J.R.Solvent Industries Pvt Ltd	Others	Sole banking	257.47	235.85	21.62	27.63
Simoco Telecommunications	Electronics	Sole banking	246.03	197.13	48.90	255.20
Mnt Buildcon Private Limited	Commercial real estate	Consortium member	236.76	236.76	0.00	379.67

### **Restructuring of Debts**

The Bank's NPAs are restructured on a case-by-case basis after it is determined that restructuring is the best means 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.

The RBI introduced the One Time Restructuring 1 Scheme ("OT1") per the RBI guidelines dated August 6, 2020 to provide relief to borrowers impacted by the COVID-19 pandemic. This allowed personal and corporate loans to be restructured without being classified as NPAs, protecting credit ratings and the financial health of banks. Borrowers with viable pre-pandemic financials could apply before December 31, 2020, with options like loan tenure extensions and moratoriums. Under OTI, banks were required to provision 10% of restructured loans to mitigated risks. Further, per the RBI guidelines dated May 5, 2021, the RBI launched the Resolution Framework 2.0 to offer a second round of restructuring for borrowers affected by the COVID-19 pandemic's second wave. This framework covered individuals, small businesses, and MSMEs with loans classified as "standard" as of March 31, 2021, and allowed for moratoriums of up to two years or adjusted repayment schedules. Borrowers who had previously used the OT1 scheme could also extend their loan tenures, with the deadline for applying set at September 30, 2021.

The tables below set forth details of the Bank's standard restructured assets by segment as of the dates indicated:

	As of and for the nine  As of and for the nine		As of and for the Fiscal						
Segment	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022				
	(₹ in million)								
Retail	21,455.60	26,010.00	25,026.20	31,937.00	44,777.00				
Agriculture and allied	3,316.81	3,988.00	4,231.00	5,785.70	8,671.24				
MSME	13,716.30	18,640.10	17,360.10	24,949.80	30,251.80				
Corporate and others	4,577.50	6,728.30	6,612.70	6,813.10	11,519.14				
Total	43,066.21	55,366.40	53,230.00	69,484.60	95,219.18				

For restructured/rescheduled advances, provisions are made in accordance with guidelines issued by RBI from time to time. Provision for diminution in fair value of restructured advances is measured at net present value terms as per RBI guidelines for accounts where total dues to the bank are ₹ 10 million and above. For other accounts, the provision for diminution in fair value is computed notionally at 5% of total exposure to the bank as per RBI guidelines.

#### **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 Special 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 department, stressed assets management department has been established in order to review the stressed assets on an ongoing 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. Borrowers accounts may also be referred to the NCLT on a selective basis for resolution.

#### **NPA Management**

The Bank is committed to efficiently managing and reducing its NPAs and has implemented the following measures to manage and reduce its NPA ratio:

# Slippage Management:

Separate Credit Monitoring Department is established in order to strengthen the system of monitoring and ultimately bring down slippages. In order to monitor the accounts based on their level of distress, stressed assets are categorized into three stages of Special Mention Accounts ("SMA") viz. SMA- 0, SMA-1 and SMA-2 for effective follow up. The Bank closely monitors delinquent accounts at branch, regional and corporate office levels to avoid slippage of such assets to NPA status. There is a review of accounts by special committees at Regional Offices and Central Office level the Committees meets regularly to deliberate action plans and short-term and long-term strategy. There is also a status review by the Central Office of accounts causing concern, including the formulation of appropriate action plans.

All SMA accounts (SMA 0, SMA 1 and SMA 2) are followed up on daily basis from Central office regional office and respective Branches for regularisation of SMA accounts. As per RBI guideline, reporting of defaulted borrowers with exposure of .50 million and above is done on weekly basis to Central Repository of Information on Large Credits (CRILC) in addition to the monthly reporting of borrowers with exposure of .50 million and above.

Undertaking timely financial restructuring of accounts so as to curtail further deterioration in financial condition of such assets. Where an account shows signs of liquidity problems and does not generate enough cash surplus to meet its commitments, such account is reviewed and restructured depending on the financial viability of the account and relevant borrower.

Timely, rescheduling and/or restructuring of the relevant account so as to avert slippage of such accounts to NPA status. In the case where the borrower is not in a position to make payments to the Bank according to its repayment schedule, the Bank considers the reasons for the borrower's failure to meet its commitments and also the borrower's financial viability. If the Bank considers the delay or failure in repayments justified, instead of initiating action to recover the outstanding amounts, the Bank may or reschedule the borrower's schedule of payment and the number of instalments.

#### NPA Management:

- i. Initiating recovery action on slippage of accounts, including taking non-legal recovery actions or initiating legal action.
- ii. Conducting recovery meetings at regional and zonal levels to arrive at settlements which are both cost effective and mutually beneficial. Recovery meetings involve inviting defaulting borrowers to the Bank in order to negotiate and reach mutually agreeable settlement proposals.
- iii. Compromise settlements through Lok Adalat's, ("people's courts"), established by the Government to facilitate the efficient settlement of disputes by way of mutual agreement. While only claims not exceeding ₹0.20 crore can be brought to a Lok Adalat, given that the Lok Adalat's do not charge any fees and their decisions are binding on the parties, it is often quicker to resolve disputes through a Lok Adalat than through regular courts. In light of this, the Bank strives to recover NPAs through the Lok Adalat's as much as practicable.
- iv. Reporting of Wilful Defaulters with overdue amounts equal to ₹0.25 crore and more to the RBI. The RBI then consolidates the data of such Wilful Defaulters and disseminates this information amongst banks for their use. While the Bank does not rehabilitate or restructure NPAs of a Wilful Defaulter, it enters into an
- v. acceptable mutual settlement with such a borrower. Close monitoring of "compromise settled accounts" for recovery in accordance with the terms of settlement.

By maintaining open dialogue with borrowers of the compromise settled accounts, the Bank seeks to recover its NPAs within specified periods and with minimum costs.

- (a) Aggressively pursuing and achieving substantial progress in respect of measures allowed to be implemented by the Bank under the SARFAESI Act.
- (b) Monitoring the recovery of overdue amounts under any account by law officers subject to a court ruling. The role of such law officers is to liaise with the advocate, branch and debtor and the Debt Recovery Tribunal during the relevant debt recovery action, and to take timely action.
- (c) Strict adherence to rehabilitation packages under the CDR (for both normal and SME accounts) and monitoring the accounts closely for early recovery

See "Risk Factors – Risks relating to our 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 39.

The Bank has been improving its asset quality by resolving stressed accounts through the National Company Law Tribunal ("NCLT"). By focusing on the recovery of NPAs through the legal framework of the NCLT, the Bank has been able to expedite the resolution of large corporate defaults and improve its financial health, successfully recover dues from several distressed companies, thereby reducing its NPA ratio. The following table sets forth information with respect to the Bank's NCLT admitted accounts as of December 31, 2024:

Parameters	Accounts	Balance (₹ in million)	Provision (₹ in million)	Provision Coverage Ratio (%)
RBI List 1	4	12,408.16	12,408.16	100.00
RBI List 2	9	19,805.01	19,805.01	100.00
Filed by the Bank	16	12,888.34	12,412.48	96.31
Filed by other lenders	150	113,367.49	112,725.28	99.43
Total	179	158,469.00	157,350.93	99.29

The Bank has also been resolving accounts through the National Asset Reconstruction Company Limited ("NARCL"). The following table sets forth information with respect to the position of accounts with our Bank as of December 31, 2024:

	As of December 31, 2024			
Position of accounts with the Bank	Number of accounts	Balance outstanding (₹ in millions)		
Accounts already resolved	7	15,380.80		
Bids received from NARCL and in progress	1	FB 129.10		
		NFB 2,083.30		
		Total 2,212.40		
Under process with NARCL – due diligence	1	883.60		
Total	9	18,476.80		

## **Interest Coverage Ratio**

The following table sets forth information with respect to the Bank's interest coverage ratio for the periods indicated. This ratio, however, is typically used to measure the debt-servicing ability of a corporate and is not relevant to a banking company:

	As of and for the nine month	As of and for the nine month		As of and for the Fiscal				
Particulars	period ended December 31, 2024	period ended December 31, 2023	2024	2023	2022			
		(₹ in millio	(₹ in million, except percentages)					
(i) Net Profit	22,836.40	18,475.24	26,556.24	20,987.86	17,095.42			
(ii) Depreciation on the Bank's	2,524.60	2,341.59	3,358.52	2,598.89	1,721.86			
property								
(iii) Interest expended	127,301.66	103,545.14	142,203.20	111,454.44	104,187.28			
(iv) Total (i) $+$ (ii) $+$ (iii)	152,662.66	124,361.97	172,117.96	135,041.19	123,004.56			
Interest coverage ratio (iv) / (iii)	1.20	1.20	1.21	1.21	1.18			

# **Capital Adequacy**

The following table sets forth, for the periods indicated, the Bank's capital adequacy ratios computed as per applicable RBI guidelines.

	As of and for the nine	As of and for the nine		As of and for the Fiscal	
Particulars	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022
			(₹ in million, except percen	tages)	
Common Equity Tier -1 (CET-1)	226,013.40	194,947.30	208,397.20	167,361.30	124,281.08
Additional tier I capital	0.00	0.00	0.00	0.00	0.00
Tier I capital	226,013.40	194,947.30	208,397.20	167,361.30	124,281.08
Tier II capital	41,702.00	39,871.30	40,347.80	41,888.29	36,222.04
Total capital	267,715.40	234,818.60	248,745.00	209,249.59	160,503.12
Risk weighted assets	1,577,527.40	1,397,558.40	1,439,790.50	1,299,808.00	1,160,698.31
CET I ratio (%)	14.33%	13.95%	14.47%	12.88%	10.71%
Tier I capital ratio	14.33%	13.95%	14.47%	12.88%	10.71%
Tier II capital ratio	2.64%	2.85%	2.80%	3.22%	3.12%
Total capital adequacy ratio	16.97%	16.80%	17.28%	16.10%	13.83%

Notes: Capital Adequacy ratios have been calculated in accordance with RBI Guidelines (Basel-III Capital Regulations, generally referred to as Basel-III). See the section "Key Regulation and Policies" on page 206.

The following table sets forth, for the periods indicated, our risk weighted assets ("RWA") pertaining to credit risk, market risk and operational risk computed as per applicable the RBI guidelines:

	As of and for the nine	As of and for the nine		As of and for the Fiscal				
Particulars	month period ended December 31, 2024	month period ended December 31, 2023	2024	2023	2022			
	(₹ in million)							
Credit risk RWA	1,372,161.40	1,145,704.20	1,183,824.50	1,067,062.85	901,762.95			
Market risk RWA	13,534.70	84,805.40	88,917.20	82,081.76	124,915.43			
Operational risk RWA	191,831.30	167,048.80	167,048.80	150,663.39	134,019.94			
Total risk weighted assets	1,577,527.40	1,397,558.40	1,439,790.50	1,299,808.00	1,160,698.31			

# **Productivity Ratios**

	As of and for the nine	As of and for the nine month	As of and for the Fiscal					
	month period ended December 31, 2024	period ended December 31, 2023	2024	2023	2022			
	(₹ in millions)							
Business# per employee	25.66	22.87	23.54	20.40	18.68			
Business# per branch	163.18	153.20	155.84	139.54	129.72			

#### 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 our Bank, the 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. If one source is used for an entire paragraph, the source for the information in that paragraph is given at the end of that paragraph.

#### **Global Macroeconomic Outlook**

Global growth is projected at 3.3 percent both in 2025 and 2026, below the historical (2000–19) average of 3.7 percent. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterized by divergent risks. Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation. (Source: IMF World Economic Outlook, January 2025)

The global economy is holding steady, although the degree of grip varies widely across countries. Global GDP growth in the third quarter of 2024 was 0.1 percentage point below that predicted in the October 2024 WEO, after disappointing data releases in some Asian and European economies. Growth in China, at 4.7 percent in year-over-year terms, was below expectations. Faster-than-expected net export growth only partly offset a faster-than-expected slowdown in consumption amid delayed stabilization in the property market and persistently low consumer confidence. Growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity. Growth continued to be subdued in the euro area (with Germany's performance lagging that of other euro area countries), largely reflecting continued weakness in manufacturing and goods exports even as consumption picked up in line with the recovery in real incomes. In Japan, output contracted mildly owing to temporary supply disruptions. By contrast, momentum in the United States remained robust, with the economy expanding at a rate of 2.7 percent in year-over-year terms in the third quarter, powered by strong consumption. (Source: IMF World Economic Outlook, January 2025)

Global disinflation continues, but there are signs that progress is stalling in some countries and that elevated inflation is persistent in a few cases. The global median of sequential core inflation has been just slightly above 2 percent for the past few months. Nominal wage growth is showing signs of moderation, alongside indications of continuing normalization in labor markets. Although core goods price inflation has fallen back to or below trend, services price inflation is still running above pre—COVID-19 averages in many economies, most notably the United States and the euro area. Pockets of elevated inflation, reflecting a range of idiosyncratic factors, also persist in some emerging market and developing economies in Europe and Latin America. (Source: IMF World Economic Outlook, January 2025)

Where inflation is proving more sticky, central banks are moving more cautiously in the easing cycle while keeping a close eye on activity and labor market indicators as well as exchange rate movements. A few central banks are raising rates, marking a point of divergence in monetary policy. (Source: IMF World Economic Outlook, January 2025)

### **Indian Economy**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for Q2 FY25 is estimated at Rs. 76.60 lakh crore (US\$ 886.16 billion) with growth rate of 8.0%, compared to Rs. 70.90 lakh crore (US\$ 820.22 billion) for Q2 FY24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-December 2024, India's exports stood at Rs. 27.56 lakh crore (US\$ 318.96 billion), with Engineering Goods (27.32%), Petroleum Products (14.59%) and Electronic Goods (8.19%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative. (Source: IBEF, 2025 India)

Real GDP for Q2 of FY25 is estimated at Rs. 44.10 lakh crores (US\$ 509.36 billion) with growth rate of 5.4%, compared to Rs. 41.86 lakh crore (US\$ 484.27 billion) for Q2 of 2023-24. The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from nonfossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index. (Source: IBEF, 2025 India)

The global economy remains stable with growth holding up amidst waning inflation, albeit at a slow pace. Geopolitical risks and policy uncertainty, especially with respect to trade policies, have imparted heightened volatility to global financial markets. On the domestic front, real gross domestic product (GDP) registered a lower than expected growth of 5.4 per cent in Q2:2024-25 as private consumption and investment decelerated even while government spending recovered from a contraction in the previous quarter. On the supply side, the growth in gross value added (GVA) during Q2 was aided by resilient services and improving agriculture sector, but weakness in industrial activity - manufacturing, electricity and mining - tempered overall growth. Looking ahead, robust kharif food grain production and good rabi prospects, coupled with an expected pickup in industrial activity and sustained buoyancy in services augur well for private consumption. Investment activity is expected to pick up. Resilient world trade prospects should provide support to external demand and exports. Headwinds from geopolitical uncertainties, volatility in international commodity prices, and geo-economic fragmentation continue to pose risks to the outlook. Taking all these factors into consideration, real GDP growth for 2024-25 is projected at 6.6 per cent with Q3 at 6.8 per cent; and Q4 at 7.2 per cent. Real GDP growth for Q1:2025-26 is projected at 6.9 per cent; and Q2 at 7.3 per cent. The risks are evenly balanced. (Source: Minutes of the Monetary Policy Committee Meeting of the RBI, December 4 to 6, 2024). The Indian economy is exhibiting steady growth, underpinned by solid macroeconomic fundamentals and strong domestic growth drivers. The domestic financial system is demonstrating resilience, supported by healthy balance sheets of banks and non-banks, and fortified by strong capital buffers, robust earnings and improving asset quality. (Source: RBI - Financial Stability Report December 2024).

Inflationary pressures moderated albeit unevenly during Fiscal 2024, reflecting the combined impact of calibrated monetary tightening, easing of input cost pressures and supply management measures. Headline inflation softened to 5.4% during Fiscal 2024 from 6.7% in the previous year, driven by the fall in core inflation (CPI excluding food and fuel) to 4.3% from 6.1%. (Source: RBI, Annual Report 2023-2024). Inflation is gradually moving towards

target from its multi-decadal highs, prompting several central banks to embark on policy pivots. Global trade remains resilient with increasing volumes confined within geopolitical blocs. Since the last MPC meeting, financial markets have remained edgy amidst rising US dollar and hardening bond yields, resulting in large capital outflows from emerging markets and volatility in equity markets. Going forward, the outlook is clouded by rising tendencies of protectionism which have the potential to undermine global growth and push inflation higher. The CPI food inflation surged to 8.4 per cent in September and firmed up further to 9.7 per cent in October 2024 from an average of 5.2 per cent in during July-August. (Source: RBI Bulletin December 2024)

#### **Growth Outlook**

The global economy is growing below the historical average even though high frequency indicators suggest resilience amidst continued expansion in world trade. The world economic landscape remains challenging with slower pace of disinflation, lingering geopolitical tensions and policy uncertainties. The strong dollar, *inter alia*, continues to strain emerging market currencies and enhance volatility in financial markets.

On the domestic front, as per the First Advance Estimates (FAE), real gross domestic product (GDP) is estimated to grow at 6.4 per cent (y-o-y) in 2024-25 supported by a recovery in private consumption. On the supply side, growth is supported by the services sector and a recovery in agriculture sector, while tepid industrial growth is a drag.

Looking ahead, healthy *rabi* prospects and an expected recovery in industrial activity should support economic growth in 2025-26. Among the key drivers on the demand side, household consumption is expected to remain robust aided by the tax relief in the Union Budget 2025-26. Fixed investment is expected to recover, supported by higher capacity utilisation levels, healthy balance sheets of financial institutions and corporates, and Government's continued emphasis on capital expenditure. This is corroborated by positive business sentiments highlighted in the Reserve Bank's enterprise surveys and PMIs. Resilient services exports will continue to support growth. However, headwinds from geo-political tensions, protectionist trade policies, volatility in international commodity prices and financial market uncertainties, continue to pose downside risks to the outlook. Taking all these factors into consideration, real GDP growth for 2025-26 is projected at 6.7 per cent with Q1 at 6.7 per cent; Q2 at 7.0 per cent; and Q3 and Q4 at 6.5 per cent each.

Headline inflation softened sequentially in November-December 2024 from its recent peak of 6.2 per cent in October. The moderation in food inflation, as vegetable price inflation came off from its October high, drove the decline in headline inflation. Core inflation remained subdued across goods and services components and the fuel group continued to be in deflation. Going ahead, food inflation pressures, absent any supply side shock, should see a significant softening due to good *kharif* production, winter-easing in vegetable prices and favourable *rabi* crop prospects. Core inflation is expected to rise but remain moderate. Continued uncertainty in global financial markets coupled with volatility in energy prices and adverse weather events presents upside risks to the inflation trajectory. Taking all these factors into consideration, CPI inflation for 2024-25 is projected at 4.8 per cent with Q4 at 4.4 per cent. Assuming a normal monsoon next year, CPI inflation for 2025-26 is projected at 4.2 per cent with Q1 at 4.5 per cent; Q2 at 4.0 per cent; Q3 at 3.8 per cent; and Q4 at 4.2 per cent. The risks are evenly balanced. (Source: Minutes of the Monetary Policy Committee Meeting, February 5 to 7, 2025)

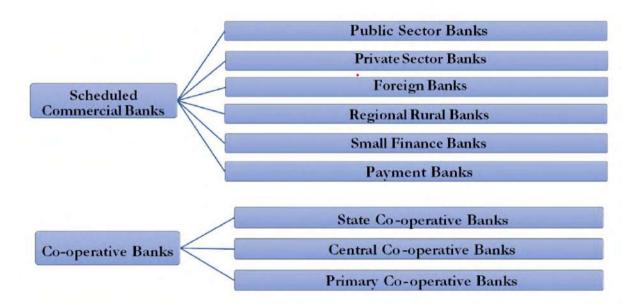
#### **Indian Banking Authority**

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 Kolkata 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 Government of India ("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 Manual on Financial and Banking Statistics, https://www.rbi.org.in/Scripts/AboutusDisplay.aspx)

The banking system in India comprises commercial and cooperative banks, of which the former accounts for more than 90 per cent of banking system's assets. Besides a few foreign and Indian private banks, the commercial banks comprise nationalized banks (majority equity holding is with the Government). These banks, along with regional rural banks, constitute the public sector (state owned) banking system in India. A diagrammatic structure of Indian banking, including cooperatives. Banking statistics in India is predominantly compiled and disseminated by the RBI and National Bank for Agriculture and Rural Development ("NABARD"). (Source: "Department of Financial Services" Error! Hyperlink reference not valid.)

The banking system in India, which evolved over several decades, is well established and has been serving the credit and banking needs of the economy. The banking ecosystem is providing impetus to economic growth and development of the country and catering to the specific and varied financial requirements of different customers and borrowers. Presently, 137 scheduled commercial banks are providing banking services in India. In addition, co-operative banks and local area banks are also providing banking services in various segments in different locations of the country. For the purpose of lending to specific sectors/segments, around 9,516 Non-Banking Financial Companies and 5 All India Financial Institutions are also catering to the needs of the borrowers. (Source: https://financialservices.gov.in/beta/en/banking-overview)

Banks that are included in the Second Schedule of the Reserve Bank of India Act, 1934 are considered to be scheduled commercial banks. Other than public sector banks and regional rural banks, all other scheduled commercial banks are granted banking licenses by RBI under Banking Regulation Act, 1949. In addition, RBI also gives licenses to Co-operative Banks for providing banking services under Banking Regulation Act, 1949. (Source: "Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)



### **Scheduled Commercial Banks**

Scheduled Commercial banks (SCBs) is commercial bank which has been included in the Second Schedule of the Reserve Bank of India Act, 1934 (RBI Act). Conditions for inclusion in the Second Schedule of the RBI Act are as stated in section 42(6)(a) of the RBI Act. It includes public sector, private sector, foreign banks, Regional Rural Banks (RRB), Small Finance Banks and Payment Banks. (Source: https://financialservices.gov.in/beta/en/banking-overview)

**Public sector banks (PSBs)** 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 August 2024 (Source: RBI, List of Scheduled Commercial Banks (SCBs)) In Fiscal 2020, the GoI announced several additional amalgamations of public banks: the amalgamation of Canara Bank with Syndicate Bank; the amalgamation of Andhra Bank and Corporation Bank with Union Bank; 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 as at April 1, 2020, down from 27 as at March 31, 2017. (Source: Reserve Bank of India: Report On Trend And Progress Of Banking In India 2020-21, "https://website.rbi.org.in/web/rbi/-/publications/operations-and-performance-

ofcommercialbanks20944?p\_l\_back\_url=%2Fweb%2Frbi%2Fsearch%3Fq%3Damalgamation%2BAllahabad %2BBank%26type%3Dcom.liferay.journal.model.JournalArticle%26type%3Dcom.liferay.portal.kernel.model.L ayout%26togs%3Dall\_keywords%26orderBy%3Dnewest")

Further, the government's focus has now also shifted towards disinvestment and promoting privatisation of stateowned commercial banks. As per the Securities Contract (Regulation) Rules, 1957 as amended read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 as amended also read with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 as amended and other applicable law, every listed company shall have to maintain public shareholding of at least 25%. Any listed company (be it public sector company) which has public shareholding below 25%, on the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, shall have to increase its public shareholding to at least 25%, within a period of three years from the date of their commencement.

With respect to the same, the central government came out with the decision to reduce its shareholding to less than 75% in five Public Sector Banks including Punjab & Sind Bank, Indian Overseas Bank, UCO Bank, Central Bank of India, and Bank of Maharashtra in order to comply with SEBI's minimum public shareholding ("MPS") norms. (Source: RBI Notification on Merger March 30, 2020)

**Foreign Banks** is a bank that has its headquarters outside India but runs its offices as a private entity at any other locations in India. Such banks are under an obligation to operate under the regulations provided by the Reserve Bank of India as well as the rule prescribed by the parent organization located outside India. (Source: ("Department of Financial Services, https://financialservices.gov.in/beta/en/banking-overview)

**Private Sector Banks** are banking companies licensed to operate under Banking Regulation Act, 1949. (Source: https://financialservices.gov.in/beta/en/banking-overview). However, when most large banks in India were nationalized in 1969, PSB made up the largest portion of Indian banking system. The GOI's focus on PSB was maintained throughout the 1970s and 1980s. During that period, the existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In 1991, India's economic system underwent a series of reform following which in July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system.

**Regional Rural Banks (RRB)** are the banks established under the Regional Rural Banks Act, 1976 with the aim of ensuring sufficient institutional credit for agriculture and other rural sectors. The area of operation of RRBs is limited to the area notified by the Central Government. RRBs are owned jointly by the Government of India, the State Government and Sponsor Banks. (Source: "Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)

**Small Finance Banks (SFB)** licensed under Banking Regulation Act, 1949 and created with an objective of furthering financial inclusion by primarily undertaking basic banking activities to un-served and underserved sections including small business units, small and marginal farmers, micro and small enterprises and other underserved sections. Payment Banks are public limited companies licensed under Banking Regulation Act, 1949, with specific licensing conditions restricting its activities mainly to acceptance of demand deposits and provision of payments and remittance services. (Source: "Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)

#### **Co-operative Banks**

Co-operative Banks means State Co-operative Banks, Central Co-operative Banks and Primary Co-operative Banks. Primary Co-operative Banks are also known as Urban Cooperative Banks and over the years, it has registered a significant growth in number, size and volume of business handled. State Cooperative Banks are the highest-level cooperative banks in each of the states. They raise funds and assist in their proper allocation among various sectors. Individual borrowers receive funds from state cooperative banks via central cooperative banks and primary credit societies. (Source: https://financialservices.gov.in/beta/en/banking-overview)

Co-operative Banks are registered under State Co-operative Societies Act of the State concerned or the Multi State Cooperative Societies Act, 2002 and its banking business is licensed and regulated by Reserve Bank of India. These banks are the financial entities that belong to its members, who are also the owners as well as the customers of their bank. Cooperative banks primarily support the agricultural activities, some small-scale industries and self-employed workers. (Source: https://financialservices.gov.in/beta/en/banking-overview)

In addition to Scheduled Commercial Banks and co-operative banks, All India Financial Institutions and Non-Banking Financial Companies also plays an important role in promoting inclusive growth in the country. (Source: https://financialservices.gov.in/beta/en/banking-overview)

# **All India Financial Institutions**

Financial Institutions plays an important role in the Indian financial system as they provide medium to long term finance to different sectors of the economy. These institutions have been set up to meet the growing demands of particular sectors, such as export, import, rural, housing and small industries. These institutions have been playing a crucial role in channelizing credit to these sectors and addressing the challenges / issues faced by them. (Source: "Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)

Export-Import Banks of India, Small Industries Development Bank of India, National Bank for Agriculture and Rural Development, National Housing Bank and National Bank for Financing Infrastructure and Development, are operating as All India Financial Institutions in India. (Source: ("Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)

### **Non-Banking Financial Companies (NBFCs)**

NBFCs are playing an important role in sustaining consumption demand as well as capital formation in small and medium industrial segment of the country. The reach and last mile advantages of NBFCs have empowered them with agility and innovation with cutting edge technology in providing formal financial services to under banked and unserved sections of the society. (Source: "Department of Financial Services", https://financialservices.gov.in/beta/en/banking-overview)

Depending upon the line of activity, NBFCs are categorised into different types such as asset finance company, loan company, infrastructure finance company, securitisation/asset reconstruction companies, investment company, (systemically important) core investment company, infrastructure debt fund – NBFC, NBFC – micro finance institution, NBFC – factors, mortgage guarantee companies, NBFC – non-operative financial holding company. (Source: RBI, Discussion Paper on Wholesale & Long-Term Finance Banks, April 2017)

## **Housing Finance Companies**

Housing finance companies are specialised institutions which extend housing credit, along with SCBs. Effective August 9, 2019 Housing finance companies are being regulated as a category of NBFCs, after the transfer of regulation of HFCs to the Reserve Bank by amendment of the National Housing Bank Act, 1987.

Furthermore, with a view of harmonising the regulations between HFCs and NBFCs in a phased manner, HFCs have undergone several legislative/regulatory changes. As of September 2024, there were 94 HFCs, of which only 12 were deposit taking entities. (Source: NHB, List of HFCs in India, available, accessed in September 2024, https://www.nhb.org.in/en/supervision/list-of-hfcs-in-india/)

### **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. (Source: 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. (Source: Banking, Regional Rural Banks, Department of Financial Services) In Fiscal 2022, ₹ 10,890 crore was allocated for the recapitalisation of RRBs to help in greater adoption of technology, accompanied by operational and governance reforms (Source: Key Statistics & Financial Statements of Regional Rural Banks, March 31, 2023, NABARD)

As of March 2023, there were 43 RRBs sponsored by 12 SCBs, with 21,995 branches, and operations extending to 30.5 crore deposit accounts and 2.9 crore loan accounts (Source:https://www.nabard.org/auth/writereaddata/WhatsNew/0109235107final-key-statistics-of-rrbs-2022-23.pdf, accessed in September 2024)

#### **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 harmonise 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. (Source: RBI Report of the working group for harmonising the role & operations of DFIs and Banks – May 1998)

#### **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 "Inprinciple" Approval to 10 Applicants for Small Finance Banks)

#### **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). As of September 2024, there are six (6) payments banks in India (Source: RBI. List of Payment Banks, accessed in September 2024)

## **Recent Developments in the Banking Sector**

The RBI from time to time also comes out with regulations and guidelines for the above mentioned institutions to ensure overall effectiveness and supervision of the banking system:

• The RBI in November 2023 had come out with a notification wherein it increased the risk weights on consumer loans and NBFCs by 25 percentage points (from 100% to 125%). For AAA-rated loans to NBFCs, the risk weight has been increased to 45% from the existing 20% (25 percentage point increase). These guidelines are applicable to Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) and Non-Banking Financial Companies (including HFCs). (Source: RBI Circular Regulatory measures towards consumer credit and bank credit to NBFCs)

- The Reserve Bank recently came out with draft guidelines on the financing of Projects under Implementation. The existing prescribed provisions for standard Project assets is 0.40% which the RBI has proposed to increase to 5%. This is expected to substantially increase the provisioning requirements for banks in India. These guidelines are applicable to all Commercial Banks (including Small Finance Banks but excluding Payments Banks), Local Area Banks and Regional Rural Banks, all Primary (Urban) Cooperative Banks, all All-India Financial Institutions, and all Non-Banking Financial Companies. (Source: RBI Circular Draft Prudential Framework for Income Recognition, Asset Classification and Provisioning pertaining to Advances Projects Under Implementation, Directions, 2024)
- RBI in its notification dated June 7, 2024 revised the definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term "Bulk Deposit" would now mean:
  - i. Single Rupee term deposits of Rupees three crore and above (earlier Rupees two crore) for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks.
  - ii. Single Rupee term deposits of Rupees one crore and above for Regional Rural Banks and Local Area Banks. (Source: RBI notification, dated June 7, 2024)

#### **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, 2003-2004). To provide financial support to the diversified growth of Industries across the sectors Industrial Finance Corporation of India as a statutory organisation was set up in 1948. To support the long-term infrastructure financing in India, the Government set-up the National Bank for Financing Infrastructure and Development ("NaBFID") in 2021. (Source: RBI Press Release dated March 9, 2022)

## **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, 2003-2004)

#### **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 of India ("IRDAI"). In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999, 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%. Insurance companies are required to be Indian-owned and controlled. In this context, "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: DPIIT, Consolidated FDI Policy (Effective from October 15, 2020))

As announced in the Union Budget for Fiscal 2022, 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, and international best practices. (Source: Monthly Economic Review, March 2021, Economic Division, Department of Economic Affairs, Government of India)

IRDAI has operationalized a series of regulatory changes in 2024 regarding health coverage. These changes include the removal of the upper age cap and the introduction of new features such as a customer information sheet to enhance transparency and the option to distribute claim amounts across multiple policies held with different companies. Also Health insurance companies have to do final authorisation for cashless claims within three hours of receiving a patient discharge request from the hospital and policy holders cannot be kept waiting to be discharged from hospital under any circumstances. (Source: Press release IRDAI)

The amendment to the Expenses of Management ("EOM") regulations grants significant greater flexibility and autonomy to industry players. This provision supports the industry in multiple ways as now they can determine how to manage their fixed costs and commissions according to the model that best suits their needs. As stakeholders gain better control over managing their expenses and reducing distribution costs, this will lead to improved pricing structures, ultimately benefiting the end consumer. This approach will harmonize the industry's diverse efforts towards the overarching goal of closing India's protection gap. (Source: IRDAI Amendment dated March https://irdai.gov.in/document-detail?documentId=3230806")

#### **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 month ended December 2024, the aggregate average assets under management for mutual funds (excluding fund of funds – domestic but including fund of funds – overseas) was ₹ 69,32,959.05 crore, and aggregate average assets under management for mutual funds (domestic fund of funds) was ₹ 91,082.27 crore. The total number of schemes as of December 2024 was 1700. (Source: Association of Mutual Funds in India, Monthly Report for the Month of December 2024). 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 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 soundness and resilience of India's banking sector has been underpinned by ongoing improvement in asset quality, enhanced provisioning for bad loans, sustained capital adequacy and rise in profitability. Credit growth remains robust, mainly driven by lending to services and personal loans. Deposit growth has also gained momentum due to transmission of previous rate increases resulting in repricing of deposits and higher accretion to term deposits. Pace of growth in advances by non-banking financial companies ("NBFCs") moderated during the second half of Fiscal 2024, reflecting the impact of regulatory prescription of higher risk weights on NBFC

lending to certain categories of consumer credit and bank lending to NBFCs. Overall, the NBFC sector maintained large capital buffers boosted by improving asset quality and robust earnings. On an incremental basis, bank lending to NBFCs declined in the second half of Fiscal 2024. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024*)

Financial intermediation by banks and other financial institutions supports private sector funding needs as well as public finance requirements in a growing economy. Even as banking business has expanded at a strong pace, asset quality and profitability have both witnessed sustained improvement, and capital positions have been strengthened. After the post-pandemic acceleration, however, credit by both banks and non-banking financial companies (NBFCs) in India has recorded some moderation across major sectors during 2024 so far. Against the backdrop of the recent monetary policy tightening cycle in India, bank deposits continue to exhibit double digit growth but their profile has gradually shifted towards schemes offering higher returns. While term deposit growth moderated for both PSBs and PVBs, they continue to outpace current and savings account (CASA) deposit growth. As on December 13, 2024, aggregate deposits of SCBs rose (y-o-y) by 11.4 per cent. The growth in bank credit has converged towards deposit growth - as on December 13, 2024, bank credit increased by 11.3 per cent (y-o-y). Bank group-wise break-up shows a moderation in credit growth for both PSBs and PVBs in September 2024; foreign banks (FBs) recorded a rise after a period of low growth. Industrial credit has been accelerating from low levels but remains below the growth in loans to other major sectors, viz., agricultural, services and personal loans segments. Services and personal loans led the overall credit growth; within personal loans, credit card receivables continued to post robust growth. Growth in personal loans has halved from high levels on the back of both high base and lower originations, but its expansion continued to be broad-based, with housing loans as the standout contributor. (Source: RBI – Financial Stability Report, December 2024).

Asset quality of SCBs improved further, with their GNPA ratio declining to a 12-year low of 2.6 per cent in September 2024. The NNPA ratio remained at around 0.6 per cent. The half-yearly slippage ratio, measuring new accretions to NPAs as a share of standard advances at the beginning of the half-year, increased marginally to 0.7 per cent. The provisioning coverage ratio (PCR) of SCBs improved further to 77.0 per cent in September 2024, largely due to proactive provisioning by PSBs. The write-off to GNPA ratio for FBs increased in September 2024 while that of PSBs and PVBs declined marginally. Disaggregation of NPA movements reveals that write-offs remain a significant component of NPA reduction. The improvement in asset quality of SCBs was broad based across sectors and bank groups. In the personal loans segment, asset quality remained largely stable, except for a marginal uptick in respect of credit card receivables across bank groups, which recorded the highest credit growth within the personal loans segment and may require careful monitoring. Within the industrial sector, asset quality exhibited sustained improvement across the major sub-sectors. (Source: RBI – Financial Stability Report December 2024).

The share of large borrowers in GNPA of SCBs has steadily declined over the past two years, faster than the reduction in their share in overall credit. The asset quality of banks' large borrower portfolios has improved considerably, with the GNPA ratio falling from 4.5 per cent in March 2023 to 2.4 per cent in September 2024. SMA-1 and SMA-2 loans have, however, risen sequentially (q-o-q) in the September 2024 quarter. Furthermore, the SMA-2 ratio for large borrowers increased significantly for PSBs in September 2024 from a year ago, warranting close monitoring. In the large borrower segment, the share of standard assets in total funded amount has consistently improved over the past two years. Within the large borrowers' cohort, the share of top 100 borrowers has decreased to 34.6 per cent in September 2024, reflecting a growing credit appetite among medium-sized borrowers. Notably, none of the top 100 borrowers are classified as NPAs in September 2024. In terms of value, investment grade advances (rated BBB and above) constituted 91.5 per cent of the funded advances to large borrowers with long-term external ratings. (Source: RBI – Financial Stability Report December 2024).

Deposit growth during this period stood at 11.7%. Deposits growth (y-o-y) of public sector banks inched up to 9.0 per cent in September 2024 (8.1 per cent in June 2024), which, however, remained well below that for other bank groups at above 15 per cent. (Source: RBI Deposits with Scheduled Commercial Banks, September, 2024, "https://rbi.org.in/scripts/BS PressReleaseDisplay.aspx?prid=59186")

Although recent regulatory measures, such as the increase in risk weights for exposure to unsecured loans and non-banking financial companies, and the impending transition to the estimated credit loss ("ECL")-based framework, could negatively affect reported capitalization levels, the capital positions of most constituent banks remain robust. These banks are well-equipped to absorb these impacts while continuing to grow their portfolios at a reasonable pace.

#### Performance - Assets and Earnings

Bank deposits growth (y-o-y) at 11.7 per cent in September 2024 remained close to that in the previous quarter. Deposits of all population groups (viz., rural/semi-urban/urban/metropolitan) recorded double-digit annual growth; during Q2:2024-25, 66.5 per cent of the total incremental deposits contributed by the metropolitan branches, which have 54.7 per cent share in total deposits. Of the total deposits, 51.4 per cent was held by individuals; female depositors owned nearly 40 percent of the deposits by individuals. A substantial amount of deposits has shifted to higher interest rate bucket during the latest monetary policy tightening cycle; term deposits bearing over 7 per cent interest rate has increased to 68.8 per cent from 54.7 per cent a year ago and 33.7 per cent in March 2023. As term deposits offered more attractive return, they also outpaced the growth in CASA (current account and savings account) deposits, and their share in total deposits rose to 61.4 per cent in September 2024 from 59.8 per cent a year ago. Deposits growth (y-o-y) of public sector banks inched up to 9.0 per cent in September 2024 (8.1 per cent in June 2024), which, however, remained well below that for other bank groups at above 15 per cent. The share of senior citizens' deposits increased to 20.1 per cent in September 2024 from 19.7 per cent a year ago. (Source: RBI – BSR 2: Deposits with Scheduled Commercial Banks - September 2024 dated Nov 26, 2024).

Bank credit growth (y-o-y) moderated to 12.6 per cent in September 2024 from 15.3 per cent, net of merger, in March 2024; metropolitan branches of banks, which accounted for 60.6 per cent of loans, recorded lower growth of 11.6 per cent. Agriculture, industry, housing and personal (non-housing) loans had 11.5 per cent, 23.7 per cent, 16.5 per cent and 14.9 per cent shares, respectively, in credit by non-RRB SCBs; they recorded 13.2 per cent, 10.4 per cent, 13.2 per cent and 17.5 per cent growth (y-o-y), respectively. Credit to private corporate sector exceeded the headline credit growth and stood at 16.5 per cent (y-o-y) in September 2024; working capital loans accelerated to 15.3 per cent from 14.1 per cent a year ago. The share of female borrowers' loans to individuals has been rising gradually and it stood at 23.6 per cent in September 2024. Public sector banks (PSBs) and private sector banks (PVBs) which have 53.2 per cent and 41.8 per cent shares, respectively, in credit by non-RRB SCBs, recorded 13.0 per cent and 11.9 per cent increase (y-o-y), respectively, in September 2024. (Source: RBI – BSR -1: Outstanding Credit of Scheduled Commercial Banks – September 2024 dated Nov 26, 2024).

The banks' net interest margins (NIM) and profitability also remained solid. Consequently, their returns on assets (RoA) and returns on equity (RoE) rose to 1.4 per cent and 14.1 per cent, respectively, in September 2024. (*Source: RBI – Financial Stability Report December 2024*).

A growing net interest income ("NII") and other operating income ("OOI") and coupled with a decline in the need for additional provisions due to declining NPAs, resulted in their profit after tax ("PAT") rising year-on-year by 32.5% in March 2024, despite an increase in operating expenses. The NIM of PVBs stood at 4.3% as of March 2024. On the back of significant increase in NII and OOI, PVBs registered higher PAT growth vis-à-vis PSBs. A significant fall in OOI of FBs, however, led to moderation in their PAT despite a steep fall in provisioning. (Source: RBI – Financial Stability Report Issue No. 29, June 2024)

Profitability indicators remained strong: The banks' net interest margins (NIM) and profitability also remained solid.

Consequently, their returns on assets (RoA) and returns on equity (RoE) rose to 1.4 per cent and 14.1 per cent, respectively, in September 2024. Both return on equity (RoE) and return on assets (RoA) ratios have improved in September 2024. The soundness of scheduled commercial banks (SCBs) has been bolstered by strong profitability, lower non-performing assets and adequate capital and liquidity buffers. Return on assets (RoA) and return on equity (RoE) are at decadal highs, while gross non-performing assets (GNPA) ratio has fallen to a multi-year low. The yield on assets remained broadly stable. Profitability of SCBs improved during H1:2024-25, with profit after tax (PAT) surging by 22.2 per cent (y-o-y). PSBs and PVBs recorded PAT growth of 30.2 per cent and 20.2 per cent, respectively, while FBs experienced single digit growth (8.9 per cent). The rise in other operating income (OOI) contributed significantly to the rise in profits of PSBs and PVBs. (Source: RBI – Financial Stability Report, December 2024)

#### Asset Quality and Capital Adequacy

CRAR and CET1 ratios of SCBs displayed similar movements and stood at 16.7 per cent and 14.0 per cent, respectively, in September 2024, which were much higher than the regulatory minimum. The overall Tier 1 leverage ratio 10 remained stable. The asset quality of SCBs recorded sustained improvement and their GNPA ratio improved in March 2024 to a 12-year low level (2.8% as on March 2024). Their NNPA ratio too has improved to a record low (0.6% as on March 2024). Among bank groups, PSBs' GNPA ratio recorded substantial reduction

(76 basis points) in the second half of Fiscal 2024. With the stock of GNPA coming down, requirement of provisions also reduced; however, active and deep provisioning by SCBs was reflected in their improved PCR in March 2024 (76.4% as on March 2024). The GNPA ratio for PVBs stood at 1.8% in March 2024. The NNPA ratio for PVBs stood at 0.5% in March 2024. The half-yearly slippage ratio (viz., new NPA accretions as a share of standard advances), decreased across bank groups. It stood at 0.5% for PSBs and 0.8% for PVBs as on March 2024, compared to 0.7% and 1.2% in September 2023 respectively. Though the amount of write-offs declined during the year, the write-off ratio remained almost at the same level as a year ago (28.9% as on March 2024), due to reduction in GNPA stock. Overall, the sustained reduction in the GNPA ratio since March 2020 has been primarily due to a persistent fall in new NPA accretions and increased write-offs. (Source: RBI – Financial Stability Report, December 2024, RBI – Financial Stability Report Issue No. 29, June 2024, RBI – Financial Stability Report Issue No. 28, December 2023)

For PVBs CRAR stood at 17.8% in March 2024. The Tier I leverage ratio remained close to its September 2023 level, with additional Tier I capital accretion matching incremental total exposure during the second half of Fiscal 2024 (7.8%). The Tier I leverage ratio for PVBs stood at 9.7% in March 2024. During the second half of the year CRARs of PSBs increased but they declined for PVBs and FBs that had higher shares of certain categories of loans for which risk weights were increased under regulatory measures. (*Source: RBI – Financial Stability Report Issue No. 29, June 2024*)

The RBI increased the risk weights for banks i.e. the capital that banks need to set aside for every loan by 25 percentage points to 125% on retail loans. Moreover, risk weights on credit card exposures have been increased by 25 percentage points to 150% for banks. (Source: RBI Circular – Regulatory measures towards consumer credit and bank credit to NBFCs dated November 16, 2023) A higher risk weight implies a higher capital requirement for a given exposure, potentially leading to a lower Capital Adequacy Ratio ("CAR") which could lead banks to raise additional capital to meet regulatory requirements. Higher RWAs will keep a check on unsecured lending by the banks instilling suitable safeguards in banks' own interest.

## Sectoral Asset Quality

The asset quality of SCBs recorded sustained improvement and their GNPA ratio moderated to a 12-year low in March 2024. Among major sectors, the impairment ratio in agriculture remained the highest with 6.2%, but it has recorded persistent improvement during the second half of Fiscal 2024 down from 7.0% from the first half of Fiscal 2024. At an overall level, asset quality in the personal loans segment has improved across bank groups. Even, the credit card receivables category, which has the highest GNPA ratio in the personal loans segment has shown improvement from 13.3% in September 2023 to 11.3% as of March 2024. Within the industrial sector, asset quality improved across all major sub-sectors barring the vehicles and transport equipment sector that accounts for 3.0% share in bank credit to industry. (Source: RBI – Financial Stability Report Issue No. 29, June 2024)

# Credit Quality of Large Borrowers

The improvement in asset quality of SCBs was broad based across sectors and bank groups. In the personal loans segment, asset quality remained largely stable, except for a marginal uptick in respect of credit card receivables across bank groups, which recorded the highest credit growth within the personal loans segment and may require careful monitoring. Within the industrial sector, asset quality exhibited sustained improvement across the major sub-sectors. The share of large borrowers in GNPA of SCBs has steadily declined over the past two years, faster than the reduction in their share in overall credit. The asset quality of banks' large borrower portfolios has improved considerably, with the GNPA ratio falling from 4.5 per cent in March 2023 to 2.4 per cent in September 2024. SMA-1 and SMA-2 loans have, however, risen sequentially (q-o-q) in the September 2024 quarter. Furthermore, the SMA-2 ratio for large borrowers increased significantly for PSBs in September 2024 from a year ago, warranting close monitoring. In the large borrower segment, the share of standard assets in total funded amount has consistently improved over the past two years. Within the large borrowers' cohort, the share of top 100 borrowers has decreased to 34.6 per cent in September 2024, reflecting a growing credit appetite among medium- sized borrowers. Notably, none of the top 100 borrowers are classified as NPAs in September 2024. In terms of value, investment grade advances (rated BBB and above) constituted 91.5 per cent of the funded advances to large borrowers with long-term external ratings. (Source: RBI - Financial Stability Report, December 2024)

## Resilience – Macro Stress Tests

Macro stress tests are performed to assess the resilience of SCBs' balance sheets to unforeseen shocks emanating from the macroeconomic environment. The framework for macro stress testing has been revised from this issue

of the FSR. The macro stress tests attempt to project capital ratios of banks under a baseline and two adverse macro scenarios over a one-and-half year horizon, i.e., till end-March 2026 incorporating credit risk, interest rate risk in the banking book and market risk. The baseline scenario is derived from the forecasted path of macroeconomic variables. The two adverse scenarios are stringent conservative hypothetical stress scenarios. (Adverse Scenario 1: This scenario assumes persisting geopolitical risks and escalation of global financial market volatility. Due to supply chain disruptions percolating to commodity prices, domestic inflation soars. Consequently, domestic monetary policy tightens and the spread between policy rate and lending rate widens. Adverse Scenario 2: This scenario assumes that global and idiosyncratic risk factors blend to trigger a synchronized sharp growth slowdown in key economies. Spillovers through trade and financial channels as well as market fragmentation impact domestic GDP growth. The scenario further assumes that although the central bank eases monetary policy, incomplete monetary policy transmission due to high uncertainty widens the spread between policy rate and lending rate.) The paths of the macro variables under the adverse scenarios are derived by performing simulations that are based on a vector autoregression model with exogenous variables (VARX). The stress test results reveal that the aggregate CRAR of 46 major SCBs may fall from 16.6 per cent in September 2024 to 16.5 per cent by March 2026 under the baseline scenario and to 15.7 per cent under adverse scenario 2. No bank would fall short of the minimum capital requirement of 9 per cent under both the scenarios. However, under adverse scenario 1, SCBs' aggregate CRAR may deplete to 14.3 per cent and four banks may breach the minimum capital requirement of 9 per cent. The CET1 capital ratio of the select 46 banks may marginally rise from 13.9 per cent in September 2024 to 14.1 per cent by March 2026 under the baseline scenario, but it may worsen to 13.2 per cent under adverse scenario 2. Under adverse scenario 1, the ratio may fall to 11.9 per cent and one bank may breach the minimum capital requirement of 5.5 per cent, although none of the banks would fail under the baseline scenario and adverse scenario 2. The aggregate GNPA ratio of the 46 banks may rise from 2.6 per cent in September 2024 to 3.0 per cent in March 2026 under the baseline scenario and further to 5.0 per cent and 5.3 per cent, respectively, under adverse scenario 1 and adverse scenario 2. Credit risk is comparatively severe under adverse scenario 2; the GNPA ratios of PSBs may rise from 3.3 per cent in September 2024 to 7.3 per cent in March 2026, whereas it may go up from 1.9 per cent to 2.9 per cent for PVBs and from 0.9 per cent to 1.4 per cent for FBs. (Source: RBI - Financial Stability Report, December 2024)

## 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. (Source: RBI Annual Report – 2019-20)

For instance, the volume (in terms of number of transfers) of Real Time Gross Settlement ("RTGS"), immediate payment service ("IMPS"), National Electronic Funds Transfer ("NEFT") and United Payment Interface ("UPI") transfers were 7.00 crore, 600.53 crore, 726.40 crore, and 13,112.95 crore, respectively, in Fiscal 2024, up from 24.26 crore, 565.33 crore, 528.47 crore and 8,371.44 crore, respectively in Fiscal 2023. The value of RTGS, IMPS, NEFT and UPI transfers were ₹ 7,08.9 lakh crore, ₹ 65.0 lakh crore, ₹ 391.4 lakh crore and ₹ 200.0 lakh crore, respectively, in Fiscal 2024, compared to ₹ 1,499.46 lakh crore, ₹ 55.85 lakh crore, ₹ 337.20 lakh crore and ₹ 139.15 lakh crore, respectively, in Fiscal 2023. (Source: RBI Annual Report – 2023-2024).

The RBI is also engaged in introduction of Digital Rupee ("e₹"), the central bank digital currency ("CBDC") in India. It is similar to the physical currency in terms of being a legal tender, accepted as a medium of payment and a safe store of value. The e₹ will provide an additional form of money to be used by the public. (Source: RBI – Financial Stability Report Issue No. 26, December 2022). Additionally, the RBI plans to expand access to Central Bank Digital Currency ("CBDC") wallets to a broader customer base by allowing non-bank payment system operators to offer them.

Recently, the RBI has also proposed to set up a Digital Payments Intelligence Platform which will harness advanced technologies to mitigate payment fraud risks, and to bring recurring payments such as Fastag, NCMC, UPI Lite, etc. within the ambit of the e-mandate framework by introducing an auto-replenishment facility for such payments. (Source: RBI Statement on Developmental and Regulatory Policies, June 19, 2024).

To mitigate the attendant risks like algorithmic bias, explainability of decisions, data privacy, etc., it proposed to constitute a committee to develop a Framework for Responsible and Ethical Enablement of AI (FREE-AI) in the Financial Sector. The Committee will comprise of experts from diverse fields and shall recommend a robust, comprehensive, and adaptable AI framework for the financial sector. The details of the committee will be notified separately. Furthermore, the Reserve Bank has been taking various measures in coordination with banks and other

stakeholders to prevent and mitigate digital frauds in the financial sector. These include RBI guidelines to regulated entities for strengthening cybersecurity, cyber fraud prevention and transaction monitoring. Use of money mule accounts is a common method adopted by fraudsters to channel proceeds of frauds. The Reserve Bank is currently running a hackathon on the theme "Zero Financial Frauds" which includes a specific problem statement on mule accounts, to encourage development of innovative solutions to contain the use of mule accounts. Another initiative in this direction is the AI / ML based model called MuleHunter.AI<sup>TM</sup>, being piloted by Reserve Bank Innovation Hub (RBIH), a subsidiary of Reserve Bank. This model enables detection of mule bank accounts in an efficient manner. A pilot with two large public sector banks has yielded encouraging results. Banks are encouraged to collaborate with RBIH to further develop the MuleHunter.AI<sup>TM</sup> initiative to deal with the issue of mule bank accounts being used for committing financial frauds. (Source: RBI Statement on Developmental and Regulatory Policies, December 06, 2024)

While the adoption of new and emerging technology for supervisory processes (known as SupTech) continues to trend upward, the adoption rates between advanced economies and emerging market and developing economies are uneven (Cambridge SupTech Lab 2023). Periodic upskilling and upgrading should help financial sector authorities identify AI use—specific issues like models designed to "game the regulation" and detect algorithmic coordination. Finally, existing cross-sectoral thematic reviews could reveal potential herding or material interconnectedness among market participants and also help identify best practices in the use of AI (Securities and Exchange Board of India 2019). (Source: IMF- Error! Hyperlink reference not valid.)

#### **Certain Key Banking Business Sectors**

#### MSME Sector

Both public and private sector banks increased their lending to the MSME sector in Fiscal 2024. The strong growth, despite the expiry of the Emergency Credit Line Guarantee Scheme ("ECLGS"), introduced during the COVID-19 pandemic, points to the underlying growth momentum of the sector.

In the Union Budget for Fiscal 2024, the government announced the revamping of credit guarantee scheme for micro and small enterprises with effect from April 1, 2023, with an infusion of  $\gtrless$  9,000 crore to the corpus to enable additional collateral-free guaranteed credit of  $\gtrless$  2 lakh crore and the reduction in the cost of the credit by about 1%. Besides, the limit on ceiling for guarantees has been enhanced from  $\gtrless$  2 crore to  $\gtrless$  5 crore (Source: RBI Annual Report - 2023-2024)

## Priority Sector - I

The priority sector lending ("PSL") for SCBs stood at 45.1% as on March 31, 2024. All bank groups achieved the prescribed PSL target of 40% during Fiscal 2024. In case any bank falls short in achieving priority sector targets/sub-targets, they are advised to contribute towards the Rural Infrastructure Development Fund ("RIDF") and other funds administered by the National Bank for Agriculture and Rural Development ("NABARD"), Small Industries Development Bank of India, Micro Units Development & Refinance Agency Ltd. and National Housing Bank. (Source: RBI Annual Report 2023-2024)

(₹ in lakh crore, except parentheses)

Financial Year	Public Sector Banks	<b>Private Sector Banks</b>	Foreign Banks
2022	28.4	19.5	2.3
2023	(43.7)	(45.3)	(42.8)
2024*	32.2	24.7	2.3
2024*	(43.4)	(48.1)	(41.5)

(Source: RBI Annual Report 2023-2024)

## **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 spill over 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. Banks shall maintain a minimum Pillar 1 capital to risk-weighted assets ratio of 9% on an on-going basis (other than capital conservation buffer and countercyclical capital buffer amongst others). Common Equity Tier 1 capital must be at least 5.5% of risk-weighted assets ("RWAs"). Tier 1 capital must be at least 7% of RWAs on an ongoing basis. Thus, within the minimum Tier 1 capital, Additional Tier 1 capital can be admitted maximum at 1.5% of RWAs. Banks are also required to maintain a capital conservation buffer ("CCB") of 2.5% of RWAs in the form of Common Equity Tier 1 capital. (Source: RBI Master Circular - Basel III Capital Regulations, April 1, 2024)

The RBI has advised ECAIs to disclose the name of the banks and the corresponding credit facilities rated by them in the Press Releases issued on rating actions. A bank loan rating without this disclosure by the ECAI shall not be eligible for being reckoned for capital computation by banks. (Source: RBI Master Circular - Basel III Capital Regulations, April 1, 2024)

In addition, the Basel III liquidity framework introduced the net stable funding ratio ("NSFR"), 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 economic stress on account of COVID-19, it was decided to defer the implementation of NSFR guidelines by a further period of six months. Accordingly, the NSFR Guidelines came into effect from October 1, 2021. (Source: RBI – Basel III Framework on Liquidity Standards – Net Stable Funding Ratio, 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 Master Circular – Basel III Capital Regulations, April 1, 2024)

## **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-SIBs"). 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 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. As per the RBI press release dated December 28, 2023, SBI and HDFC Bank are required to maintain additional CET1 requirements as a percentage of RWAs of 0.8% and 0.4% respectively, which will be effective from April 1, 2025. The additional Common Equity Tier 1 ("CET1") requirement will be in addition to the capital conservation buffer. (Source: RBI releases 2018 List of Domestic Systemically Important Banks dated March 14, 2019 and RBI releases 2020 List of Domestic Systemically Important Banks dated January 19, 2021 and RBI releases 2022 List of Domestic Systemically Important Banks dated January 2, 2023 and RBI releases 2023 List of Domestic Systemically Important Banks dated December 28, 2023)

#### The Insolvency and Bankruptcy Code (Amendment) Act, 2017

The Insolvency and Bankruptcy Code ("**IBC**") (Amendment) Act, 2017 bars willful 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

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (effective June 5, 2020) provides a time-bound process for resolving insolvency in companies and among individuals. The Act seeks to temporarily suspend initiation of the corporate insolvency resolution process ("CIRP") under the IBC. The Act provides that, for defaults arising during the six months from March 25, 2020, CIRP can never be initiated by either the company or its creditors. The central government may extend this period to one year by way of a notification. The Act clarifies that, during this period, CIRP can be initiated for any defaults arising before March 25, 2020. Under the IBC, a Director or Partner of the corporate debtor may be liable to make personal contributions to the assets of the company in certain situations. This liability can occur if, despite knowing that the insolvency proceedings could not be avoided, the person did not exercise due diligence in minimizing potential loss to the creditors. The resolution professional may apply to the National Company Law Tribunal to hold such persons liable. The resolution professional is appointed to manage the resolution process upon the acceptance of an application for initiation of the CIRP. The Bill prohibits the resolution professional from filing such an application in relation to the defaults for which initiation of the CIRP has been prohibited. (Source: The Gazette of India – The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 dated September 23, 2020)

## The Insolvency and Bankruptcy Code (Amendment) Act, 2021

The Insolvency and Bankruptcy Code (Amendment) Act, 2021 (effective April 4, 2021) introduced an alternate insolvency resolution process called the Pre-packaged Insolvency Resolution Process ("PPIRP") for MSMEs with minimum amount of default is Rs. 1 lakh and maximum no ceiling. It also allows Distressed Corporate Debtors ("CDs") to initiate a PPIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism. The management of the affairs of the corporate debtor shall continue to vest in the board of directors or the partners who shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern. (Source: The Gazette of India – The Insolvency and Bankruptcy Code (Amendment) Act, 2021 dated August 11, 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 Bill 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)

## Recent Policy Measures Undertaken by the RBI

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 the market participants in the context of the borrowing programme of the centre and states for 2021-22, it has been decided to extend the dispensation of enhanced HTM of 22 per cent up to March 31, 2023 to include securities acquired between April 1, 2021 and March 31, 2022. (Source: RBI - Statement on Developmental and Regulatory Policies dated February 5, 2021). With a view to enable banks to better manage their investment portfolios, it has now been decided to extend the dispensation of the enhanced HTM limit of 23% from 22% up to March 31, 2024 to include securities acquired between September 1, 2020 and March 31, 2024. The HTM limit will be restored from 23% to 19.5% in a phased manner starting from the quarter ending June 30, 2024. (Source: RBI Annual Report – 2023-2024)

#### Individual Housing Loans – Rationalisation of Risk Weights

On October 12, 2020, the RBI had rationalized the risk weights for individual housing loans by linking them only with loan to value ratios for all new housing loans sanctioned up to March 31, 2022. Taking importance of the housing sector into consideration along with its multiplier effects and its role in supporting the overall credit growth, it was decided that the risk weights as prescribed in October 2020 circular shall continue for all new housing loans sanctioned up to March 31, 2023. (Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)

## Introduction of the Standing Deposit Facility

In 2018, RBI introduced Standing Deposit Facility ("SDF") – an additional tool for absorbing liquidity without any collateral. On April 8, 2022, it was decided to institute SDF with an interest rate of 3.75% with immediate effect. The SDF will replace the fixed rate reverse repo ("FRRR") as the floor of the liquidity adjustment facility ("LAF") corridor. Both the standing facilities viz., the marginal standing facility ("MSF") and the SDF will be available on all days of the week, throughout the year. The FRRR rate was retained at 3.35%. The FRRR along with the SDF will impart flexibility to the RBI's liquidity management framework. (Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)

## Restoration of the Symmetric LAF Corridor

With effect from April 8, 2022, the RBI restored width of LAF corridor to pre-pandemic level. With the introduction of the SDF at 3.75%, the policy repo rate being at 4.00% and the MSF rate at 4.25%, the width of the LAF corridor is restored to its pre-pandemic configuration of 50 basis points. (Source: RBI – Statement on Developmental and Regulatory Policies dated April 8, 2022)

## Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies

On January 16, 2023, the RBI issued Master Directions and guidelines for major shareholders (Acquisition and Holding of Shares or Voting Rights in Banking Companies) consolidating the earlier directions. The major changes made in the guidelines include updates in the limits on permissible shareholding by different categories of shareholders, introduction of reporting requirements for encumbrance of shares by promoter and strengthening of arrangements for continuous monitoring of the 'fit and proper' status of major shareholders of a banking company. (Source: RBI Notifications on 'Master Directions and Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies' dated January 16, 2023. Available at Error! Hyperlink reference not valid.)

#### Securities Lending and Borrowing in Government Securities

The RBI proposed to permit lending and borrowing of Government securities which will augment the existing market for 'special repos'. The system is expected to facilitate wider participation in the securities lending market by providing investors an avenue to deploy idle securities and enhance portfolio returns. (*Source: RBI – Statement on Developmental and Regulatory Policies dated February 8, 2023*). The eligible securities for Government Securities Lending ("GSL") are – (a) Government securities issued by the Central Government excluding Treasury Bills shall be eligible for lending/borrowing under a GSL transaction. Securities obtained under a repo transaction shall also be eligible to be lent under a GSL transaction; (b) Government securities issued by the Central Government (including Treasury Bills) and the State Governments shall be eligible for placing as collateral under a GSL transaction. Securities obtained under a repo transaction, including through Reserve Bank's Liquidity

Adjustment Facility, or borrowed under another GSL transaction shall also be eligible to be placed as collateral under a GSL transaction.

The use of security borrowed and substitution of collateral is (a) Securities borrowed under a GSL transaction may be - (1) Sold either through an outright or a repo transaction or used for meeting a delivery obligation in a short sale; or (2) Used for availing Reserve Bank's Liquidity Adjustment Facility; or; (3) Lent under another GSL transaction; or; (d) Placed as collateral under another GSL transaction; (b) Securities placed as collateral may be substituted by the borrower with other eligible securities in terms of the rules of the central counterparty.

The computation of Statutory Liquidity Ratio ("SLR") – (1) SLR eligible securities borrowed under a GSL transaction shall be eligible to be reckoned for SLR by the borrower. Accordingly, such securities lent under a GSL transaction shall not be eligible to be reckoned for SLR by the lender; (2) SLR eligible securities received as collateral under a GSL transaction shall be eligible to be reckoned for SLR by the lender. Accordingly, such securities placed as collateral under a GSL transaction shall not be eligible to be reckoned for SLR by the borrower (Reserve Bank of India (Government Securities Lending) Directions, 2023 dated December 27, 2023)

## Recovery of Penal Charges on Loans

The extant regulatory guidelines on levy of penal interest have been reviewed by the RBI. It has been decided that any penalty for delay/default in servicing of the loan or any other non-compliance of material terms and conditions of loan contract by the borrower shall be in the form of 'penal charges' in a reasonable and transparent manner and shall not be levied in the form of 'penal interest' that is added to the rate of interest being charged on the advances. Further, there shall be no capitalization of penal charges (i.e., the same shall be recovered separately and shall not be added to the principal outstanding). However, in case of any deterioration in credit risk profile of the borrower, Regulated Entities ("REs") shall be free to alter the credit risk premium under extant guidelines on interest rate. (Source: RBI – Statement on Developmental and Regulatory Policies dated February 8, 2023)

## Governance, measurement, and management of Interest Rate Risk in Banking Book

On February 17, 2023, the RBI issued final guidelines on Interest Rate Risk in Banking Book ("IRRBB"), in line with revised framework issued by the Basel Committee on Banking Supervision ("BCBS"). The IRRBB arises from banking activities and is encountered by all banks. It arises because interest rates can vary significantly over time, while the business of banking typically involves intermediation activity that produces exposure to both maturity mismatch and rate mismatch. The date of implementation will be communicated in due course. (Source: RBI Notifications on 'Governance, measurement and management of Interest Rate Risk in Banking Book' dated February 17, 2023)

#### Operation of Pre-Sanctioned Credit Lines at Banks through the Unified Payments Interface

Unified Payments Interface ("UPI") is a robust payments platform supporting an array of features. Presently it handles 75% of the retail digital payments volume in India. The UPI system has been leveraged to develop products and features aligned to India's payments digitization goals. Recently, RuPay credit cards were permitted to be linked to UPI. It is now proposed to expand the scope of UPI by enabling transfer to / from pre-sanctioned credit lines at banks, in addition to deposit accounts. Currently, savings account, overdraft account, prepaid wallets and credit cards can be linked to UPI. (Source: RBI – Statement on Developmental and Regulatory Policies dated April 6, 2023 and RBI – Statement on Developmental and Regulatory Policies dated September 4, 2023)

### Framework for acceptance of Green Deposits

On April 11, 2023, the RBI notified framework for acceptance of green deposits to enable financial sector mobilising resources and their allocation thereof in green activities/projects. The framework to come in effect from June 1, 2023. (Source: RBI Notifications on 'Framework for acceptance of Green Deposits' dated April 11, 2023)

## ₹ 2,000 Denomination Banknotes – Withdrawal from Circulation

On May 19, the RBI decided to withdraw ₹ 2,000 denomination banknotes from circulation in pursuance of the "Clean Note Policy". The ₹ 2000 denomination banknotes will remain legal tender. The facility for deposit and/or exchange of ₹ 2,000 banknotes shall be available for members of the public up to September 30, 2023. (Source: RBI Circular) As the period specified for the withdrawal has come to an end, based on a review, it has been decided

to extend the current arrangement for deposit / exchange of ₹ 2,000 banknotes until October 7, 2023. With effect from October 8, 2023, banks shall stop accepting ₹ 2000 banknotes for credit to accounts or exchange to other denomination banknotes. ₹ 2,000 banknotes shall continue to be allowed to be presented at the 19 Regional Offices of RBI having Issue Departments (RBI Issue offices) for credit to the bank accounts in India or exchange (Source: RBI Circular)

# Guidelines on Default Loss Guarantee in Digital Lending

The RBI decided to permit arrangements between **REs** and Lending Service Providers ("**LSPs**") or between two REs involving default loss guarantee ("**DLG**"), commonly known as FLDG, subject to the guidelines laid down in the Annex to the referred circular. DLG arrangements conforming to these guidelines shall not be treated as 'synthetic securitisation' and/or shall also not attract the provisions of 'loan participation'. (Source: RBI Notifications dated June 8, 2023)

## Requirement for maintaining additional Cash Reserve Ratio ("CRR")

On August 10, 2023, while reviewing the monetary policy for Fiscal 2024, the RBI announced incremental CRR ("I-CRR") of 10% on the increase in net demand and time liabilities ("NDTL") between May 19, 2023, and July 28, 2023. (Source: RBI Notifications dated August 10, 2023)

As announced in the RBI Press Release dated September 08, 2023, on a review, it has been decided to discontinue the I-CRR in a phased manner. Based on an assessment of current and evolving liquidity conditions, it has been decided that the amounts impounded under the I-CRR would be released in stages so that system liquidity is not subjected to sudden shocks and money markets function in an orderly manner. As on September 9, September 23 and October 7, 2023 amount to be released are 25%, 25% and 50% of the ICRR maintained. (*Source: RBI Notifications dated September 8, 2023*)

## Regulatory measures towards consumer credit and bank credit to NBFCs

On November 16, 2023, RBI has announced the following regulatory measures towards consumer credit and bank credit to NBFCs:

## A. Consumer credit exposure

- (a) The risk weight for commercial banks towards consumer credit (outstanding as well as new) including personal loan, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery has been increased by 25% points from 100% to 125%; and
- (b) The risk weight for credit card receivables of SCBs has been increased by 25% points from 125% to 150%.

#### B. Bank credit to NBFCs

Increase the risk weight on exposure of SCBs to NBFCs (excluding core investment companies) by 25% points in all cases where the extant of risk weight as per external rating of NBFCs is below 100%. For this purpose, loans to HFCs, and loans to NBFCs which are eligible for classification as priority sector shall be excluded.

## C. Strengthening credit standards

The REs shall review their extant sectoral exposure limits for consumer credit and put in place, if not already there, Board approved limits in respect of various sub-segments under consumer credit as may be considered necessary by the Boards as part of prudent risk management. In particular, limits shall be prescribed for all unsecured consumer credit exposures. The limits so fixed shall be strictly adhered to and monitored on an ongoing basis by the Risk Management Committee.

All top-up loans extended by REs against movable assets which are inherently depreciating in nature, such as vehicles, shall be treated as unsecured loans for credit appraisal, prudential limits and exposure purposes. (Source: RBI notifications dated November 16, 2023)

## Revised definition of "Bulk Deposits":

Revised definition of bulk deposits for all Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks. The term "Bulk Deposit" would now mean:

- 1. Single Rupee term deposits of Rupees three crore and above for Scheduled Commercial Banks (excluding RRBs) and Small Finance Banks
- 2. Single Rupee term deposits of Rupees one crore and above for Local Area Banks as applicable in case of Regional Rural Banks

(Source: Amendment to Master Direction – Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated June 7, 2024)

#### **OUR BUSINESS**

Some of the information in the following section, including information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" beginning on page 19. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

For a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 38 and 80, respectively, for a discussion of certain risks and analysis of factors that may affect our business, financial condition or results of operations or cash flows.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Unaudited Financial Results and the Audited Financial Statements included in this Placement Document in "Financial Statements" beginning on page 281.

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 "GoI") 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 our Bank, the Lead Managers or any of their affiliates or advisers. This section should be read together with "Industry Overview" beginning on pages 156.

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

## **OVERVIEW**

Our Bank was founded on February 10, 1937 by Shri. M. Ct. M. Chidambaram Chettyar and has since served 88 years in the Indian banking system. Our Bank was one of the 13 major banks that was nationalized in 1969. As of December 31, 2024, the President of India, acting through the Ministry of Finance, Government of India, owned 96.38% of our Bank and, accordingly, exercises control over our management and operations.

With over 88 years of operational experience, our Bank offers a wide range of banking products and services to meet the needs of our customers, including both resident and non-resident Indians. We offer banking products in the agricultural; corporate banking; retail banking; micro, small and medium-sized enterprises ("MSME") and overseas sectors spread across the metro, urban, sub-urban and rural geographies. In line with our vision "to emerge as the preferred bank connecting generations with high standards of ethics and governance", we are committed to our mission of providing best banking solutions through digital and physical experience for customer delight.

As on date of this Placement Document, our business operations are broadly categorised into four verticals: (i) corporate/ wholesale banking; (ii) retail banking; (iii) treasury; and (iv) other banking operations. We offer a range of products and services offered by the Bank under these vertices includes loans and advances, deposits, foreign exchange products, retail lending and services, including:

- *Corporate/ wholesale banking*. We offer banking services such as project and corporate finance, working capital, short term credit, forex loan products such as export import credit, LC, LG, buyers' credit.
- Retail banking. We offer a wide range of consumer credit products, including personal loans, home loans, vehicle loans, education loans, mortgage loans, and credit card services. Our deposit products include savings accounts, time deposits and tailored deposit products for customers in various sectors, such as accounts for high net worth individuals, non-resident Rupee accounts and tax-saving deposit products.
- Treasury. Our Bank also handles treasury functions of State and Central Governments.
- Other banking operations. Our other businesses include bancassurance (marketing of life and non-life insurance products), international banking, sale of mutual fund products, agricultural lending and depository services.

As on the date of this Placement Document, our Bank has operations both domestically and globally, with presence in four countries, being, Singapore, Hong Kong, Thailand and Sri Lanka.

We deliver a wide range of banking products and services to our customers through a variety of channels, including bank branches, asset servicing offices, ATMs, call centres, internet and mobile phones. As at December 31, 2024, our Bank has an established network of 3,324 branches, 9,041 business correspondents and 3,503 ATMs, with 58.12% catering to the rural and semi-urban areas. Our Bank's branch network is further complemented by its digital banking solutions that enable it to provide its customers with access to on-demand banking services. We are focused on continuing investment in our digital innovations and have in place a clear strategy co-developed with one of the recognised consultancy firms.

Our Bank also has sustained growth in low-cost CASA deposits within its deposit mix contributing toward 72.59% of the domestic advances as on December 31, 2024. The table below sets forth certain details about our Bank's CASA, for the periods indicated:

As at and for the nine ended				period	As at and for the Fiscal ended					
	Decemb 202	,		December 31, 2024 March 31, 2023		March 31, 2023		March 31	1, 2022	
Particul ars	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi	Amount (₹ in million)	% of the total domes tic deposi ts
CASA	1,323,37 5.34	43.37	1,209,14 5.12	43.49	1,255,08 2.90	43.90	1,141,12 8.04	43.74	1,138,76 6.70	43.44
Domesti c CASA	1,298,09 8.81	42.54	1,184,65 2.93	43.75	1,234,34 5.30	44.25	1,120,92 9.99	44.07	1,120,07 2.64	43.60

The table below sets forth summaries of certain of the Bank's key operating and financial performance parameters, as of and for the periods indicated below:

D. C. L.	As at and for the nine month period ended			As at a	As at and for the Fiscal ended			
Particulars	Units	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023	March 31, 2022		
Average interest- earning assets <sup>(1)</sup>	₹ in million	3,321,569.24	2,947,847.84	2,995,055.86	2,813,599.31	2,618,402.68		
Net interest income	₹ in million	77,672.60	70,663.33	98,290.00	82,550.00	63,110.00		
Average total assets <sup>(1)</sup>	₹ in million	3,692,106.10	3,252,042.71	3,298,040.00	3,104,006.40	2,905,269.40		
Average yield <sup>(1)</sup>	%	8.23	7.88	8.03	6.90	6.39		
Average cost of funds <sup>(2)</sup>	%	5.22	4.78	4.87	4.18	4.19		
Spread <sup>(3)</sup>	%	2.10	2.17	2.98	2.66	2.17		
Net interest margin <sup>(4)</sup>	%	3.13	3.20	3.28	2.93	2.41		
Return on average equity <sup>(5)</sup>	%	15.93	23.45	16.24	15.55	17.89		
Return on average assets <sup>(6)</sup>	%	0.82	0.76	0.81	0.68	0.59		
Earning per share	₹ in million	1.21	0.98	1.40	1.11	0.92		
Book value per share	₹ in million	10.66	8.93	9.56	7.75	7.04		

Tier I capital adequacy ratio	%	14.33	13.95	14.47	12.88	10.71
Tier II capital adequacy ratio	%	2.64	2.85	2.81	3.22	3.12
Total capital adequacy ratio	%	16.97	16.80	17.28	16.10	13.83
Net NPAs <sup>(7)</sup>	₹ in million	9,759.10	13,025.80	12,168.60	32,660.10	38,246.20
Net NPAs ratio <sup>(8)</sup>	%	0.42	0.62	0.57	1.83	2.65
Credit to deposit ratio <sup>(9)</sup>	%	77.88	77.74	76.61	72.45	59.43
Cost to income ratio <sup>(10)</sup>	%	48.26	51.35	62.5	49.23	48.15
Staff cost to income ratio	%	26.16	34.68	39.65	33.15	31.08
Other cost to income ratio	%	18.39	16.67	16.65	18.78	17.53
Interest coverage ratio <sup>(11)</sup>		1.20	1.20	1.21	1.21	1.19
Provisioning coverage ratio (including technical write-off) <sup>(12)</sup>	%	97.07	96.85	96.85	92.63	91.66
Credit cost	%	0.37	1.55	1.34	1.70	-
CASA ratio <sup>(13)</sup>	%	43.37	43.49	43.90	43.74	40.73
Slippage ratio <sup>(14)</sup>	%	0.13	0.17	0.16	0.33	-
Total business	₹ in million	5,427,532.86	4,942,090.72	5,049,238.72	4,498,918.04	4,179,596.34
Gross total advances	₹ in million	2,376,319.89	2,161,633.20	2,190,184.94	1,890,085.14	1,558,007.10
Gross Deposits	₹ in million	3,051,212.97	2,780,457.52	2,859,053.78	2,608,832.90	2,621,589.24

Notes:

- (15) Average balances are daily averages for deposits/advances/investments and all others are based on monthly averages as reported to the RBI.
- (16) Cost of funds is interest expense divided by total monthly average assets.
- (17) Spread is net interest income divided by monthly average assets.
- (18) Net interest margin is the difference of interest earned and interest expended divided by the total average interest-earning assets, where advances, investment and money at call and short notice are based on daily averages and others are based on monthly averages.
- (19) Return on average equity is the ratio of the net profit after tax to the quarterly average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).
- (20) Return on average assets is the ratio of the net profit after tax to the monthly average assets.
- (21) Net NPAs reflect the Bank's gross NPAs less provisions for NPAs.
- (22) Net NPAs ratio is the ratio of net NPAs divided by net advances.
- (23) Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.
- (24) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).
- (25) Interest coverage ratio is calculated as net profit and depreciation on the Bank's property, divided by interest expended.
- (26) PCR (including technical write-off) comprises provisions plus technical write off as percentage to Gross NPA plus technical write off.
- (27) Ratio of domestic current account deposits and savings account deposits to domestic deposits (including inter-bank deposits).
- (28) Slippages are fresh accretion to NPAs during a period. Slippage Ratio is fresh NPAs divided by Standard Advances at the beginning of the period.

### **OUR COMPETITIVE STRENGTHS**

## Established industry presence with strong brand recall in South India and a long operating history

With over 88 years of banking services, our Bank has an established presence in south India. For further details, please see "Selected Statistical Information – Regional Concentration" on page 139.

We have an established market presence in several business segments in which we operate, set below are details of the gross deposits and gross total advance for the periods indicated below:

		or the nine riod ended	As at a	nd for the Fisca	CACD	Consenth		
Particulars	December 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023	March 31, 2022	CAGR (%)	Growth rate (%)	
		(₹ in million)						
Gross deposits	3,051,212.97	2,780,457.52	2,859,053.78	2,608,832.90	2,621,589.24	5.70	9.74	
Gross total advances	2,376,319.89	2,161,633.20	2,190,184.94	1,890,085.14	1,558,007.10	16.60	9.93	

In addition, our Promoter and majority shareholder, the President of India, acting through the Ministry of Finance, GoI, held 96.38% of our paid-up and issued share capital as of December 31, 2024.

## Established wide network of branches and ATMs with a pan-India presence and a global footprint

As on the date of this Placement Document, our Bank has operations both domestically and globally, with presence in four countries, being, Singapore, Hong Kong, Thailand and Sri Lanka.

We have capitalized on our strong brand by establishing an extensive branch network serving a broad range of customers in rural, urban, semi-urban and metro regions. As at December 31, 2024, our Bank has an established network of 3,324 branches, 9,041 business correspondents and 3,503 ATMs, with 58.12% catering to the rural and semi-urban areas. The Bank's branch network is further complemented by its digital strategy, including online and mobile banking solutions, to provide its customers with access to on-demand banking services, which we believe allows us to develop strong and loyal relationships with our customers.

The table below sets forth certain details about our Bank's advances, for the periods indicated:

Particula	As at and for the nine month period ended December 31, 2024		As at and for the nine month period ended December 31, 2023		As at and for the Fiscal ended March 31, 2024		As at and for the Fiscal ended March 31, 2023		As at and for the Fiscal ended March 31, 2022	
rs	Amoun t (₹ in million)	% of the total advan ces	Amount (₹ in million)	% of the total advan ces	Amount (₹ in million)	% of the total advan ces	Amount (₹ in million)	% of the total advan ces	Amount (₹ in million)	% of the total advan ces
Domestic ad	dvances									
Agricultur	691,386	29.09	503,260.	23.28	556,359.	25.40	439,880.	23.27	385,770.	24.76
al	.79		00		21		00		00	
Corporate	485,985	20.45	604,690.	27.97	549,950.	25.11	524,250.	27.74	381,700.	24.50
banking	.30		00		74		00		00	
retail	586,107	24.66	466,160.	21.57	485,142.	22.15	424,000.	22.43	369,610.	23.72
banking	.90		00		33		00		00	
MSME	431,243	18.15	406,430.	18.80	415,516.	18.97	348,560.	18.44	294,940.	18.93
	.68		00		31		00		00	
Total	2,194,7	92.35	1,980,53	91.62	2006,96	91.63	1736,69	91.88	1,432,02	91.91
domestic	23.69		0.00		8.50		0.00		0.00	
advances										
	Global advances									
Overseas	181,596	7.65	181,100.	8.38	183,211.	8.37	153,400.	8.12	125,990.	8.09
	.20		00		50		00		00	
Total	181,596	7.65	181,100.	8.38	183,211.	8.37	153,400.	8.12	125,990.	8.09
global	.20		00		50		00		00	
advances										
Total	2,376,3	100.00	2,161,63	100.00	2,190,18	100.0	1,890,09	100.00	1,558,01	100.00
advances	19.89		0.00		0.00	0	0.00		0.00	

For further details, please see "Selected Statistical Information – Total Deposits" on page 127.

### Diverse product and service mix

Our extensive network allows us to provide banking services to a wide variety of customers, including large and small to medium corporations, institutions and state-owned enterprises, as well as commercial, agricultural, industrial and retail customers, both resident and non-resident Indians. Our assets are diversified across business segments, industries, which gives us stability. Our comprehensive product and service offering includes short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, agricultural as well as project finance loans.

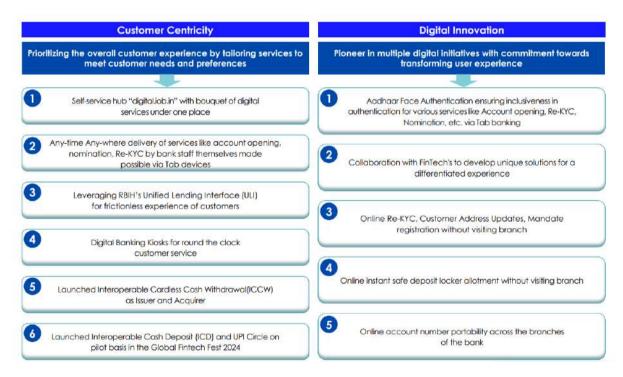
For further details, please see "Selected Statistical Information – Loan Portfolio" on page 130.

We are also present through in diverse segments of the Indian financial sector, including bancassurance (marketing of life and non-life insurance products), international banking, sale of mutual fund products, and taxation services, agricultural lending and depository services.

As a result of our extensive network and product offerings, we are able to meet the entire range of our customers' banking and financial product and service requirements through our diverse product and service portfolio.

### Emphasis on leveraging digital technology capabilities

Our Bank is committed to digital banking and has been upgrading our IT systems and technology to ensure integration between our existing infrastructure and our new digital banking products. In order to improve competitiveness, convenience and customer experience, we have established several digital innovations, some of which are set out below:



We also offer technology-based banking as well as transaction platforms like internet banking, mobile banking, immediate payment services through UPI. Our mobile banking services enable customers to undertake banking activities such as inter-bank mobile payments services, funds transfer through NEFT/ IMPS, balance enquiry, mini statement, cheque book request and utility payments.

As of December 31, 2024, our Bank had approximately 3,28 million internet-banking users, generating over 43.63 million internet banking transactions and 9.29 million mobile banking users generating over 11.35 million mobile banking transactions. As of and for the nine month period ended December 31, 2024, 96.91% of our Bank's transactions were performed through digital channels.

We believe these digital innovations have resulted in a multifaceted value addition to our operations, some of which are set out below:



### Experienced leadership team

Our leadership team, including our Board of Directors, consists of professionals with experience in the banking and finance industries. Our executive directors and senior management have served in national banks and the financial services sector at various levels. Our Board is supported by a team of senior management professionals. The experience and expertise of our Board and senior management team across a variety of disciplines and industries assist us in understanding the preferences of our customers and adapt our business and operations accordingly.

We believe that our leadership team's comprehensive industry experience and expertise has contributed to the development of our brand over the years. We believe that having a management team with such breadth and depth of experience is well suited to leverage the competitive strengths that we have developed across our large, diverse and growing network and that our management team has created a clear, strategic direction for us which will allow us to expand and maintain its position as a leading public sector bank in India.

### **OUR GROWTH STRATEGIES**

### Continued focus on improving overall operating performance

We continue to enhance our productivity by creating an organizational culture of cost control and operational efficiencies. In order to achieve this, we aim to optimize our allocation and utilization of resources, and effectively balance human resources, processes and technology. We further aim to improve productivity by creating a culture of cost control and cost consciousness internally by striking an efficient and effective balance between people, processes and technology through the optimal allocation and utilization of resources.

We believe we have optimized the utilization of resources by adopting alternate channels to increase our presence across India and globally, in a cost-effective manner, by engaging banking correspondents. As on December 31, 2024, we had 9,041 business correspondents. By engaging banking correspondents, we have decreased costs on human resources and capital expenditure on establishing brick and mortar branches. Banking correspondents provide basic banking services in rural, semi-urban, urban and metro centres depending upon the requirements of the Bank.

Further, we focus on increased operational efficiencies by further optimizing our operating platform through technology enhancement and process streamlining, in order to achieve a more efficient operating model and to support new business models and distribution channels. This structure ensures efficient lead management and faster turnaround time, resulting in sanctioning of more retail loans within a short span of time. Additionally, we

continue to focus on increasing customer usage of the Bank's internet banking platform in order to effect a significant reduction in its transaction costs.

We also intend to enhance our risk management and compliance to further complement our operational efficiency and performance. This entails building a holistic risk culture by strengthening our risk reporting mechanisms for timely mitigation, leverage technology for digitalization, automation and predictive capabilities, implementation of our various frameworks on risk management, climate risk and operational risk resilience.

### Focus on portfolio quality and improving capital optimization

Though a reduction in impaired assets and an improvement of the quality of our assets through recovery and due diligence measures have been our key focus area in the recent past, we intend to continue to focus on reducing our impaired assets with the objective of reducing our NPA levels, while improving the quality of our assets.

For further details, please see "Selected Statistical Information – Non Performing Assets" on page 141.

To counter the impact of the NPAs on our Bank's financial position, our Bank is following a multi-pronged approach including creation of a robust follow up and recovery mechanism that is monitored from the head office and creation of specialized NPA recovery branches to takeover high value NPAs from branches. We will also utilise technology-driven credit underwriting, delivery and monitoring structures to improve risk evaluation and loan quality, which would concurrently strengthen and utilise our call centre as a collection channel.

We believe that effective risk management is essential to our growth, strategic planning and long-term sustainable development. We plan to continue strengthening our risk management and internal control capabilities by improving our policies and procedures and introducing advanced risk management tools.

### Focus on digitization and technology

We believe that the increased usage of internet by consumers and access to data networks in India has led to the need for a comprehensive digital strategy by banks and financial institutions to proactively develop new methods of reaching customers. We are focused on continuing investment in our digital innovations and have in place a clear strategy co-developed with one of the recognised consultancy firms.

For further details, please see "- Our Competitive Strength - Emphasis on leveraging digital technology capabilities" on page 179.

We believe additional investment in our technology infrastructure and in-house analytics to further develop our digital strategy will allow us to cross-sell a wider range of products available on our digital platform in response to our customers' needs and thereby expand our relationships across a range of customer segments. As our customers can interact with us more frequently than previously and easily access their accounts wherever and whenever they desire, we believe that a comprehensive digital strategy will provide opportunities for development of long-term customer relationships.

We plan to focus on operational and cost efficiencies, expansion of service delivery models and increasing penetration among existing and new customer segments. We have migrated branches to our core banking application platform and expanded our ATM and internet banking networks, providing a comprehensive suite of mobile banking, debit and prepaid card services, and payment systems. We continue to focus on increased operational efficiencies by further optimizing our operating platform through technology enhancement and process streamlining, in order to achieve a more efficient operating model and to support new business models and distribution channels.

### Focus on increasing profitability

We intend to drive profitability by growing our interest income from our RAM business and increasing our fee based income while controlling our operating costs. We intend to grow our income from fee based services by introducing new products and services and by cross selling our offerings to our existing customers. We intend to focus on increasing our fee based income by focusing on offering such as:

Bancassurance;

- cross-selling of mutual fund products;
- · depository; and
- syndicate desk.

We also intend to pursue strategic relationships with corporate entities and Government departments to provide our products to their employees and customers.

### Open new banking outlets to expand our Bank's network

Our distribution network and geographic presence has allowed us to attract interest free current account and low cost savings account deposits leading to a stable CASA deposit base.

Accordingly, our Bank is looking to expand its branch network. Our Bank is increasing its banking outlets to cover districts where we expect that the Bank will be able to increase its CASA Deposits. We intend to continue to leverage our network to tap additional CASA accounts and to increase our marketing efforts to corporates and GoI agencies to handle their 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.

Currently, our branch and ATM network is spread across metro, rural, urban and sub-urban areas and caters to a diverse customer base. For further details, please see "— Our Competitive Strength — Established wide network of branches and ATMs with a pan-India presence and a global footprint" on page 179.

We also intend to focus on ensuring high customer satisfaction standards across our various customer interfaces through centralized customer support services. We intend to continue to expand our branch network, strategically focused on retail business. We intend to increase the number of on-site and offsite ATMs along with the number of cash deposit machines and passbook kiosks at our branches in order to increase accessibility of these services to our customers.

### **OUR PRINCIPAL BUSINESS ACTIVITIES**

Our business operations are broadly categorized into four segments: (i) corporate/ wholesale banking; (ii) retail banking; (iii) treasury; and (iv) other banking operations. The table below sets forth the profit before tax attributable to our vertices for the periods indicated:

Particulars	As at and for the nine month period ended		As at and for the Fiscal ended		ended	
	December 31, December 31, 2024 2023		March 31, 2024	March 31, 2023	March 31, 2022	
	(₹ in million)					
Corporate/ wholesale	13,529.52	13,673.60	13,643.03	7,421.40	18,854.60	
Retail	38,196.29	30,272.80	41,247.71	39,098.40	23,439.00	
Treasury	3,654.48	860.01	5,468.90	8,886.10	10,505.10	
Other banking operations*	5,320.60	3,220.25	7,278.09	4,015.80	5,904.40	

<sup>\*</sup> Other banking operations comprise bancassurance (marketing of life and non-life insurance products), international banking, sale of mutual fund products, trustee services, agricultural lending and depository services.

### Corporate/wholesale

We provide our corporate and institutional clients a wide array of commercial banking products and transactional services.

Our principal commercial banking products include a range of financing products, documentary credits (primarily letters of credit) and bank guarantees, foreign exchange, and corporate deposit products. Our financing products primarily include loans, overdrafts and bill discounting.

For our commercial banking products, our customers include companies that are part of public sector enterprises, private sector business houses, and multinational corporations, as well as small and mid-sized businesses. Our customers also include suppliers and distributors of corporations to whom we provide credit facilities and with

whom we thereby establish relationships as part of a supply chain initiative for both our commercial banking products and transactional services. We aim to provide our corporate customers with high quality customized service.

### Retail Banking

We provide a comprehensive range of financial products including deposit products, loans, credit cards, debit cards, insurance products and other services.

Our Bank's retail banking loan products include personal loans, home loans, vehicle loans, education loans, and mortgage loans. Our Bank also provides credit card services. We actively market our services through our branches and alternate sales channels. We seek to establish a relationship with a retail customer and then expand it by offering more products.

Housing Loans: We provide home loans for the construction, purchase, alteration and repair of houses. For the construction, addition or purchase of houses, the loans typically provided are need based loans, depending on the project cost and repayment capacity.

*Vehicle Loans*: We offer loans at floating/ Fixed interest rates for financing purchase of new and used vehicles. We offer a number of automobile loan products to meet the requirements of our diverse segment of customers.

Education Loans: We offer student loans to provide financial assistance to pursue higher studies. The maximum education loan amounts under our education loan schemes is need based.

### **Treasury**

Our treasury operations are our interface with the financial markets. Our treasury operations consist primarily of statutory reserves management, liquidity management, investment and trading activities, money market and foreign exchange activities. Our treasury department endeavors to provide standardized and structured client solutions including liquidity management and bond placement. The treasury department is responsible for balancing and managing our daily cash flow and liquidity of funds.

Our treasury department manages our treasury operations on a day-to-day basis and is subject to oversight by our Board. Through our treasury operations, we manage our funds, invest in debt and equity products and maintain the required regulatory reserves. We operate a proprietary trading book in debt, equity and foreign exchange within the framework of our treasury policy.

The main functions of our integrated treasury department include:

Reserve management and investment: Ensuring that we meet our CRR and SLR obligations and have an appropriate mix within our portfolio to optimize yield, duration and profitability.

*Liquidity and funds management*: Analysis of major cash flows arising out of asset liability transactions, providing a well-developed and diversified liability base to fund various assets and providing policy inputs on funding mix.

Foreign exchange treasury operations: Our treasury department also undertakes foreign currency borrowings and deployment activities. It also caters to the foreign exchange needs of our corporate clients and trading in currencies, among others.

### **Distribution Channels**

### **Branches**

As at December 31, 2024, the Bank had an aggregate of 3,322 branches across India.

All of the Bank's branches are electronically linked so that its customers can access their accounts from any branch regardless of the location of their account in India.

Almost all of the Bank's branches focus exclusively on providing retail services and products, though a few also provide wholesale banking services. The range of products and services available at each branch depends in part on the size and location of the branch.

As part of its branch licensing conditions, the RBI requires that at least 25% of the total number of branches opened during the year must be located in unbanked rural centres.

As at December 31, 2024, 927 of the Bank's branches operated in rural areas. Additionally, as at December 31, 2024, of the Bank's total branches, 27.90% were located in rural areas, 30.25% were located at semi-urban areas, 20.43% were located at urban areas, and 21.40% were located at metros.

#### **ATMs**

As at December 31, 2024, the Bank had a total of 3,503 ATMs, located at residential and commercial developments, or on major roads in metropolitan areas. Customers can use our ATMs for a variety of functions, including withdrawing cash, monitoring bank balances, fund transfer, making new cheque book request, green pin generation & depositing cash in BNAs. Our debit/ credit cards can be used on ATMs of other banks' ATM networks.

### Telephone and Mobile Banking

Customers can check their accounts, order cheque books, conduct balance inquiries and order stop payments on cheques.

Our mobile banking platform, "IOBMobile", offers "anytime, anywhere" banking services to our customers through smartphones. Using our mobile banking application, customers can perform non-financial transactions such as balance enquiries, requests for account statements and requests for mini-statements of their transactions etc. Customers can carry out financial transactions, such as transferring funds within/outside the Bank and value added services using their IOB account by downloading this application on their mobile phones. Mobile banking is available on both Android and iOS devices. "IOBMobile" is available in multiple languages and serves as a unified mobile application to manage all key banking activities. Key functionalities include creation of fixed deposits and recurring deposits, availing overdraft facility against fixed deposits, viewing/downloading interest certificates of loans and deposits, fund transfer to contacts and payments.

### **Internet Banking**

Through our Net Banking channel, customers can access their accounts 24\*7 and securely perform various financial and non-financial transactions such as balance enquiry, update nominee, change home branch, view and download account statement, order cheque book, submit cheque information in PPS, instantly remit funds intrabank and interbank using Immediate Payment Service ("IMPS"), National Electronic Funds Transfer ("NEFT"), RTGS, UPI or schedule transfers to a future date, pay utility bills, make payments on e-commerce platforms, personalize their debit cards, open fixed deposits, avail overdraft against fixed deposits, invest using Applications Supported by Blocked Amount ("ASBA"), pay credit card outstanding. Corporate customers can perform bulk transactions, set multi-level hierarchy for authenticating transactions, generate GST invoice and much more for free or at a lower cost.

### **Awards and Certifications**

Fiscal	Award/ accreditation				
2025	Winner: Best Tech Talent and Organization at IBA Banking Technology awards				
	Runner up: Best financial Inclusion at IBA Banking Technology awards				
	Special mention: Best IT risk management at IBA Banking Technology awards				
	Special mention: Best technology bank at IBA Banking Technology awards				
Special mention: Best AI & ML Adoption at IBA Banking Technology awards					
	PSU Highest DQI (Data Quality Index) Improvement FY'25 at Annual Conference hosted by IBA &				
	TransUnion CIBIL -				
	Winner in Commercial Segment at Annual Conference hosted by IBA & TransUnion CIBIL				
	First Runner Up in Consumer Segment categories at Annual Conference hosted by IBA & TransUnion				
	CIBIL				
2024	Five awards under the medium-sized banks category at IBA Banking Technology awards				

ICAI Awards for Excellence in Financial Reporting under "Plaque" category for commended annual report
in Category I – Public Sector Bank
National Award for Excellence in MSME lending and PMEGP programme in South Zone

### Competition

The Indian banking industry is highly competitive, and we face competition in all our principal areas of business. Private sector banks, foreign banks and other public sector 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, 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, subject to government approval. For public sector banks, subject to the Banking Companies Act, foreign direct investment of up to 20% under the government approval route is permitted.

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. We seek to gain a competitive advantage by its 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 our key customers.

### Corporate Banking

Corporate banking faces competition from foreign banks, private banks and other public sector banks in such areas as pricing, Rupee loans, foreign currency loans, foreign exchange transactions, trade finance services and cash management services. 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. Foreign banks also have the advantage of their home country connections, with much larger and cost-effective resource raising abilities. In addition, traditional corporate banking faces competition from the disintermediation of financial products. Customers increasingly have multiple financing sources available to them beyond those generally provided by traditional banks, which in turn is putting pressure on margins. We believe that we have been able to manage this competition through our policy of financing corporate customers with high ratings, as well as through efficient and focused delivery of products and services in areas such as foreign currency loans, foreign exchange transactions, trade finance services and cash management services.

### Retail Banking

In the retail banking sector, we face competition primarily from foreign and Indian commercial banks and housing finance companies. Foreign banks typically focus on limited customer segments, such as high net worth individuals and affluent 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. We seek to compete in this sector by offering a wide product portfolio through our extensive branch network and by leveraging our client relationships in diverse market and geographic segments.

We also seek to leverage the Bank's extensive and diverse corporate relationships to gain individual customer accounts through payroll management products. Furthermore, we intend to continue to pursue a multi-channel distribution strategy using physical branches, ATMs, call centers and the internet to reach customers.

### International Banking

Our international strategy is focused on India-linked opportunities, and we also intend to expand banking operations to serve non-resident Indians as well as local clients in these jurisdictions. In our international

operations, we face competition from other Indian banks with international operations, as well as foreign banks with products and services targeted at non-resident Indians and Indian businesses and other service providers.

#### Insurance

Our standard insurance policies cover for losses of or damage to property including premises, furniture, fixtures, computer hardware and ATMs. Cash-in-transit, cash, securities and precious metals and other valuables are covered against theft, forgery, burglary, house breaking and robbery, and natural calamities. We also have an all-risk policy, standard fire and special perils policy and terrorism insurance. Our insurance policies include a banker's indemnity insurance policy, which is a comprehensive insurance policy that offers coverage for various forms of risk such as packaged policy covering cash and valuables, money in transit, forgery and alteration, dishonesty of staff, hypothecated goods, registered post parcel and appraisers. We believe that we carry insurance coverage commensurate with our level of operations and risk perception, including for business interruption.

### Environment, Social and Governance

We believe that true business sustainability means creating value that goes beyond what is reflected in financial statements. While tangible assets are essential, we also place significant emphasis on intangible value, considering the broader spectrum of stakeholders, including society and the environment.

We value creation is central to our philosophy, leading us to integrate Environmental, Social, and Governance ("ESG") factors into every aspect of our operations. Embracing sustainable development not only aligns with our vision but also offers the opportunity to conduct business in an innovative and responsible manner, ensuring long-term viability.

### **Employees**

As on December 31, 2024, our Bank had 21,148 employees. Most of our employees are located in India. We continue to focus on a collaborative culture and consultative process at various levels of administration within the Bank to ensure amicable relations with our employees.

The following table sets forth the average business per employee and average business per branch of the Bank during the nine month period ended December 31, 2024 and 2023 and the Fiscals 2024, 2023 and 2022 and the average business per employee and average business per branch on a consolidated basis during such periods:

Particulars	Nine month period ended December 31,		Fiscal		
raruculars	2024	2023	2024	2023	2022
Business per employee (₹ in million)	19.41	21.64	23.84	22.22	24.80
Net profit per employee (₹ in million) #	3.54	2.57	8.61	5.18	13.66
Business per branch (₹ in million)	187.73	209.53	225.25	214.77	233.26
Net profit per branch (₹ in million)	34.23	24.88	81.33	49.95	128.47

<sup>#</sup> Net profit per employee excludes part time sweepers.

Our compensation structure is fixed as per the Indian Banks' Association guidelines. In addition to basic compensation, employees are eligible to participate in our provident fund and other employee benefit plans. In addition, the Bank contributes specified amounts to a gratuity fund set up pursuant to Indian statutory requirements and amount is contributed to the fund as per actuary valuations.

### **Properties**

Our Bank's head office, located in Chennai is owned by our Bank. Our Bank's network consisted of 3,324 branches and 3,503 ATMs as of December 31, 2024. In addition, we have administrative offices in most of the metros and some other major cities in India.

Of the properties used by our Bank, certain properties are held by our Bank on a freehold basis and cer properties are held on a leasehold basis.	tain

#### BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Bank has been constituted as a body corporate under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. In terms of the provisions of the Banking Companies Act, the general superintendence and direction of the affairs and business of our Bank is entrusted to the Board constituted as per the provisions of the Banking Companies Act, the Nationalised Banks Scheme and Indian Overseas Bank Regulations.

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:

- not more than five whole-time directors to be appointed by the Central Government after consultation with RBI; provided that the Central Government, may, after consultation with the RBI, vide a notification published in the official gazette, post a whole-time director so appointed to any other corresponding new bank;
- 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;
- 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;
- one director, from among such of the employees of the corresponding bank who are workmen (as defined under Clause (s) of Section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;
- one director, from among the employees of the corresponding bank 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;
- 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;
- subject to directors elected 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;
- 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 seven directors on our Board. Our Board has one Part-Time Non-Official Director and Non – Executive Chairman, three Whole-Time Directors, out of which, one is designated as the Managing Director and Chief Executive Officer, while two directors are designated as the Executive Directors. Further, we have one Government of India Nominee Director, one RBI Nominee Director and one Shareholder Directors on our Board. All Directors are appointed/ nominated/ elected pursuant to the Banking Companies Act, the Nationalized Banks Scheme and Indian Overseas Bank Regulations.

As on the date of this Placement Document, the Board does not have the full strength in terms of the Banking Companies Act, as the following positions are vacant:

(i) one (1) position each under Sections 9(3)(e) and 9(3)(f) of the Banking Companies Act to be nominated by the Central Government:

(ii) one (1) position under Section 9(3)(g) the Banking Companies Act, to be nominated by the Central Government in consultation with RBI;

The Directors on the Board of the Bank are appointed by Govt. of India in terms of provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 read with the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, except Shareholder Directors under Section 9(3)(i) of the Act who are elected by the Shareholders of the Bank, other than the Central Government.

For further details, please see "Risk Factors – Risks relating to our business – 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." on page 58.

The following table sets forth details regarding our Board as on the date of this Placement Document:

Name, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed/ nominated/ elected	Age (years)	Designation
Srinivasan Sridhar	Clause (h) of Section 9(3) of the Banking	64	Part time Non – Official Director and
Occupation: Service	Companies Act		Non – Executive Chairman
<b>Term</b> : with effect from February 21, 2024 till February 20, 2027			
Nationality: Indian			
Ajay Kumar Srivastava	Clause (a) of Section	57	Managing Director
Occupation, Somice	9(3) of the Banking Companies Act		and Chief Executive Officer
Occupation: Service	Companies Act		Officer
<b>Term</b> : with effect from January 1, 2023 till December 31, 2026			
Nationality: Indian			
Joydeep Dutta Roy	Clause (a) of Section	52	Executive Director
Occupation: Service	9(3) of the Banking Companies Act		
<b>Term</b> : with effect from January 30, 2024 till October 19, 2025			
Nationality: Indian			
Dhanaraj T	Clause (a) of Section	54	Executive Director
	9(3) of the Banking		
Occupation: Service	Companies Act		
<b>Term</b> : with effect from March 10, 2024 till March 9, 2027			
Nationality: Indian			
Neelam Agrawal	Clause (b) of Section	45	Government
Occupation: Service	9(3) of the Banking Companies Act		Nominee Director
<b>Term</b> : with effect from August 5, 2024 until further orders			
Nationality: Indian			
Sonali Sengupta	Clause (c) of Section	56	RBI Nominee
	9(3) of the Banking		Director

Name, Occupation, Term, Nationality	Clause (as per Section 9(3) of the Banking Companies Act) under which appointed/ nominated/ elected	Age (years)	Designation
Occupation: Service	Companies Act		
<b>Term:</b> with effect from July 14, 2023 until further orders			
Nationality: Indian			
Sanjaya Rastogi Occupation: Service	Clause (i) of Section 9(3) of the Banking Companies Act	62	Shareholder Director
<b>Term</b> : with effect from December 3, 2022 till December 2, 2025			
Nationality: Indian			

#### **Brief Profiles of our Directors**

**Srinivasan Sridhar** is the Part-Time Non-Official Director as well as the Non-Executive Chairman of our Bank. He has been associated with our Bank since February 21, 2024. He holds a bachelor's degree in commerce from Delhi University. He is a member as the Associate of Institute of Chartered Accountants of India. Prior to joining our Bank, he was associated with Bank of Baroda as a shareholder director.

**Ajay Kumar Srivastava** is the Managing Director and Chief Executive Officer of our Bank. He has been associated with our Bank in the position of Executive Director since October 9, 2017. Prior to joining our Bank, he was associated with Allahabad Bank. He has also served as an Executive Director at our Bank for over five years. He was also appointed as director on the board of India Infrastructure Finance Company Limited (IIFCL) by the Government of India.

**Joydeep Dutta Roy** is the Executive Director of our Bank. He has been associated with our Bank since January 30, 2024. Prior to joining our Bank, he served as the Executive Director at Bank of Baroda. He also served as the associate director of Baroda BNP Paribas Asset Management India Private Limited.

**Dhanaraj** T is the Executive Director of our Bank. He has been associated with our Bank since March 10, 2024. He holds a bachelor's degree in engineering (Agricultural) from Tamil Nadu Agricultural University.

**Neelam Agrawal** is the Government of India Nominee Director of our Bank. She has been associated with our Bank since August 5, 2024. She is currently posted as a Director, Department of Financial Services, Ministry of Finance, Government of India.

**Sonali Sen Gupta** is the RBI Nominee Director of our Bank. She has been associated with our Bank since July 14, 2023.

**Sanjaya Rastogi** is the Shareholder Director of our Bank. He has been associated with our Bank since December 3, 2022.

### Relationship between our Directors

None of our Directors are related to each other as on the date of this Placement Document.

### **Terms of Appointment of Directors**

The Directors of our Company is entitled to the following remuneration and perquisites:

### 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 nine month period ended December 31, 2024 and for the Fiscals 2024, 2023 and 2022, respectively are set forth below:

(₹ in million)

Name of the Dimester	Remuneration				
Name of the Director	For Fiscal 2025*	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022	
Ajay Kumar	3.6	4.6	0.90	3.00**	
Srivastava					
Joydeep Dutta Roy	2.88	0.75	•	-	
Dhanaraj T	2.87	0.25	-	-	

<sup>\*</sup>for the nine month period ended December 31, 2024.

### (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, non-executive chairman and part-time non-official directors nominated under clause (e), (f) (g), (h) and (i) of Sub-section (3) of Section 9 of the Banking Companies Act, are to be paid a sitting fees for attending meetings of the Board and committees of the Board, additional fees for chairing the meeting of the Board and committees of the Board, as decided by the Board of Directors subject to overall ceiling of ₹ 1.5 million.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the nine month period ended December 31, 2024 and for the Fiscals 2024, 2023 and 2022, respectively are set forth below:

(₹ in million)

Name of the Director	Sitting fee paid			
Name of the Director	For Fiscal 2025*	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Srinivasan Sridhar	0.9	0.7	0.00	0.00

<sup>\*</sup>for the nine month period ended December 31, 2024.

### Performance Linked Incentive or 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 08, 2015, has set out broad parameters for payment of performance linked incentives to whole time 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.

### 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 Equity Shares of our Bank in terms of the provisions of the Indian Overseas Bank Regulations.

The following table sets forth details of shareholding of our Directors in our Bank, as on December 31, 2024:

Name of the Director	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Ajay Kumar Srivasatava	0.00	0.00
Joydeep Dutta Roy	0.00	0.00
Dhanaraj T	0.00	0.00
Sonali Sen Gupta	0.00	0.00
Neelam Agrawal	0.00	0.00
Sanjaya Rastogi	100.00	Negligible
Srinivasan Sridhar	0.00	0.00

<sup>\*\*</sup>the remuneration received by Mr. Ajay Kumar Srivastava for Fiscal 2022 was in the capacity of Executive Director.

### **Interest of our Directors**

Our Whole-Time 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 in terms of Central Government guidelines and RBI guidelines, as may be applicable.

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 its Committees and are also entitled to reimbursement of expenses to attend such meeting as may be applicable.

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, we have not entered into any contract, agreement or arrangement during the preceding three years from the date of this Placement Document in which any of the Directors or any of their relatives are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Except as stated in the "Financial Statements" beginning on page 281, 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 not been identified as wilful defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrowers 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.

### **Corporate Governance**

The Board presently consists of seven Directors on our Board. Our Board has one Part-Time Non-Official Director and Non – Executive Chairman, one Managing Director and Chief Executive Officer, two Executive Directors, one Government of India Nominee Director, one RBI Nominee Director, one Part Time Non – Official Director and one Shareholder Directors on our Board.

Pursuant to the SEBI Listing Regulations (i) where the chairperson of the board of directors of a listed entity is non-executive, not less than one-third of the board of directors is required to comprise of independent directors and (ii) where the chairperson of the board of directors of the listed entity does not have a regular non-executive chairperson, at least half of the board of directors of the listed entity is required to comprise of independent directors.

Except as stated below, our Bank is in compliance with the requirements of the SEBI (LODR) Regulations to appoint independent directors on our Board:

The term of the Part Time Non Official Directors – Suresh Kumar Rungta, B Chandra Reddy and Deepak Sharma has expired, and they have not been reappointed. Further, there have been no new appointments made thus far for the position of Part Time Non Official Directors.

RBI 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 chair 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**"). Except

as stated below, our Bank complies with the instructions as mentioned in the RBI Circular:

As per the RBI Circular, at least half of the directors attending the meetings of the board shall be independent directors.

As on date, there are seven Directors on the Board of the Bank out of which two are Independent Directors. In view of the existing vacancies on the Board of the Bank, the guidelines relating to half of the directors attending the meetings of the board being independent directors are not always adhered to.

The Board of our Bank and certain of its committees i.e audit committee, nomination and remuneration committee and the risk management committee, which does not have the prescribed strength with regard to their composition in terms of the Banking Companies Act and the Nationalised Bank Scheme and the SEBI Listing Regulations.

For further details please see "Risk Factors – Risks relating to our business – 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." on page 58.

#### **Committees of our Board**

Our Board has constituted the following key Committees, as may be applicable on our Bank:

	Constitution of the committee			
Sr. No.	Name of the committee	Name of member	Designation	Nature of directorship
1.	Management Committee	Ajay Kumar Srivastava	Chairman	Managing Director and Chief Executive Officer
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director
		Sonali Sen Gupta	Member	RBI Nominee Director
		Sanjaya Rastogi	Member	Shareholder Director
2.	Customer Service Committee	Ajay Kumar Srivastava	Chairman	Managing Director and Chief Executive Officer
		B Chandra Reddy*	Member	Part time Non – Official Director
		Deepak Sharma*	Member	Part time Non – Official Director
3.	Special Committee of the Board for Monitoring and Follow up of Cases of Fraud	Srinivasan Sridhar	Chairman	Part time Non – Official Director and Non-Executive Chairman
		Ajay Kumar Srivastava	Member	Managing Director and Chief Executive Officer
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director
		B Chandra Reddy*	Member	Part time Non – Official Director
		Suresh Kumar Rungta*	Member	Part time Non – Official Director
4.	Stakeholder Relationship Committee	Sanjaya Rastogi	Chairman	Shareholder Director
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director
5.	Information Technology Strategy Committee	Srinivasan Sridhar	Chairman	Part time Non – Official Director and Non-Executive Chairman

		Ajay Kumar Srivastava	Chairman	Managing Director and Chief
			26.1	Executive Officer
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director
		Neelam Agarwal	Member	Government Nominee Director
		R Lakshmi Venkatesh	Member	Chief Information Officer
		Ashok Jhunjhunwala	Member	Mentor Cum Advisor - Invitee
6.	Board Level Steering Committee on Human Resources	Ajay Kumar Srivastava	Chairman	Managing Director and Chief
		II D-44- D	M1	Executive Officer
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director
		Neelam Agrawal	Member	Government Nominee Director
		Sanjaya Rastogi	Member	Shareholder Director
		Dr. TT Ram Mohan	Member	HR Professional
7.	Board Level Committee to Monitor Recovery in NPA	Ajay Kumar Srivastava	Chairman	Managing Director and Chief Executive Officer
		I 1 D 4 D	M 1	
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director
		Neelam Agarwal	Member	Government Nominee Director
		Sanjaya Rastogi	Member	Shareholder Director
		V. Selvarani	Member	GM – SAMD
		Mohan M	Member	GM – Corporate Credit Department
		Suresh P	Member	GM - Credit Monitoring Department
8.	Review Committee on Wilful Defaulters and Non-Co-Operative Borrowers	Ajay Kumar Srivastava	Chairman	Managing Director and Chief Executive Officer
		Neelam Agrawal	Member	Government Nominee Director
		Srinivasan Sridhar	Member	Part time Non – Official and Non Executive Director
		Sanjaya Rastogi	Member	Shareholder Director
9.	Board Committee for Performance Evaluation	Srinivasan Sridhar	Chairman	Part time Non – Official Director and Non-Executive Chairman
		Neelam Agrawal	Member	Government Nominee Director
		Sanjaya Rastogi	Member	Shareholder Director
10.	Credit Approval Committee	Srinivasan Sridhar	Chairman	Part time Non – Official Director and Non-Executive Chairman
		Ajay Kumar Srivastava	Member	Managing Director and Chief Executive Officer
		Joydeep Dutta Roy	Member	Executive Director
		Dhanaraj T	Member	Executive Director

B Chandra Reddy*	Member	Part time Non – Official Director
Deepak Sharma*	Member	Part time Non -
_		Official Director

<sup>\*</sup> The term of the Part Time Non Official Directors – Suresh Kumar Rungta, B Chandra Reddy and Deepak Sharma has expired, and they have not been reappointed. Further, there have been no new appointments made thus far for the position of Part Time Non Official Directors. For further details see "Risk Factors – Risks relating to our business – 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." on page 58.

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# **Management Organization Structure**

# Indian Overseas Bank Organization Structure Central Office, Chennai

# **Managing Director & Chief Executive Officer**

Executive Director (I)	Executive Director (II)			
General Manager - Corporate Credit Department	General Manager – Inspection Department			
General Manager – International Department	General Manager – Information Technology & Digital Banking Department			
General Manager – Treasury Department (Domestic & Foreign)	General Manager – Retail Credit Department			
General Manager – Stressed Assets management Department	General Manager – Agriculture, Rural Initiatives, Priority Sector			
General Manager - Conduct & Disciplinary Action Cell	General Manager – State Level Bankers Committee, RRB			
General Manager – Human Resource Department	General Manager – Financial Inclusion			
General Manager – Fraud Risk Management Cell	General Manager – MSME Department			
General Manager – Staff Accountability Cell	General Manager – Credit Monitoring Department			
General Manager – Banking Operations Department	General Manager – General Administration Department			
General Manager – Internal Office Accounts Reconciliation Department	General Manager – Government Business Department			
General Manager – EASE	General Manager – Liabilities management, Planning Dept.			
General Manager – Official Language Department	General Manager - Marketing & Development Department			
General Manager – Law Department	General Manager - Credit Card, Miscellaneous Services			
General Manager – Merchant Banking Department	General Manager – Credit Support Services Dept.			
General Manager – Customer Service Department	General Manager – Anti Money Laundering, KYC			
	General Manager – Public Relations Department			
	General Manager – Security Department			

### **Key Managerial Personnel and Senior Management**

The details of our Key Managerial Personnel and the members of Senior Management in terms of the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Sr.	Name	Designation				
No.						
Key	Managerial Personnel					
1.	Madhaw Chandra Jha	Chief Financial Officer – Deputy General Manager				
Seni	or Management					
1.	Rajeev Kumar	General Manager- Chief Vigilance Officer				
2.	Sudhir Prasad Thakur	General Manager				
3.	Nataraj Karyampudi	General Manager & Chief Compliance Officer				
4.	Lakshmi Venkatesh R	General Manager				
5.	A.M. Banerjee	General Manager				
6.	Gopal S	General Manager				
7.	Mohan M	General Manager				
8.	Suresh P	General Manager				
9.	Selvarani V	General Manager				
10.	Koustuv Majumder	General Manager & Chief Risk Officer				
11.	Dilip Kumar Barik	General Manager				
12.	Anil Kumar	General Manager				
13.	Sikrilal V.L	General Manager				
14.	N. Vijaya	General Manager				
	Sanjay Kishore	General Manager				
	Dhurga Devi M	Deputy General Manager				
17.	Rajesh M S	Deputy General Manager				
	Premkumar S	Deputy General Manager				
	Purna Chandra Satapathy	Deputy General Manager				
	Radhakrishnan S	Deputy General Manager				
21.	Amit Srivastava	Deputy General Manager				
22.	1 11111 12 111111	Deputy General Manager				
	Deepak Kumar Tripathy	Deputy General Manager				
24.	Rahul Dubey	Deputy General Manager				

All our above mentioned Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Bank.

### Relationships between Key Managerial Personnel, Senior Managerial Personnel and with Directors

None of our Key Managerial Personnel and Senior Managerial Personnel are related to each other or to our Directors.

## Bonus or a profit-sharing plan to our Key Managerial Personnel and Senior Managerial Personnel

Our Bank does not have a performance linked bonus or a profit-sharing plan for the Key Managerial Personnel and Senior Managerial Personnel.

### Shareholding of our Key Managerial Personnel and Senior Managerial Personnel

The following table sets forth details of shareholding of our Key Managerial Personnel and Senior Managerial Personnel in our Bank, as on the date of this Placement Document:

Name of the Key Managerial Personnel / Senior Managerial Personnel	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Madhaw Chandra Jha	101	0.00
Nataraj Karyampudi	16,295	0.00
Rajesh M S	17,534	0.00
Dhurga Devi M	21,186	0.00
Radhakrishnan S	3,000	0.00
Amit Kumar	5,055	0.00

Name of the Key Managerial Personnel / Senior Managerial Personnel	No. of Equity Shares (pre-Issue)	Percentage shareholding (%)
Suresh P	17,834	0.00
Vijaya N	13,881	0.00
Lakshmi Venkatesh R	17,534	0.00
Mohan M	21,439	0.00
Sudhir Prasad Thakur	28,505	0.00
Dillip Kumar Barik	16,084	0.00
Selvarani V	12,420	0.00
Anil Kumar	5,000	0.00
Koustuv Majumder	1,000	0.00

### Interests of our Key Managerial Personnel and Senior Managerial Personnel

None of our Key Managerial Personnel and 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, and loans availed from our Bank, if any.

Our Key Managerial Personnel and 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 Key Managerial Personnel and Senior Managerial Personnel in our Bank, see "— Shareholding of our Key Managerial Personnel and Senior Managerial Personnel" on page 197.

None of our Key Managerial Personnel and 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 our 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 Key Managerial Personnel and 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 applies to the Bank and its employees and requires our 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. Our Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations, 2015, as amended.

### **Employee Stock Option Scheme/Employee Stock Purchase Scheme**

As on the date of this Placement Document, 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 December 31, 2024:

## **Summary statement holding of Equity Shares**

		Shareholding							
Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	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. (a)	As a % of total Shares held (b)	No. of equity shares held in dematerialized form
(A) Promoter	1	18,218,326,570	18,218,326,570	96.38	18,218,326,570	96.38	0	0	18218,326,570
& Promoter									
Group									
(B) Public	977,916	684,085,686	684,085,686	3.62	684,085,686	3.62	0	0	659,987,810
(C1) Shares	0	0	0	0	0	0	0	0	0
underlying									
DRs									
(C2) Shares	0	0	0	0	0	0	0	0	0
held by									
Employee									
Trust									
(C) Non	0	0	0	0	0	0	0	0	0
Promoter-									
Non Public									
Grand Total	977,9177	18,902,412,256	18,902,412,256	100	18,902,412,256	100	0	0	18,878,314,380

### Shareholding Pattern of Promoters and Promoter Group of our Bank as on December 31, 2024

				Shareholding as a % of	No. of Locked	in shares	
Category of Shareholder	No. of Shareholders	No. of fully paid up equity shares held	Total no. of shares held	total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. (a)	As a % of total Shares held (b)	No. of equity shares held in dematerialized form
A1) Indian	1	18,218,326,570	18,218,326,570	96.38	0	0	18,218,326,570
Central	1	18,218,326,570	18,218,326,570	96.38	0	0	18,218,326,570
Government							
(through							
President of India)							
Sub Total A1	1	18,218,326,570	18,218,326,570	96.38	0	0	18,218,326,570
A2) Foreign	0	0	0	0	0	0	0
A=A1+A2	1	18,218,326,570	18,218,326,570	96.38	0	0	18,218,326,570

# Shareholding Pattern of Public Shareholders as on December 31, 2024

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	Loc	o. of ked in hares  As a % of total Shares held (b)	No. of equity shares held in dematerialized form
B1) Institutions									
Mutual Funds/	18	13,320,358	13,320,358	0.07	13,320,358	0.07	0	0	13,320,358
Alternate Investment Funds	1	529	529	0	529	0	0	0	529
Banks	3	56,700	56,700	0	56,700	0	0	0	56,700
Insurance Companies	5	232,005,571	232,005,571	1.23	232,005,571	1.23	0	0	232,005,571
Life Insurance Corporation of India		228,087,393	228,087,393	1.21	228,087,393	1.21	0	0	228,087,393
Other Financial Institution	2	449,556	449,556	0	449556	0	0	0	449,556
Sub Total B1	29	245,832,714	245,832,714	1.3	245,832,714	1.3	0	0	245,832,714
B2) Institutions (Foreign)									
Foreign Portfolio Investors Category I	13	2,444,040	2,444,040	0.01	2,444,040	0.01	0	0	2,444,040
Foreign Portfolio Investors Category II	2	2,137,129	2,137,129	0.01	2,137,129	0.01	0	0	2,137,129
Other- Foreign Institution Investor	0	0	0	0	0	0	0	0	0
Other- Foreign Bank	0	0	0	0	0	0	0	0	0
Sub Total B2	15	4,581,169	4,581,169	0.02	4,581,169	0.02	0	0	4,581,169
B3) Central Government/ State Government(s)/ President of India	1	1,500	1,500	0	1,500	0	0	0	1,500
Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
Shareholding by Companies or Bodies Corporate where Central/State Government is a promoter	0	0	0	0	0	0	0	0	0
Sub Total B3	1	1,500	1,500	0	1,500	0	0	0	1,500
<b>B4) Non-Institutions</b>							_		

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	Loc	o. of ked in hares  As a % of total Shares held (b)	No. of equity shares held in dematerialized form
Individual share capital up to Rs. 2 Lacs	958,607	300,526,792	300,526,792	1.59	300,526,792	1.59	0	0	278,165,716
Individual share capital in excess of Rs. 2 Lacs	1,293	67,390,538	67,390,538	0.36	67,390,538	0.36	0	0	67,309,438
Any Other (specify)									
Non-Resident Indians (NRIs	4,656	8,576,627	8,576,627	0.05	8,576,627	0.05	0	0	7,497,327
Foreign Nationals	0	0	0	0	0	0	0	0	0
Foreign Companies	1	48,000	48,000	0	48,000	0	0	0	0
Bodies Corporate	1,070	8,926,745	8,926,745	0.05	8,926,745	0.05	0	0	8,398,345
Trusts	22	603,662	603,662	0	603,662	0	0	0	603,662
HUF	4,273	7,597,472	7,597,472	0.04	7,597,472	0.04	0	0	7,597,472
Clearing Member	11	43,721	43,721	0	43,721	0	0	0	43,721
LLP	55	676,041	676,041	0	676,041	0	0	0	676,041
<b>Directors and their relatives</b>	2	1,530	1,530	0	1,530	0	0	0	1,530
ESPS	7,879	39,261,711	39,261,711	0.21	39,261,711	0.21	0	0	39,261,711
Foreign Portfolio Investor (Individual)	1	4,200	4,200	0	4,200	0	0	0	4,200
Key Managerial Personnel	1	13,264	13,264	0	13,264	0	0	0	13,264
Sub Total B4	977,871	433,670,303	433,670,303	2.29	433,670,303	2.29	0	0	409,572,427
B=B1+B2+B3+B4	977,916	684,085,686	684,085,686	3.62	684,085,686	3.62	0	0	659,987,810

# Shareholding Pattern of the Non Promoter - Non Public shareholder as on December 31, 2024

		No. of fully	Total no. of	Shareholding as a %	No. of	Locked in shares	No of aquity shares	
Category & Name of Shareholder (I)	No. of Shareholders (III)	paid up equity shares held (IV)	shares held (VII = IV + V + VI)	calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	No.	As a % of total Shares held	No. of equity shares held in dematerialized form (XIV) (Not Applicable)	
C1) Custodian/ DR Holder	0	0	0	0	0	0	0	
C2) Employee Benefit Trust	0	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 December 31, 2024

Sr. 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									

### KEY REGULATIONS AND POLICIES

The following description is a summary of some of the relevant regulations and policies as prescribed by the central, state and regulatory bodies in India that are applicable to our Bank. 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 regulations and policies applicable to us.

The primary legislation governing banking companies in India is the Banking Regulation Act which applies to public sector banks such as our Bank, only to a limited extent. Sections 34A, 36AD and Section 51 of the Banking Regulation Act are applicable to corresponding new banks constituted under the 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 Scheme and the Indian Overseas Bank 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 SARFAESI Act, the Recovery of Debts and Bankruptcy Act, 1993, Foreign Exchange Management Act, 1999. 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 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 the RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with, by such banks and may direct that such banks regard a transaction or class of transactions as a liability. RBI has the power to impose penalties against any person for, *inter alia*, failure to produce any book, account or other document or furnish any statement, information, or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation, or direction thereunder.

### Banking Regulation Act, 1949

Our Bank is a 'Corresponding New Bank' as defined under the Banking Companies Act, only certain provisions of the Banking Regulation 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 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 the 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 or will have the ability to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank are not 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) any other condition, the fulfilment of which would, in the opinion of the RBI, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interest of its depositors; and (v) that public interest will be served if such license is granted to the bank.

The 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, the RBI has issued various reporting and record-keeping requirements for commercial banks. Further, the appointing, re-appointing, or removing of auditor or auditors of the Bank requires prior approval of the RBI, as the Bank is a government company.

We have obtained a banking license since the date of nationalisation through Gazette of India and are regulated and supervised by the RBI as applicable to as a Corresponding New Bank. The RBI requires us to furnish statements, information and certain details relating to our business and it has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets. The RBI has set up a board for financial supervision ("BFS"), under the chairmanship of the Governor of the RBI. The primary objective of BFS is to undertake consolidated supervision of the financial sector comprising of *inter alia*, commercial banks, financial institutions and non-banking finance companies. The RBI can direct a special audit in the interest of the Bank or the depositors

or in the public interest.

The Banking Regulation Act confers power on the RBI (in consultation with the central government) in the public interest or for preventing the affairs of the Bank from being conducted in a manner detrimental to the interest of the depositors or any banking company or for securing the proper management of any banking company, to pass orders to supersede the board of directors of a banking company for a period of up to six months, provided that the period of supersession may be extended from time to time, so, however, that the total period shall not exceed 12 months.

During the moratorium, the RBI may prepare a scheme: (i) for the reconstruction of the Bank, or (ii) for the amalgamation of the banking company with any other banking institution, if it is satisfied that it is necessary to do so in:

- (i) in the public interest; or
- (ii) in the interests of the depositors; or
- (iii) in order to secure the proper management of the banking company; or
- (iv) in the interest of the banking system of the country as a whole.

The abovementioned scheme shall be in accordance with the provisions of the Banking Regulation Act.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act, the 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 promulgated by the President of India with a view to give extensive powers to RBI to issue directions to banks for resolution of stressed assets. 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"). The RBI has also been granted the discretion to set up one or more advisory/supervisory committees to advise banks on resolution of stressed assets.

The Banking Regulation (Amendment) Ordinance, 2020, ("Ordinance") was promulgated by the President of India on June 26, 2020. The Ordinance amends the Banking Regulation Act as applicable to Cooperative Banks. It seeks to protect the interests of depositors and strengthen cooperative banks by improving governance and oversight by extending powers already available with RBI in respect of other banks to Co-operative Banks as well for sound banking regulation, and by ensuring professionalism and enabling their access to capital.

The Ordinance also amends Section 45 of the Banking Regulation Act, to enable making of a scheme of reconstruction or amalgamation of a banking company for protecting the interest of the public, depositors and the banking system and for securing its proper management, even without making an order of moratorium, so as to avoid disruption of the financial system.

### Indian Overseas Bank (Shares & Meetings) Regulations, 2003

Our Bank is governed by Indian Overseas Bank 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, Election of Directors shall be in accordance to Section 9(3)(i) of the Banking Companies Act.

### Regulatory reporting and examination procedures

The RBI is empowered under the Banking Regulation Act to call for certain information from a bank as well as to inspect a bank. The RBI monitors prudential parameters at periodic basis.

RBI has introduced the Centralised Information Management System (CIMS) to revolutionize its data handling, analysis, and governance. The system leverages advanced technology to manage big data, enabling powerful data mining, text mining, visual analytics, and statistical analysis. Apart from CIMS, RBI has also launched Daksh—a new suptech initiative aimed at developing an Advanced Supervisory Monitoring System. The application allows

for the collection and analysis of data from various sources and the automation of various steps of the supervisory process.

RBI has adopted a Risk Based Supervisory (RBS) approach, based on the recommendations of the High-Level Steering Committee (HLSC) for Review of Supervisory Processes of Commercial Banks. RBI's revised supervisory approach is called Supervisory Program for Assessment of Risk and Capital – SPARC. RBI conducts Inspection for Supervisory Evaluation (ISE) of the Bank under Section 35 of Banking Regulation Act, 1949 and shares Inspection & Risk Assessment Report (IRAR) as part of Supervisory Programme for Assessment of Risk and Capital (SPARC). This involves on-site inspection of the Banks on matters relating to the bank's portfolio, risk management systems, governance & oversight, internal controls, credit allocation and regulatory compliance.

### Maintenance of records

Board of Directors of the Bank has adopted a document handling and retention policy dated February 18, 2025.

Further, as per RBI's KYC Policy dated February 25, 2016 and updated from time to time, also provide for certain records to be maintained for a minimum period of period of five years from the business relationship have endedthis is covered under "**Policy for Know Your Customer**" as per KYC Cir. No 14/2023 dated November 14, 2023.

### Regulations relating to the opening of branches

Under Section 23 of the Banking Regulation Act, banks are required to obtain the prior approval of the RBI to open new branches, in or outside India or to change the existing place of such business, other than a change of existing place within the same city, town or village. Permission is granted based on factors such as overall financial position of the Bank, the history of the Bank, the general character of its management, the adequacy of its capital structure, its earning prospects and public interest.

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/ ATMs etc. In terms of the Rationalisation of Branch Authorisation Policy - Revision of Guidelines issued by the RBI dated May 18, 2017, updated on May 31, 2019, domestic scheduled commercial banks may open branches, unless otherwise specifically restricted, in tier 1 to tier 6 centres without prior permission from RBI, subject to the conditions laid down by RBI thereunder.

The RBI has further stipulated that the banks are required to open at least 25 percent of the total number of 'Banking Outlets' opened during a financial year in 'unbanked rural centres' i.e., tier 5 and tier 6 centre that does not have a core banking solution (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.

Further, such banks may also shift, merge, or close all branches except rural branches and sole semi-urban branches without prior permission from District Consultative Committee/ District Level Review Committee, subject to certain conditions. Rural branches and sole semi-urban branches can also be closed subject to certain conditions. Further, RBI has permitted installation of onsite/offsite ATMs at centres identified by banks. Further, banks are required to periodically report details of the branches opened/closed/shifted to RBI.

### Capital adequacy requirements

RBI had 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 regulations were implemented from April 1, 2013, in India in a phased manner and were fully implemented by 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	8.00%
	Buffer (1)+(2)	

Sr. No.	Regulatory Capital	As% of Risk Weighted Assets
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	11.50%
	(7)+(2)	

To ensure smooth transition to Basel III, appropriate transitional arrangements were provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. and accordingly, RBI had introduced the master circular on "Basel III Capital Regulations" dated July 1, 2015 (Master Circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015). The Basel III capital regulations were implemented in India with effect from April 1, 2013, and have been fully implemented as on October 1, 2021. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

RBI has thereafter issued revisions to the Master Circular - Basel III Capital Regulations lastly dated April 1, 2024, *vide* its notification, namely, Master Circular - Basel III Capital Regulations (bearing number RBI/2024-25/08 DOR.CAP.REC.4/21.06.201/2024-25).

### Liquidity coverage ratio

The Basel III framework on 'Liquidity Standards' includes 'Liquidity Coverage Ratio', 'Net Stable Funding Ratio' ('NSFR") and liquidity risk monitoring tools. In June, 2014, the 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' in January, 2013 and the 'Liquidity Coverage Ratio Disclosure Standards' in January, 2014 by the Basel Committee which provided enhanced guidance on liquidity, risk governance, measurement, monitoring and reporting to the RBI on liquidity positions. The guidelines stipulate that banks were to ensure an LCR of 60% for the calendar year 2015 with effect from January 1, 2015, minimum 90% with effect from January 1, 2018, 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 LCR as under:

From date of circular to September 30, 2020	80%
October 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

The notification further provides that banks shall prepare LCR restoration plans upon breach of the LCR requirement set out above, for scrutiny by the RBI's Department of Supervision.

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. 100% 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").

The RBI has permitted banks to reckon Government securities as Level 1 HQLA under FALLCR within the mandatory SLR requirement up to 16 per cent of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18 per cent of NDTL (2 per cent MSF plus 16 per cent FALLCR).

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 came into effect on October 1, 2021, pursuant to notification dated February 5, 2021.

### Prudential framework for resolution of stressed assets

The RBI has, pursuant to its circular dated June 7, 2019, established a new regulatory framework for resolution of stressed assets ("Revised Framework"). Pursuant to the Revised Framework, existing guidelines and schemes for debt resolution such as revitalising distressed assets, CDR, flexible structuring of existing long term project loans, SDR, change in ownership outside SDR, and S4A have been withdrawn. In addition, the guidelines /framework for joint lenders' forum has also been discontinued. According to the Revised Framework, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account.

Under the Revised Framework, the RBI had 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. Upon the occurrence of a default, banks are required to within a period of 30 days from the date of such default ("Review Period"), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% of outstanding facilities and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is 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:

- (i) INR 20 billion and above June 7, 2019;
- (ii) INR 15 billion and above but less than INR 20 billion January 1, 2020; and
- (iii) Less than INR 15 billion To be announced.

The Revised Framework further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions as set out below ("Additional Provisions"):

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 "Covid-19 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) for the insolvency resolution process to be completed ("IBC Moratorium Period") during which period the entity shall be revived. 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 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.

The IBC was recently amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2020 ("Amendment"), which received Presidential Assent on March 13, 2020 and is deemed to 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 has introduced a non-obstante explanation stating that any permit, license, registration which has been provided by any local, central or state authority constituted under any law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in the payment of current dues arising for the use or continuation of such license, permit or registration during the IBC Moratorium Period.

The Amendment also clarifies that the effect of the approval of a resolution plan by the Adjudicating Authority 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. On July 26, 2021, the Insolvency and Bankruptcy Code (Amendment) Bill, 2021 ("Bill") was introduced. On the August 11, 2021, the Bill received the assent of the President thus enacting the Insolvency and Bankruptcy (Amendment) Act, 2021 ("Amendment") deemed to have come into force on the April 4, 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, 2019 ("RDB Act")

The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals ("DRTs"), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants.

The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. Pursuant to the recovery certificate being issued, the recovery officer of the respective DRT shall effectuate the final orders of the DRT in the application. Unless such final orders of the DRT have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the DRT before the debt recovery appellate tribunal ("DRAT"), which is the appellate authority constituted under the RDB Act.

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.

### Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The SARFAES1 Act, read with the Security Interest Enforcement Rules, 2002, as amended, governs securitization of assets in India. Any securitization or reconstruction company may acquire assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the securitization/reconstruction company, such company shall be deemed to be the lender in relation to those financial assets.

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 the RBI 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.

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

The secured creditors must serve a 60-days' notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of 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 Section 31 of 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 Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("ESIRDA Amendment Act")

The ESIRDA Amendment Act received Presidential Assent on August 12, 2016. It seeks to amend certain provisions of the SARFAESI, RDB Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) Debenture Trustees registered with SEBI have now been included in the definition of 'secured creditor' and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including *inter alia* setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

### 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.

The RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of Section 12 of the PMLA.

### Master Circulars and Directions of Reserve Bank of India

### Priority sector lending

The Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 dated September 04, 2020 ("**PSL Master Directions**"), as amended from time to time (updated latest on June 21, 2024), sets out the broad policy in relation to priority sector lending. In accordance with this circular, the priority sectors for all scheduled banks include (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy and (viii) others.

Further, it also prescribes the details of eligible activities under the aforesaid categories. Under the aforementioned

master direction, the priority sector lending targets are linked to adjusted net bank credit as defined ("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 banks is 40% of ANBC or CEOBE, whichever is higher. This has to be achieved in a phased manner by 2020 as prescribed in the directions. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. By way of a notification dated September 20, 2019, the RBI has, in relation to export credit, enhanced the sanctioned limit, for classification of export credit under priority sector lending, from ₹ 250 million per borrower to ₹ 400 million per borrower and removed the existing criteria of 'units having turnover of up to ₹ 1 billion.

The 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 will 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.

The RBI via master circular reference FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 4, 2020, amended the definition of MSME in line with amendment to MSME Act and also aligned guidelines to bring sharper focus on inclusive development and achieve sustainable development goals.

The PSL Master Directions requires the banks to furnish the data on priority sector advances on a quarterly and annual basis and also provides for measures to be taken in the event of non-achievement of the prescribed targets which includes Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund established with National Bank For Agriculture And Rural Development ("NABARD") and other funds with NABARD/ National Housing Bank/ Small Industries Development Bank of India/ Micro Units Development and Refinance Agency Limited, as decided by the RBI from time to time and such non-achievements shall also be taken into account while granting regulatory clearances/approvals for various purposes.

### Exposure norms

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, the RBI advised the banks to fix limits on their exposure to specific industry or sectors and has prescribed credit exposure 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").

Section 19(2) of the Banking Regulation Act, 1949, 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 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, the RBI released guidelines on 'Enhancing Credit Supply for Large Borrowers through Market Mechanism' with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

On June 3, 2019, the RBI released the guidelines on 'Large Exposures Framework to align the exposure norms for Indian banks' with the Basel Committee. As per the framework, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a 'Large Exposure (LE)', if it is equal to or above 10 percent of the bank's eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the Reserve Bank of India (RBI) and Department of Banking Supervision, Central Office, (DBS, CO). Further,

exposure limits to a single counterparty and group of connected counterparties will be 20% (extendable up to additional 5% exposure by the board of the banks during exceptional circumstances) and 25% of available eligible capital base respectively. Further, RBI vide its notification dated September 12, 2019, prescribes that bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base. Banks' exposures to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25 percent of their Tier I Capital.

### Central Repository of Information on Large Credits

The RBI has *vide* its circular dated May 22, 2014, set up the Central Repository of Information on Large Credits ("CRILC") to collect, store and disseminate data on all borrowers' credit exposures including 'special mention accounts' (SMA 0, 1 & 2) having aggregate fund-based and non-fund based exposure of ₹ 50 million and above. The CRILC is designed entirely for supervisory purposes and its focus is on the reporting entities' exposure to the borrower (as individual and/or as a group) under various heads, such as bank's exposure to a large borrower; the borrower's current account balance; bank's written-off accounts; and identification of non-cooperative borrowers, among others. Further, the CRILC system started with information on SMA2 (default for 61-90 days) to be submitted on as and when basis i.e., whenever repayment for a large borrower's account becomes overdue for 61 days it is to be reported by the bank immediately.

Further, in terms of RBI circular dated June 7, 2019, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of ₹ 50 million and above. 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, 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.

### Short selling of Government securities

As per the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023, Banks may undertake short sale transactions in Government securities provided it is in accordance with the requirements of Short Sale (Reserve Bank) Directions, 2018 as amended from time to time

### Regulations relating to interest rates on deposits and advances

The RBI has issued Reserve Bank of India – (Interest rate on Deposits) Directions, 2016 dated March 3, 2016 (updated as of June 7, 2024 Scheduled commercial banks are required to pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their domestic, ordinary non-resident (NRO), non-resident (external) accounts (NRE) and foreign currency (non-resident) accounts (banks) scheme deposit account), subject to certain conditions prescribed in the directions. Further, certain additional restrictions have been prescribed to determine interest rates for savings deposits and term deposits. Additionally, interest rates offered by banks on NRO and NRE deposits cannot be higher than those offered by them on comparable domestic rupee term deposits.

The RBI has issued Reserve Bank of India – (Interest rate on Advances) Directions, 2016 dated March 3, 2016 (updated as of September 12, 2023). Scheduled commercial banks shall charge interest on advances on the terms and conditions specified in these directions. Further, the bank shall have freedom to offer all categories of advances on fixed or floating rates. There shall be no lending below the benchmark rate for a particular maturity for all loans linked to that benchmark.

RBI in its circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021 advised the Regulated Entities (REs) who have to carry out periodic updation of KYC of existing customers as per Section 38 of the KYC Directions, that keeping in view the current Covid-19 related restrictions in various parts of the country, the customer accounts where periodic updation of KYC is due and pending as on date, no restrictions on operations of such account shall be imposed till December 31, 2021, for this reason alone, unless warranted under instructions of any regulator/ enforcement agency/court of law, etc. Further, RBI *vide* its circular DOR.AML.REC.74/14.01.001/2021-22 dated December 30, 2021 extended the aforementioned circular till March 31, 2022.

#### Deposit insurance

Demand and time deposits of up to ₹ 5,00,000 accepted by all commercial banks including branches of foreign banks functioning in India, local area banks and regional rural banks are insured by Deposit Insurance and Credit Guarantee Corporation, a wholly owned subsidiary of the RBI. Each depositor in a bank is insured up to a maximum of ₹ 500,000 for both principal and interest amount held by him in the same right and same capacity as on the date of liquidation/cancellation of bank's license or the date on which the scheme of amalgamation / merger / reconstruction comes into force. Banks are required to pay the insurance premium for the eligible amount to the Deposit Insurance and Credit Guarantee Corporation on a half yearly basis. The cost of the insurance premium cannot be passed on to the customer and is borne entirely by the bank.

# Regulations relating to Know Your Customer ("KYC") and anti-money laundering

The RBI issued the Reserve Bank of India Master Direction-Know Your Customer (KYC) Directions, 2016 ("KYC Directions") on February 25, 2016, (as updated up to November 6, 2024), 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 or financing of terrorism activities and suspicious activities and monitor high value cash transactions. Banks shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk and our Bank is in the process of issuing RFP for outsourcing of the said risk assessment, suggesting mitigation measures. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and Anti Money Laundering.

RBI in its circular DOR.AML.REC 13/14.01.001/2021-22 dated May 5, 2021 advised the Regulated Entities (REs) who have to carry out periodic updation of KYC of existing customers as per Section 38 of the KYC Directions, that keeping in view the current Covid-19 related restrictions in various parts of the country, the customer accounts where periodic updation of KYC is due and pending as on date, no restrictions on operations of such account shall be imposed till December 31, 2021, for this reason alone, unless warranted under instructions of any regulator/ enforcement agency/court of law, etc. Further, RBI *vide* its circular DOR.AML.REC.74/14.01.001/2021-22 dated December 30, 2021, extended the aforementioned circular till March 31, 2022.

# Regulations relating to maintenance of statutory reserves

A bank is required to maintain, on a daily basis, Cash Reserve Ratio ("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 the RBI. The RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% of the requirement. The RBI may impose penal interest at the rate of 3% above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further, the penal interest charged shall be increased to a rate of 5% above the bank rate in respect of each subsequent day, during which the default continues.

In addition to the CRR, a bank is required to maintain Statutory Liquidity Ratio ("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 the RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the required SLR is 18%.

Further, the RBI has permitted banks to avail funds from the RBI on an overnight basis, under the Marginal Standing Facility ("MSF"), against their excess SLR holdings. Additionally, they can also avail themselves of funds, on an overnight basis below the stipulated SLR, up to 2% of their respective NDTL outstanding at the end of the second preceding fortnight.

Further, the RBI requires the banks to create a reserve fund to which it must transfer not less than 25 per cent of

the net profit of each year before declaring dividends. Unless specifically allowed by extant regulations, the Bank is required to take prior approval from the Reserve Bank of India before any appropriation is made from the Statutory Reserve.

# Regulations relating to authorized dealers for foreign exchange and cross-border business transactions

The foreign exchange and cross-border transactions undertaken by banks, both on its own account and also on behalf of customers, are subject to the provisions of FEMA and rules/ regulations/ directions and notifications issued thereunder. The bank should monitor all non-resident accounts and cross border transactions to prevent money laundering. RBI may impose penalty for contravention of Foreign Exchange Management Act and regulations/ notifications issued there under, or for contravention of any conditions, subject to which an authorization is issued by the RBI.

The Master Direction on Risk Management and Interbank Dealings, dated July 5, 2016, (Updated as on May 03, 2024) states that-

- (A) All categories of overseas foreign currency borrowings of AD Category I banks, (except for borrowings at point (B) below), including existing External Commercial Borrowings and loans/ overdrafts from their Head office, overseas branches and correspondents outside India, International/ Multilateral Financial Institutions [refer to point (C) below] or any other entity as permitted by RBI and overdrafts in nostro accounts (not adjusted within five days), shall not exceed 100% of their unimpaired Tier I capital or U.S. Dollar 10 million (or its equivalent), whichever is higher. The aforesaid limit applies to the aggregate amount availed of by all the offices and branches in India from all their branches/correspondents abroad and also includes overseas borrowings in gold for funding domestic gold loans. If drawls in excess of the above limit are not adjusted within five days, a report, should be submitted to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, Central Office, 9th Floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai 400 001, within 15 days from the close of the month in which the limit was exceeded. Such a report is not necessary if arrangements exist for value dating.
- (B) The following borrowings would continue to be outside the limit of 100 per cent of unimpaired Tier I capital or USD 10 million (or its equivalent), whichever is higher:
  - (i) Overseas borrowings by AD Category I banks for the purpose of financing export credit subject to the conditions prescribed in DBOD Master Circular dated July 2, 2015, on Rupee / Foreign Currency Export Credit & Customer Service to Exporters.
  - (ii) Subordinated debt placed by head offices of foreign banks with their branches in India as Tier II capital.
  - (iii) Capital funds raised/augmented by the issue of Innovative Perpetual Debt Instruments and Debt Capital Instruments, in foreign currency, in terms of Circulars DBOD. No. BP.BC.57/21.01.002/2005-06 dated January 25, 2006, DBOD. No. BP.BC.23/21.01.002/2006-07 dated July 21, 2006, and Perpetual Debt Instruments and Debt Capital Instruments in foreign currency issued in terms of circular DBOD.No.BP.BC.98/21.06.201/2011-12 dated May 2, 2012; and
  - (iv) Any other overseas borrowing with the specific approval of the Reserve Bank.
- (C) AD Category-I banks may borrow only from International / Multilateral Financial Institutions in which Government of India is a shareholding member or which have been established by more than one government or have shareholding by more than one government and other international organizations.
- (D) The borrowings beyond 50 per cent of unimpaired Tier I capital of AD Category I banks will be subject to the following conditions:
  - (i) The bank should have a Board approved policy on overseas borrowings which shall contain the risk management practices that the bank would adhere to while borrowing abroad in foreign currency.

- (ii) The bank should maintain a CRAR of 12.0 per cent; and
- (iii) The borrowings beyond the existing ceiling shall be with a minimum maturity of three years.
- (iv) All other existing norms (FEMA regulations, NOPL norms, etc.) shall continue to be applicable.
- (E) The funds so raised may be used for purposes other than lending in foreign currency to constituents in India and repaid without reference to RBI. As an exception to this rule, AD Category-I banks are permitted to use borrowed funds as also foreign currency funds received through swaps for granting foreign currency loans for export credit in terms of IECD <u>Circular No 12/04.02.02/2002-03 dated January 31, 2003</u>. Any fresh borrowing above this limit shall be made only with the prior approval of the Reserve Bank. Applications for fresh ECBs should be made as per the current ECB Policy.
- (F) Interest on loans/overdrafts may be remitted (net of taxes) without the prior approval of Reserve Bank.

#### Secrecy obligations

A bank's obligations relating to maintaining secrecy arise out of Section 13 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and common law principles governing its relationship with its customers. Subject to certain exceptions, a bank cannot disclose any information to third parties. Further, the RBI may, in the public interest, publish the information obtained from the bank.

# Ownership restrictions

Under the current policy, the total foreign ownership in a private sector bank cannot exceed 74% (49% under the automatic route and above 49% and up to 74% under the government approval route) of the paid-up capital. At all times, at least 26% of the paid-up capital will have to be held by residents, except in regard to a wholly owned subsidiary of a foreign bank.

The Banking Regulation Act requires any person to seek prior approval of the RBI to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by himself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in aggregate shareholding of such person to be 5% or more of the paid up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank.

Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. Pursuant to Section 12(2) of the Banking Regulation Act, 1949, the RBI has, on July 21, 2016, notified that no shareholder in a bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the bank.

Further, the RBI may, by passing an order, restrict any person holding more than 5.00% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not 'fit and proper' by the RBI. In this regard, the RBI has issued master directions for prior approval for acquisition of shares or voting rights on January 16, 2023 (the "Master Directions for Acquisitions").

The Master Directions for Acquisitions are applicable to the existing and proposed "major shareholders" of all banking companies as defined under the Banking Regulation Act including local area banks, small finance banks and payment banks. The Master Directions for Acquisitions define a "major shareholding" as "aggregate holding" of five per cent or more of the paid-up share capital or voting rights in a banking company by a person. The term "aggregate holding" has been defined as the total holding, directly or indirectly, beneficial or otherwise, of shares or voting rights by a person along with his relatives, associate enterprises and persons acting in concert with him in a banking company.

Every person desirous of undertaking such acquisition shall seek prior approval of the RBI as per the procedure set out in the Master Directions for Acquisitions. Any person who intends to acquire shares or voting rights in a banking company beyond the limit for which approval was obtained from the Reserve Bank, is required to apply to the Reserve Bank for prior approval to increase their aggregate holding in the banking company. It is the responsibility of the concerned bank to ensure that all its major shareholders are 'fit and proper' and every bank

shall make continuous monitoring arrangements to ensure that the major shareholders continue to be 'fit and proper' as per the Master Directions for Acquisitions.

Further, SEBI has, through a circular dated April 5, 2018, put in place a system for monitoring foreign investment limits in listed Indian companies, and, by a circular dated May 17, 2018, SEBI has directed that the system be made operational from June 1, 2018. Accordingly, each listed Indian company shall have to appoint any one depository as its designated depository to facilitate the monitoring of the foreign investment limits.

Additionally, the DIPP by way of press note no. 3 (2020 series) amended the FEMA Regulations by restricting foreign direct investments by an entity of any country which shares a border with India or where the beneficial owner of an investment into India is situated in or is a citizen of such country, only through the Government approval.

#### Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. Keeping in view that complicated and opaque securitisation structures could be undesirable from the point of view of financial stability, prudentially structured securitisation transactions can be an important facilitator in a well-functioning financial market in that it improves risk distribution and liquidity of lenders in originating fresh loan exposures, the RBI issued the RBI (Securitisation of Standard Assets) Directions, 2021 *vide* its circular dated September 24, 2021 (updated as on December 05, 2022), which are applicable to all the scheduled commercial banks in India.

# Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

Loan transfers are resorted to by lending institutions for multitude of reasons ranging from liquidity management, rebalancing their exposures or strategic sales. A robust secondary market in loans can be an important mechanism for the management of credit exposures by lending institutions and also create additional avenues for raising liquidity. Thus, RBI *vide* its circular dated September 24, 2021, notified RBI (Transfer of Loan Exposures) Directions, 2021 which is a comprehensive set of regulatory guidelines governing the transfer of loan exposures, which are applicable to all the scheduled commercial banks in India.

Master Direction on Transfer of Loan Exposure was amended to inter alia permit overseas branches of specified lenders to (a) acquire only 'not in default' loan exposures from a financial entity operating and regulated as a bank in the host jurisdiction; (b) transfer exposures 'in default' as well as 'not in default' pertaining to resident entities to a financial entity operating and regulated as a bank in the host jurisdiction; and (c) transfer exposures 'in default' as well as 'not in default' pertaining to non-residents, to any entity regulated by a financial sector regulator in the host jurisdiction. Amendments have also been made in certain provisions related to minimum holding period (MHP), valuation of security receipts (SRs), transfer of stressed loans to ARCs, and credit/ investment exposure of lenders. Additionally, the term 'Economic Interest' has now been explicitly defined as 'the risks and rewards that may arise out of loan exposure through the life of the loan exposure'.

#### Downstream investment by banks-

In accordance with Rule 23 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, downstream investments made by a banking company, as defined in Section 5(c) of the Banking Regulation Act, incorporated in India, which is owned or controlled by non-residents/non-resident entity, under corporate debt restructuring, or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment. However, their 'strategic downstream investment' shall count towards indirect foreign investment. For this purpose, 'strategic downstream investments' would mean investment by these banking companies in their subsidiaries, joint ventures, and associates.

#### Regulation of financial services provided by banks

The Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated on August 10, 2021 require banks to comply with certain restrictions while undertaking financial services including in relation to risk mitigation measures, limits on investment that can be made by banks in companies undertaking financial services. The directions also provide for specific regulations for certain financial services such as, *inter alia*, setting of an infrastructure debt fund, underwriting activities, mutual fund business, insurance.

#### Guidelines on management of intra-group transactions and exposures

The RBI issued the "Guidelines on Management of Intra-Group Transactions and Exposures on February 11, 2014". Pursuant to the said guidelines, the RBI has prescribed quantitative limits on financial intra-group transactions and exposures and prudential measures for the non-financial intra-group transactions and exposures. These guidelines also require that all intra-group transactions to be at "arms-length".

The objective of these guidelines is to ensure that banks engage in intra-group transactions and exposures in safe and sound manner in order to contain concentration and contagion risks arising out of such transactions.

#### Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure

The RBI issued a circular relating to "Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022" on October 11, 2022. 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 January 1, 2023.

#### Revised Prompt Corrective Action (PCA) framework for banks

The RBI *vide* its circular dated April 13, 2017 had reviewed and revised the Prompt Corrective Action (PCA) framework for banks, which was effective from April 1, 2017. Further, RBI *vide* its circular dated November 2, 2021, stated that the existing PCA Framework has further been revised and the new provisions will be effective from January 1, 2022. 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 and the leverage ratio of the relevant bank.

# The Banking Ombudsman Scheme, 2006

The Banking Ombudsman Scheme, 2006 provides the extent and scope of the authority and functions of the Banking Ombudsman for redressal of grievances against deficiency in banking services, concerning loans and advances and other specified matters and has gone through various amendments to provide for revised procedures for redressal of grievances by a complainant under the scheme and to broaden the scope of complaints addressed by the Banking Ombudsman. RBI *vide* its circular dated November 12, 2021 being satisfied that it is in public interest to do so to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it integrated the three Ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme), thereby being applicable to commercial banks as well.

#### 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 20% 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.

# Classification and Reporting of Fraud Cases

RBI has issued Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions vide circular no. RBI/ DOS/ 2024-25/118/ DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15th, 2024. 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, cheating by concealment of facts with the intention to deceive any person and cheating by impersonation, forgery with the intention to commit fraud by making any false documents/electronic records, wilful falsification, destruction, alteration, mutilations of any book, electronic record, paper, writing, valuable security or account with intent to defraud, fraudulent credit facilities extended for illegal gratification, cash shortages on account of frauds, fraudulent transactions involving foreign exchange, fraudulent electronic banking/ digital payment related transactions committed on banks; and other type of fraudulent activity not covered under any of the above.

The Senior Management shall be responsible for implementation of the fraud risk management policy approved by the Board of the bank. A periodic review of incidents of fraud shall also be placed before Board / Audit Committee of Board (ACB), as appropriate, by the Senior Management of the bank.

# Issue of Long-Term Bonds by Banks - Financing of Infrastructure and Affordable Housing

In order to ensure adequate credit flow to infrastructure sector also towards the affordable housing needs of the country, RBI issued guidelines on issue of long-term bonds by banks on July 15, 2014 ("Infrastructure and Affordable Housing Guidelines"), amended from time to time. Banks can issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing. As a regulatory incentive, these bonds exempted from computation of net demand and time liabilities and would therefore not be subjected to CRR / SLR requirements subject to certain conditions. Eligible bonds will also get exemption in computation of ANBC for the purpose of priority sector lending ("PSL").

# 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 w.e.f. April 1, 2016 were priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprises of: (a) marginal cost of funds; (b) negative carry on account of CRR; (c) operating costs and; (d) tenor premium.

In terms of the notification, the board of directors of the banks 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.

# 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 Limited ("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.

# Implementation of Indian Accounting Standards ("Ind AS")

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, pursuant to which the banking companies were exempted to comply with Ind AS for preparation of financial statements.

However, in terms of the MCA press release dated January 18, 2016, the scheduled commercial banks are required to prepare Ind AS based financial statements on consolidated and standalone basis in relation to accounting period beginning from April 1, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter and not even voluntarily before that, which was deferred to financial year 2019-20 vide RBI's Press Release (2017-18/2642) dated 5 April 2018. Subsequently, Ind AS implementation has been deferred by RBI vide their notification dated 22.03.2019 till further notice. Further, as per RBI directive, the Audit Committee of the Board (ACB) shall oversee the progress of the Ind AS implementation process and report to the Board of Directors on quarterly basis. The Audit Committee of the Board& Board is being apprised of the progress made on quarterly basis.

RBI vide email dated 20.07.2018 advised the banks to submit Proforma Ind AS Financial Statements (PIFS) every quarter, starting from the quarter ended 30.06.2018 as per the format /template provided by them .RBI stated that these Proforma Financial Statements are for regulatory analysis purpose only and may not necessarily be completely Ind AS compliant or indicative of the final format to be specified in the Third Schedule to the Banking Regulation Act, 1949. RBI vide e-mail dated 08.08.2021, advised banks to submit Proforma Ind AS Financial Statements on half yearly basis. Bank is submitting the Proforma Ind AS Financial Statements to the RBI as per prescribed periodicity within stipulated time.

# Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances dated April 1, 2023 ("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.

The banks should maintain provisioning coverage ratio, including floating provisions, of at least 70.00%. In case of restructuring, the accounts classified as 'standard' shall be immediately downgraded as non-performing assets. Scheduled commercial banks shall report credit information, including classification of an account as SMA to Central Repository of Information on Large Credits ("CRILC"), on all borrowers having aggregate exposure of ₹ 50 million and above with them. Banks must put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. Since default with any lender is a lagging indicator of financial stress faced by the borrower, it is expected that the lenders initiate the process of implementing a resolution plan (RP) even before a default.

In any case, once a borrower is reported to be in default by any of the lenders, lenders shall undertake a prima facie review of the borrower account within thirty days from such default. Any action by the Banks with an intent to conceal the actual status of accounts or evergreen the stressed accounts, will be subjected to stringent supervisory / enforcement actions as deemed appropriate by the Reserve Bank, including, but not limited to, higher provisioning on such accounts and monetary penalties.

#### 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.

#### Guidelines on digital lending issued by RBI on September 2, 2022 ("Guidelines on Digital Lending")

The guidelines issued by RBI on September 2, 2022, are applicable to digital lending extended by (a) all commercial banks, (b) primary (urban) co-operative banks, state co-operative banks, district central co-operative banks, and (c) non – banking financial companies (including house finance companies).

The Guidelines on Digital Lending require, among other things: (a) all loan disbursals and repayments to be executed only between the bank accounts of the borrower and the regulated entity without any pass-through/pool account of the loan service provider or any third party; (b) all-inclusive costs of digital loans to be disclosed to the borrower; (c) a cooling-off period to be provided to borrowers, during which the borrowers can exit digital loans by paying the principal and the proportionate costs without any penalty; (d) the appointment of a nodal grievance redressal officer by loan service providers; and (e) reporting of loans to credit information companies. Additionally, the Recommendations have noted some issues for further examination by the RBI, which may be incorporated into the Guidelines on Digital Lending in the future.

In the Guidelines on Digital Lending, the RBI has also provided that regulated entities engaged in credit delivery through digital lending will have time until November 30, 2022 to comply with the lending norms for repeat and top up loans to existing digital lending customers

# Reserve Bank of India's Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI issued the guideline for appointment/re-appointment of SCAs/ SAs of the entities on April 27, 2021 superseding all the previous guidelines as annexed in the guidelines. The guidelines are applicable to commercial banks (excluding RRBs), UCBs and NBFCs including HFCs for financial year 2021-22 and onwards. UCBs and NBFCs shall have the flexibility to adopt the guidelines from second half of financial year 2021-22 in order to ensure that there is no disruption. Under the guidelines, Commercial Banks and UCBs will be required to take prior approval of RBI for the appointment of SCAs/ SAs on annual basis.

It also specifies the maximum number of SCAs/ SAs to be appointed by the board based on the asset size of the entity. Entities are required to appoint audit firms as it SCAs/ SAs fulfilling the eligibility norms and independence of auditors requirements as prescribed under these directions. Other criteria's including eligibility for appointment based on the asset size of the entity being audited (as on March 31 of the previous year), professional standards for discharge of audit responsibilities, tenure and rotation, and audit fees and expenses for SCAs/ SAs have been provided. Each entity is required to formulate a board approved policy to be hosted on its official website/ public domain and formulate necessary procedures thereunder to be followed for appointment of SCAs/ SAs.

#### Other laws

In addition to the above, our Bank is also required to comply with the provisions of other applicable statutes imposed by the Central or the State Government and other authorities for our day-to-day business and operations. Our Bank is also amenable to various central and state tax laws.

#### 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 Lead Managers.

Our Bank, the 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 SEBI Takeover Regulations, the SEBI 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 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 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 239 and 246.

# **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 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 has been 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 letter dated September 17, 2024 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., this Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;
- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- 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 September 17, 2024 from the Ministry of Finance, GoI ("GoI Approval Letter"):

- 1. 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.
- 2. 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.
- 3. 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.
- 4. 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
- 5. 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 Bid/ 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 not more than 5% of the Floor Price was offered by our Bank in accordance with the provisions of the SEBI ICDR Regulations. Accordingly, pursuant to a resolution of the Shareholders passed in the AGM held on July 2, 2024, our Bank had offered a discount of 5% on the Floor Price.

The "Relevant Date" referred to above means the date of the meeting in which the Board/its 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 2, 2024 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 235.

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 shall contain 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 did not receive a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document and 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 22, 2024 and approved by the Shareholders in the AGM held on July 2, 2024. 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 ₹2,500.00 million; and
- b. five, where the issue size is greater than  $\ge 2,500.00$  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 230.

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 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 each dated March 19, 2025, 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 of 1933, as amended (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 state securities laws. Accordingly, the Equity Shares are being offered and sold 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. There will be no public offering of the Equity Shares in the United States. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under the applicable Indian regulations and referred to in the Preliminary Placement Document and this Placement Document as "QIBs". The Equity Shares are transferable only in accordance with the restrictions described under the sections "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, 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**

- On the Bid/ Issue Opening Date, our Bank in consultation with the Lead Managers 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 specifically addressed to each such Eligible QIB. Our Bank maintained 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 is delivered was determined by our Bank in consultation with the 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 to be deposited, is 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 was deemed to have been made to such

person and any application that did comply with this requirement was treated as invalid and was rejected. The Application Form could have been 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 could have submitted 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 was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case Bids were 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 Bid/ Issue Period to the Lead Managers and their Bid Amount shall be 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;
  - Equity Shares held by the Eligible QIBs in our Bank prior to the Issue;
  - that it has agreed to certain other representations set forth in the Application Form; and
  - a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, and it has agreed to certain other representations set forth in the "Representations by Investors" beginning on page 6 and "Transfer Restrictions" beginning on page 246 and certain other representations made in the Application Form.

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 specifically stated the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could have been 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 had been made. Application by various schemes or funds of a Mutual Fund will be 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 can 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 "IOB ESCROW ACCOUNT 2025" with the Escrow Bank, within the Bid/ 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 were required to be made from the bank accounts of the relevant Bidders, and our Bank was required to keep a record of the bank account from where such payment had been received. Bid Amount payable on Equity Shares to be held by joint holders were required to be 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 was not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount had been paid by such Bidder, (c) the Bid Amount was arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowered or withdrew their Bid after submission of the Application Form but prior to the Bid/ Issue 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 235.

- 6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer, and the Bid could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ 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 Bid/ 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 Bid/ Issue Closing Date, our Bank, in consultation with the Lead Managers, determine the final terms, including the Issue Price of the Equity Shares Allocation of Equity Shares to be issued pursuant to the Issue. Upon such determination, the Lead Managers have sent 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 to a Successful Bidder is 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 contains 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 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 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 ICDR Regulations and are residents of India or are Eligible FPI participating through Schedule II of the FEMA rules were eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules were

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 were 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 registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;
- 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 WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIS DID NOT EXCEED SPECIFIED LIMIT AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS WERE 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 December 31, 2024, the aggregate FPI shareholding in our Bank is 0.06% 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 200.

#### **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 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 were 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 were 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 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 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 and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this 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" beginning on pages 2, 6, 239 and 246, respectively:

- 1. The Eligible QIB confirmed 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 confirmed 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 acknowledged that it has no right to withdraw or revise its Bid downwards after the Bid/ Issue Closing Date;
- 4. The Bidder confirmed 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 confirmed 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 confirmed 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 confirmed 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 confirmed 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 confirmed 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 confirmed that its Bid would not result in triggering an open offer under the Takeover Regulations;
- 8. The Eligible QIB agreed that although the Bid Amount is required to be paid by it along with the Application Form within the Bid/ 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 Lead Managers. The Eligible QIB further acknowledged and agreed 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 confirmed 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 acknowledged 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 confirmed 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 confirmed that:
  - a. It is an 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 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 is outside the United States purchasing the Equity Shares in an "offshore transaction" as defined in and 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 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 2, 6, 239 and 246, 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 WERE REQUIRED TO 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 LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE LEAD MANAGERS, ESCROW BANK 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, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address, and bank account were 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 was remitted for the Equity Shares applied for in the Issue, was considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becoming 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 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 deposited in the Escrow Account as was specified in the Application Form and the Application Form were required to be submitted to the Lead Managers through electronic form at either of the following addresses:

Name of Lead Manager	Address	Contact person	Email	Phone
IDBI Capital Markets	6th Floor, IDBI	Subodh Gandhi	subodh.gandhi@idbic	+91 22 4069 1803
& Securities Limited,	Tower,		apital.com	
	WTC Complex,			
	Cuffe Parade			
	Colaba, Mumbai –			
	400005,			
	Maharashtra, India			
Systematix Corporate	The Capital, A Wing	Kuldeep Singh/	mb.qip@systematixg	+91 22 6704 8000
Services Limited	603-606, 6th Floor	Hanishi Shah	roup.in	
	Plot No. C-70 G		_	
	Block,			
	Bandra Kurla			
	Complex Bandra East			
	Mumbai – 400 051			
	Maharashtra, India			
Elara Capital (India)	One International	Astha Daga	elara.ecm@elaracapit	+91 22 6164 8599
Private Limited	Center, Tower 3, 21st		al.com	
	Floor, Senapati Bapat			

Name of Lead Manager	Address	Contact person	Email	Phone
	Marg, Mumbai – 400			
	013, Maharashtra,			
	India			
Emkay Global	7th Floor, The Ruby,	Vimal Maniyar/	iob.qip@emkaygloba	+91 22 6612 1212
Financial Services	Senapati Bapat Marg,	Bhargav	1.com	
Limited	Dadar (West),	Aryasomayajula		
	Mumbai – 400028,			
	Maharashtra, India			

The 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 Bid/ Issue Period.

#### **Payment of Bid Amount**

Our Bank has opened the Escrow Account in the name of "IOB ESCROW ACCOUNT 2025" with the Escrow Bank, in terms of the arrangement among our Bank, the Lead Managers and the Escrow Bank. Each Bidder was 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 "IOB ESCROW ACCOUNT 2025" 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 Lead Managers had 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 was 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 was refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "- Refunds" on page 235.

# **Pricing and Allocation**

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price was not 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 had offered a discount of 5% 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 2, 2024.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board/its committee of the Board decides 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 Bid/ Issue Period to the Lead Managers. Such Bids could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book was maintained by the Lead Managers.

#### Price discovery and Allocation

Our Bank, in consultation with the Lead Managers, has determined the Issue Price, which is at or above the Floor Price. However, our Bank had offered a discount of 5% 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 2, 2024.

After finalisation of the Issue Price, our Bank has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

#### Method of Allocation

Our Bank has determined the Allocation in consultation with the 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 undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR BANK IN CONSULTATION WITH THE LEAD MANAGERS IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR BANK, IN CONSULTATION WITH THE 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 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 Lead Managers, in their sole and absolute discretion, have decided the Successful Bidders to whom the serially numbered CAN were 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 have been notified to such Successful Bidders. Additionally, the CAN includes 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 have been sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Bank) 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 is 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/ its committee of the Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the 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 has been deemed to have made the representations and warranties as specified in section titled "*Notice to Investors*" beginning on page 2 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, as per the provisions of the Companies Act and 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, reserved 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 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 was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount had been paid by such Bidder, or the Bidder had deposited the Bid Amount arrived at using a price higher than the Issue Price, or Equity Shares were not Allocated to a Bidder for any reasons, was cancelled prior to Allocation, or a Bidder withdraws the Bid prior to the Bid/ 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, reserved 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 was required to be submitted with the Application Form. Further, the Application Forms without this information were considered incomplete and were liable to be rejected. It is to be specifically noted that applicants could not submit the GIR Number instead of the PAN as the Application Form was liable to be rejected on this ground.

#### Bank account details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount was made along with confirmation that such payment was made from such account.

#### Right to reject applications

Our Bank, in consultation with the Lead Managers, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Bank in consultation with the Lead Managers in relation to the rejection of Bids is final and binding. In the event the Bid was 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*" and "— *Refund*" on pages 230 and 235, respectively.

#### 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 was required to 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 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 Lead Managers have entered into a placement agreement with the Bank dated March 19, 2025 (the "Placement Agreement"), pursuant to which the 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 has 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 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 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 Lead Managers could have subscribed 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" beginning on page 12.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state 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 any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions", as defined in and in reliance on Regulation S 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 in the sections titled "Selling Restrictions" and "Transfer Restrictions" beginning on pages 239 and 246, respectively.

The Lead Managers and their respective affiliates may engage in transactions with and perform services for the Bank, its Joint Venture, Associate or affiliates 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 Subsidiary or affiliates, 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 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) 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 and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

#### General

No action has been taken or will be taken in any jurisdiction by our Bank or the Lead Managers that would permit a public offering of the Equity Shares or the possession, circulation or distribution of 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, 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. Each purchaser of the Equity Shares offered by this Placement Document will be deemed to have made, the representations, acknowledgments and agreements as described under "Notice to Investors", "Representation by Investors", and "Transfer Restrictions" beginning on pages 2, 6 and 246 respectively.

#### India

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. This Placement Document has not been and will not be filed 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 Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("Corporations Act") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Bank that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Placement Document and nothing in this Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Placement Document, or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Lead Managers or any of their respective affiliates is the holder of an Australian Financial Services License.

#### Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares offered in the Issue have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("CBB"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("MOICT") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

# European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "Prospectus Regulation"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Lead Managers for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Bank or the Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or 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 Lead Managers has been obtained to each such proposed offer or resale.

Our Bank, the Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

#### Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of the Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

# Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). This Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

#### Kuwait

This Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

#### Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

#### New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMA Act"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the

meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### **Qatar (excluding the Qatar Financial Centre)**

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Bank nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

# **Qatar and Qatar Financial Centre**

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Bank has not been authorised or licensed by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Bank and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

# Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market

Authority ("CMA"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective investors of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

#### Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of 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 Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), 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:

- i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of 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
- ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(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:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) 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: Notice on Recommendations on Investment Products).

### Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "Executive Regulations") by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

# **Switzerland**

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, 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 Placement 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.

# **United Arab Emirates (excluding the Dubai International Financial Centre)**

This Placement 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, "Promotion") 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 "Qualified Investors" (excluding "High Net Worth Individuals") (as such terms are 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.

# **United Kingdom**

The Equity Shares have not been offered or will not be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Bank or the Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom 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 "UK Prospectus Regulation" means

Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

#### **United States**

The Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India 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 outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Transfer Restrictions*" beginning on page 246.

#### 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" beginning on page 239.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state 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 any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under "*Transfer Restrictions*" beginning on page 246.

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.

# Transfer restrictions and purchaser representations for purchasers outside the United States

If you purchase the Equity Shares offered outside the United States in reliance on Regulation S, by accepting delivery of the Preliminary 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 as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in the Preliminary Placement Document and 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 the Bank or the LMs and their respective affiliates shall have any responsibility in this regard.
- You acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that the Equity Shares are being issued in offshore transactions in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- You certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, 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 your customer and your 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 are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- You agree (or you are a broker-deal acting on behalf of a customer that has confirmed to you 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. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.
- 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 in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that such Equity Shares may be offered, resold, pledged or otherwise transferred except (A)(i) in the United States, (1) to a person who the seller reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (2) pursuant to an exemption from registration under the U.S Securities Act (if available), (3) pursuant to another available exemption from the registration requirements of the U.S Securities Act, or (4) pursuant to an effective registration statement under the U.S. Securities Act, or (ii) outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S, as applicable, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.
- 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 a similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Bank or the LMs 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) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and you or they 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 it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) 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. 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 have been provided access to the Preliminary Placement Document and this Placement Document, which you have read in its entirety. You will base your investment decision on a copy of the Preliminary Placement Document and this Placement Document. You acknowledge that neither our Bank nor any of its affiliates nor any other person (including the Lead Managers) or any of its 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 agree to indemnify and hold the Bank and the LMs 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 these representations and warranties. You will not hold any of the Bank or the LMs liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where you are subscribing to 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 subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts.
- You agree that any offer, resale, pledge or other transfer, or attempted offer, resale, pledge or other transfer,
  of the Equity Shares made other than in compliance with the above-stated restrictions shall not be
  recognised by the Bank.

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 the Bank and the LMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate, you will promptly notify the Bank and the LMs; 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. You agree that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Bank, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. You understand that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorize the Bank to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein

#### 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 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 noncompliance 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.

Further, the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern 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. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 requires all listed companies to maintain a minimum public shareholding of 25%, subject to certain time bound exceptions.

# 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. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with above-mentioned requirements. Further, 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 the 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 from 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.

The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020, to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

# **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, members of the promoter group, key managerial personnel, directors as well as continual disclosures by every promoter, members of the promoter group, employee or director in case value of trade exceed monetary threshold of ₹ 1.00 million 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 SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

#### **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 certain provisions relating to our Bank's share capital and the Equity Shares, including brief summaries of certain provisions of the Indian Overseas Regulations. Our Bank follows the RBI Dividend Circular in relation to declaration of dividends.

#### General

The authorized share capital of our Bank is ₹ 250,000.00 million consisting of 25,000 million equity shares of ₹ 10 each.

As on the date of this Placement Document, the issued, subscribed and paid-up share capital of our Bank is ₹ 189,024.12 million divided into 18,902,412,256 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 Indian Overseas 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 Indian Overseas 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 a share register of its shareholders. The particulars required to be entered in the share register are required to be maintained in the form of books or data stored in magnetic / optical / magneto-optical media by way of diskettes, floppies, cartridges or otherwise in computers to be maintained by the Bank's RTA and back up at such location as may be decided from time to time by the Chairman or Managing Director or any other designated official. Our Bank is required to maintain the register in electronic format subject to safeguards stipulated in the Information Technology Act, 2000, as amended.

#### **Share Certificate**

Each share certificate in respect of shares of our Bank is required to bear a distinctive share certificate number according to the Banking Regulation Act; the number of shares in respect of which it is issued and the name of the shareholder to whom it is issued and it should be in such form as may be specified by the Board. Every share certificate should be issued under the common seal of our 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 appointed by the Board for the purpose.

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 authorized to sign the share certificates on behalf of our Bank.

#### **Issue of Share Certificates**

Under the provisions of the Indian Overseas 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. In the case of shares held jointly by several persons, delivery of the relative certificate or certificates to one of such joint holders shall be sufficient delivery to all such holders.

# Forfeiture of shares

Our Bank can by a resolution of the Board forfeit the shares, if the calls on such shares are unpaid. Any share so forfeited will be deemed to be the property of our Bank and may be sold, re-allocated or otherwise disposed of to

any person upon such terms and in such manner as the Board may decide.

#### **Meeting of Shareholders**

There are two types of general meetings of shareholders: AGM and extra ordinary general meeting. For convening an AGM, a notice signed by the chairman and the managing director or the executive director or any officer not below the rank of scale VII or the company secretary should be published at least 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, 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 a special 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 shall 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 after the time appointed for the holding of a meeting, a quorum is not present in the case of a meeting called by a requisition of shareholders other than the Government, the meeting shall stand dissolved. In any other case, if within half an hour after the time appointed for the holding of a meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and such other time and place as the Chairman may determine.

#### Voting rights of Shareholders

The Indian Overseas Regulations read with the Banking Companies Act provide that no shareholder other than the Government shall be entitled to exercise voting rights in respect of any shares held by them in excess of 10.00% of the total voting rights of all the shareholders of our Bank. In addition, Section 3(2D) of the Banking Companies Act mandates that shareholding of non-residents in a corresponding new bank cannot exceed 20.00% of its paid up capital. Each shareholder who has been registered as a shareholder on the date of closure of the register prior to the date of a general meeting shall, at such meeting, have one vote on show of hands and in case of a poll shall have one vote for each share held by him. Shareholders of our Bank entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as their proxy to attend and vote instead of them, but a proxy so appointed shall not have any right to speak at the meeting.

#### **Right to elect Directors**

A director, under the provisions of the Indian Overseas 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%.

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*" beginning on page 79. 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**

Date: March 19, 2025

To.

#### Board of Directors Indian Overseas Bank

Central Office, 763 Anna Salai, Chennai 600 002, Tamil Nadu, India

#### **IDBI Capital Markets & Securities Limited**

6<sup>th</sup> Floor, IDBI Tower, WTC Complex Cuffe Parade, Mumbai 400 005, Maharashtra, India

### **Systematix Corporate Services Limited**

The Capital, A-Wing, No. 603-606, 6th Floor, Plot No. C-70, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

#### Elara Capital (India) Private Limited

One International Center Tower 3, 21st Floor Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India

#### **Emkay Global Financial Services Limited**

7th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028 Maharashtra, India

(IDBI Capital Markets & Securities Limited, Systematix Corporate Services Limited, Elara Capital (India) Private Limited, and Emkay Global Financial Services Limited, together with any other book running lead managers appointed for the Issue, are 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 ₹ 10 each ("Equity Shares") by Indian Overseas Bank (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. This report is issued in accordance with our engagement letter dated 30.12.2024 and Arrangement Letter dated March 19, 2025 with the Bank.
- 2. We, M/s R Devendra kumar & Associates, Firm Registration Number: 114207W,M/s Tej Raj & Pal, Firm Registration Number: FRN 304124E, M/s Laxmi Tripti & Associates, Firm Registration Number: FRN 009189C, M/s Sanjeev Omprakash Garg & CO, Firm Registration Number: 008773C (hereinafter collectively referred as "Statutory Central Auditors"), hereby report on the accompanying statement of possible tax benefits available to the Bank and its shareholders, which has been prepared by the management of the bank basis which has been prepared by the management of the bank basis the

provisions of the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications), as amended, applicable for the financial year ended March 31, 2025 and relevant to the assessment year 2025-26, presently in force in India and under direct taxation laws presently in force in India as on date of report (hereinafter referred to as the "Income Tax Regulations" or "Tax Laws"), with regard to proposed Qualified Institutions Placement of Equity Shares under the SEBI ICDR Regulations, as amended, as included in Annexure A which we have initialed for identification purposes.

#### Management's Responsibility

- 3. The preparation of the information contained in the Annexure A (statement of possible tax benefits) in connection with the Placement and statement of possible tax benefits, which is to be included in the preliminary placement document ("PPD")/ placement document ("PD") is the responsibility of the management of the Bank. The completeness of the details furnished to us is the sole responsibility of the Bank's management and we have relied solely on the data furnished by the Bank for the same.
- 4. 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) as amended applicable for the financial year ended March 31, 2025 and relevant to the assessment year 2025-26,
- 5. Management is also responsible for the completeness and correctness of the statement of possible tax benefits available to the Bank and its shareholders and maintenance of all relevant supporting records. This responsibility includes collecting, collating and validating data and designing, implementing and maintaining adequate internal controls that were operating effectively and applying an appropriate basis of preparation that are reasonable in the circumstances relevant to the preparation of the statement of possible tax benefits. The Bank's management is also responsible for identifying and ensuring the compliance with the Income Tax Regulations and other laws and regulations applicable to Bank's activities and providing relevant information to those concerned with this certificate.
- 6. The management of the Bank is responsible for maintenance of relevant documents in terms of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). The Management of the Bank is also responsible for the design, implementation and maintenance of internal financial control in addition to ensuring compliance with the requirements of SEBI ICDR Regulations for the purpose of furnishing the information contained in the Annexure and for providing all relevant information to the Stock Exchanges.
- 7. 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.

# Auditor's responsibility

- 8. It is our responsibility to report whether the Statement of possible tax benefits presents, in all material respects, the possible benefits available to the Bank and its shareholders, in accordance with the Income Tax Regulations as at the date of our report.
- 9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the SEBI ICDR Regulations in connection with the Issue.
- 10. Our work has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") issued by the Institute of Chartered Accountant of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code

of Ethics issued by the ICAI.

- 11. 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 issued by ICAI.
- 12. Further, our scope of work did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Bank, taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
- 13. 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 Issue 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 Placement Agents in connection with the Issue.

#### **Inherent Limitations**

- 14. We draw attention to the fact that the Annexure includes certain inherent limitations that can influence the reliability of the information included therein.
- 15. Several of the tax benefits/consequences as reported in Annexure are dependent on the Bank and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Bank and it's Shareholders to derive the tax benefits is dependent on fulfilling such conditions which may or may not be fulfilled.
- 16. The benefits discussed in the enclosed annexure are not exhaustive. Also the Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- 17. In view of the individual nature of the tax consequences and the changing tax laws, readers of the Preliminary Placement Document and Placement Document are advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue as particularly in view of the fact that certain recently enacted legislations may not have a direct legal precedent, or may have a different interpretation on the benefits, which can be availed. Further, neither are we suggesting nor advising the readers to invest money based on the contents of Annexure.
- 18. This certificate is based on our 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.
- 19. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. However, in case the management of the Bank informs us of any changes in the matters specified in this certificate, we will intimate the BRLMs and counsels and if we are requested by the management to issue a fresh certificate on such matters, we shall do so
- 20. All capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents to be filed in relation to the Issue.

#### **Opinion**

- 21. Based on our examination, as above, and the information and explanations given to us, we are of the opinion that, the **Annexure A** enclosed herewith, presents, in all material respects, the possible benefits available to the Bank and its shareholders, in accordance with the Income Tax Regulations as at the date of our report.
- 22. We do not express any opinion or provide any assurance as to whether:
  - i) The Bank and its shareholders will continue to obtain these benefits in future; or
  - ii) The conditions prescribed for availing the benefits have been/would be met with; or.
  - iii) The revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes after the date of this certificate.

#### 23. Restriction on Distribution and Use

This certificate is issued in connection with the Issue and the contents of this certificate, whether in full or in part or extracts hereof, can be disclosed in the Preliminary Placement Document and the Placement Document (together as the "Placement Documents") and other documents or materials in relation to the Issue.

This certificate and the information contained herein and in **Annexure A** can be relied upon by the BRLMs and Legal Counsels, and can be submitted to the Stock Exchanges, the Securities and Exchange Board of India, Reserve Bank of India, and any other regulatory or statutory authority in respect of the Issue, as can be required and for the records to be maintained by the BRLMs in connection with the Issue.

We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or to be uploaded in repository by order of SEBI circular; or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Placement Documents with information to the auditors to be filed in relation to the Issue.

24. This certificate is provided solely in connection with the purpose mentioned above, and should not be used, referred to or distributed for any other purposes or to any third party, without our prior written consent which shall not be unreasonably withheld. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

# Signed by the Statutory Central Auditors of the Bank

For R. Devendra Kumar & Associates

Chartered Accountants

FRN: 114207W

FRN: 304124E

For Tej Raj & Pal

Chartered Accountants

Neeraj GolasB VijayPartnerPartner

M. No.: 074392 M. No.: 214678

UDIN: 25188843BMJGSD4928 UDIN: 25252420BMIZFY4680

For Laxmi Tripti & Associates

Chartered Accountants

FRN: 009189C

For Sanjeev Omprakash Garg & Co.

**Chartered Accountants** 

FRN:008773C

**Abhay Paliwal** 

Partner

M. No.:435511

UDIN: 25435511BMIAHE6096

**Anoop Mitna** 

Partner

M. No.:405289

UDIN: 25405289BMKTJJ8113

CC:

Legal Counsel to BRLMs as to Indian Law

**Dentons Link Legal** 

Aiwan-e-Ghalib Complex, Mata Sundri Lane, New Delhi 110 002, India

# Legal Counsel to the Bank as to Indian Law

#### **Saraf and Partners**

Tower 2, Unit No. 2402, 24<sup>th</sup> Floor, One International Centre, Senapati Bapat Marg, West, Prabhadevi, Mumbai, Maharashtra 400013, India

("Dentons Link Legal" and "Saraf and Partners" collectively referred to as "Legal Counsels")

#### Annexure A

Re: Certificate on Tax benefits

Sub: Proposed qualified institutions placement of equity shares of face value ₹ 10 each ("Equity Shares") by Indian Overseas Bank (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").

# THE STATEMENT OF TAX BENEFITS AVAILABLE TO THE BANK AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of any shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultants and advisors with respect to the tax implications of an investment in the Equity Shares, particularly in view of certain recently enacted legislation which may not have a direct legal precedent or may have a different interpretation on the benefits which can be availed. All the tax benefits mentioned in this document are subject to the specific conditions mentioned in the respective section and / or the related rules or guidelines.

The law stated below is as per the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2024 and other amendments as on date of report.

#### LIMITATION

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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 law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement. This statement has been prepared solely in connection with the Offer under the Regulations as amended.

A. Income Tax Act, 1961 (the "Act")

# A. TAX BENEFIT TO THE BANK

- 1. Applicable Income Tax Rate: Currently, the Bank is subjected to income-tax at the 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 or incentives under the Act. The Bank is eligible to exercise the option for concessional income-tax rate u/s 115BAA. However, the Bank has not exercised the concessional rate and is continuing under the normal rate of tax. 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. The income of the Bank under the head "Profits and Gains of Business or Profession" is computed in accordance with applicable provisions of the Act read with Income Computation and Disclosure Standards (ICDS) notified u/s. 145(2) of the Act.
- 2. 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. 293 If the amount subsequently recovered in respect of such written off debt or part thereof, which was allowed as deduction u/s 36(1)(vii) of the Act, the recovery 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.
- 3. 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.
- 4. Under Section 43B of the Act, a deduction is allowable in respect of any sum payable by the assessee as an employer by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees.
- 5. Section 32 of the Act provides depreciation on fixed assets.
- 6. Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under Section 10(15) as per conditions specified in the concerned notification.
- 7. Bank claims exclusion under section 90 of the Income Tax Act, 1961, which deals with relief from double taxation under the Double Taxation Avoidance Agreement (DTAA) between India and other countries.
- 8. Bank is not availing any tax benefit on account on indirect tax laws.

# B. STATEMENT OF GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE RESIDENT SHAREHOLDERS:

- 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.
- 2. 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 longterm 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 sock-in-trade and income arising from transfer thereof as its business income.
- 3. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains exceeding Rs 1,25,000 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.
- 4. 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.
- 5. Under section 112 of the Act, long-term capital gains are subject to tax at a rate of 12.5% (plus applicable surcharge and cess).
- 6. 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.
- 7. Short-term capital gains arising on transfer of shares will be chargeable to tax at the rate of 20% (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.
- 8. 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.
- 9. 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.
- 10. 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 setoff 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.
- 11. 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 Busines or Profession" 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.
- 12. Section 56(2)(x)(c) of the Act provides that, subject to exception provided therein, if any person receives inadequate consideration, the following shall be treated as 'Income from Other sources' in the hands of any person, any property, including, inter alia, shares of a company, without consideration or for 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
- 13. 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 115OA 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") 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. 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. 115Aof 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 -intrade and income arising from transfer thereof as its business income.
- 4. Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains (exceeding ₹1,25,000) 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 12.5% 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 20% (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") exceedsRs.50, 000/-, the whole FMV;
- (ii) Where the shares are received for a consideration less than FMV but exceeding ₹ 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 20% (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 12.5% (plus applicable surcharge and cess) on such income exceeding ₹1,25,000;
- (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 12.5% (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 TONON 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 provides that NRIs will be taxed at 12.5% (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 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 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 "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:

- 1. 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%

#### **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. 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.

#### For Indian Overseas Bank

#### **Chief Financial Officer**

**Initialed by the Statutory Central Auditors for Identification** 

# R. Devendra Kumar & Associates

Chartered Accountants

Tej Raj & Pal Chartered Accountants

Laxmi Tripti & Associates

Chartered Accountants

Sanjeev Omprakash Garg & Co. Chartered Accountants

#### **OUR STATUTORY CENTRAL AUDITORS**

As on the date of this Placement Document, M/s. R. Devendra Kumar & Associates, Chartered Accountants, M/s. Tej Raj & Pal, Chartered Accountants, M/s. Laxmi Tripti & Associates, Chartered Accountants and M/s. Sanjeev Omprakash Garg & Co., Chartered Accountants are the Statutory Central Auditors of our Bank (the "Statutory Central 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.

Our Unaudited Standalone Limited Review Financial Results and Unaudited Consolidated Limited Review Financial Results for the nine month ended December 31, 2024 included in this Placement Document were jointly audited by Statutory Central Auditors M/s. R. Devendra Kumar & Associates, Chartered Accountants, M/s. Tej Raj & Pal, Chartered Accountants, M/s. Laxmi Tripti & Associates, Chartered Accountants and M/s. Sanjeev Omprakash Garg & Co., Chartered Accountants.

Our Unaudited Standalone Limited Review Financial Results and Unaudited Consolidated Limited Review Financial Results for the nine month ended December 31, 2023 included in this Placement Document were jointly audited by Statutory Central Auditors M/s. S. N. Kapur & Associates, Chartered Accountants, M/s. R. Devendra Kumar & Associates, Chartered Accountants, M/s. Tej Raj & Pal, Chartered Accountants and M/s. Laxmi Tripti & Associates, Chartered Accountants.

Our Audited Standalone Financial Statements and Audited Consolidated Financial Statements as at and for Fiscal 2024 included in this Placement Document were jointly audited by M/s. S. N. Kapur & Associates, Chartered Accountants, M/s. R. Devendra Kumar & Associates, Chartered Accountants, M/s. Tej Raj & Pal, Chartered Accountants and M/s. Laxmi Tripti & Associates, Chartered Accountants.

Our Audited Standalone Financial Statements and Audited Consolidated Financial Statements as at and for Fiscal 2023 included in this Placement Document were jointly audited by M/s S. N. Nanda & Co., Chartered Accountants, M/s Yoganadh & Ram LLP, Chartered Accountants, S. N. Kapur & Associates Chartered Accountants, and Nandy Halder Ganguli, Chartered Accountants.

Our Audited Standalone Financial Statements and Audited Consolidated Financial Statements as at and for Fiscal 2022 included in this Placement Document were jointly audited by S M/s S. N. Nanda & Co., Chartered Accountants, M/s Yoganadh & Ram LLP, Chartered Accountants, S. N. Kapur & Associates, Chartered Accountants and Nandy Halder Ganguli, Chartered Accountants.

#### LEGAL PROCEEDINGS

Our Bank, is 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 our Bank is 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, including those during routine inspections undertaken in the ordinary course of business.

As on the date of this Placement Document, except as disclosed below, there are no outstanding legal proceedings which have been considered material in accordance with our Bank's materiality policy dated December 12, 2015 and revised and adopted again on October 27, 2023, framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated, as approved on March 19, 2025.

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 and its Directors; (ii) all outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank and its Directors and all notices and actions by regulatory authorities against our Bank in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the period till the date of this Placement Document, in each case other than in the ordinary course of business; (iii) any other outstanding civil litigation involving our Bank and its Directors, where the amount involved in such proceeding is exceeding ₹ 1,079.82 million (approximately 5% of the average profit after tax for last three years of our Bank, as per the Audited Consolidated Financial Statements of the Bank) ("Materiality Threshold") or above; and (iv) any other outstanding litigation involving our Bank and its Directors 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 our Bank, as on the date of this Placement Document. Further, all outstanding direct and indirect taxes proceedings involving our Bank and its Directors have been disclosed in a consolidated manner. Further, the banking ombudsman has imposed certain penalties on our Bank and the cumulative amounts of the penalties imposed on our Bank during the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022, have been disclosed.

It is clarified that for the purposes of the above, pre-litigation notices received by our Bank and its Directors 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, our Bank initiates proceedings under applicable laws, which have been disclosed in this Placement Document in a consolidated manner. A consolidated disclosure for dishonour of cheques (under Section 138 of the NI Act), cases under the Banking Ombudsman Scheme and fraud cases 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. Litigations involving our Bank

#### A. Criminal cases against the Bank

1. Ranjit Singh ("**Petitioner**") filed a criminal revision petition before the court of Sessions Judge, Fatehgarh Sahib, against Amit Kumar Rai, chief manager of our Bank ("**Respondent No. 1**") and our Bank ("**Respondent No. 2**") under section 397(1) of the Code of the Criminal Procedure, 1908 ("**Cr.P.C.**"), to set aside the order of the lower court. The petitioner had mortgaged his land and deposited an amount of ₹ 0.50 million in the FDR account to secure the cash credit facility of ₹ 1.50 million. *Vide*, its letter dated September 11, 2012, petitioner requested for release of the FDR amount. Thereafter, Respondent No. 1 deducted FDR amount from cash credit limit by adding '*and reduce the D.P. & limit accordingly*', illegally and fraudulently without the consent of the petitioner. However, the lower court dismissed the complaint due to the lack of a prima facie case basis the evidence available. Aggrieved by the order of the lower

court, the petitioner filed this petition alleging that the evidence was sufficient to establish the prima facie case for summoning the accused. The matter is still pending.

- 2. Rakesh Kumar and another ("Petitioners") filed a criminal revision petition before the court of Sessions Judge, Dwarka, Delhi against our Bank and others ("Respondents") under Section 397 of the Cr.P.C., to set aside the order of the lower court. Petitioners took a loan of ₹ 4.80 million and entered into a tripartite agreement with our Bank and M/s Pivotal Infrastructure Private Limited ("Builder") pursuant to which the payment was to be made by the bank to the Builder as per the instructions of the petitioners. Vide letter dated February 26, 2018, the Bank requested for the cancellation of allotment and refund of money due to which petitioners did not make any payments to the Bank and accounts were declared as non-performing asset. Petitioners filed a complaint before the lower court alleging that the respondents had conspired, wilfully cheated, and had done fraud and criminal breach of trust by seeking cancellation of the flat when the loan account was regular. However, the complaint was dismissed. Aggrieved by the order of the lower court, petitioners filed this petition alleging that the lower court passed the order without looking into the facts and giving opportunity to lead pre-summoning evidence to substantiate allegations. The matter is still pending.
- 3. M/s. Crown Convention Centre, Rahmath Saba and others ("Appellants") filed a criminal miscellaneous petition before the High Court of Telangana under Section 482 of the C.r.P.C. for quashing of the first information report ("F.I.R.") including the stay on the arrest of the petitioners. Our Bank filed F.I.R. alleging that the appellants had taken term loans of ₹ 25.00 million showing rental income of Crown Convention Centre and failed to repay the instalments due to which the accounts became non-performing asset. However, appellants had taken loans from other banks by keeping Crown Convention Centre as a mortgaged property without the permission of the Bank. Thereafter, our Bank filed a criminal complaint alleging fraud under Sections 406, 420, 495, 468, 471, and 120(B) of the Indian Penal Code, 1860. Aggrieved by the complaint, the appellants filed a quashing petition stating that the properties mortgaged with the bank were different from the properties mentioned in the notice issued by the bank under SARFAESI. The matter is currently pending.
- 4. Anoop Kumar Wadhera and another ("Petitioners") filed a writ petition before the High Court of Allahabad under Article 226 of the Constitution against our Bank and others ('Respondents') alleging that the respondents have declared him as wilful defaulter in an arbitrary and illegal manner without considering the contentions urged by them. However, the respondents alleged that show cause notice was issued to petitioner, and physical hearing was arranged. The matter is currently pending.
- 5. Rahul Kothari filed two writ petitions bearing no. 486 of 2022 and 1752 of 2023 before the High Court of Allahabad under Article 226 of the Constitution against Union of India, our Bank and others ("Respondents") seeking the writ of mandamus to restrain the respondents from lodging multiple FIRs or proceeding against the multiple FIRs already registered. Petitioner alleged that the government of India issued a notice that in case of any allegations of criminal activity with respect to credit extended by consortium of banks, only one lead bank will be required to file an FIR. Despite the knowledge of the notification, separate FIRs were filed by different banks of the consortium when CBI had already lodged FIRs on behalf of the banks. Thereafter, these petitions were filed, and matter is currently pending.
- 6. Subhash Kumar Pandey ("Complainant") filed a complaint before the Special Chief Judicial Magistrate against branch manager of our Bank ("Respondent") alleging that the bank fraudulently and illegal passed the payment without any verification of account when complainant specifically instructed to stop payment. Further, the bank changed the name of the complainant and deduced ₹0.31 million. The matter is currently pending.
- 7. Ankur Kukkar ("Appellant") filed an appeal before the court of Sessions Judge, Fazilka, against our bank ("Respondent") to set aside the order of the lower court dated August 13, 2019, wherein appellant was punished with an offence under Section 138 of the Negotiable Instruments Act, 1881. The appellant alleged that cheque was issued by M/S King Chemical company and not the appellant. Thus, the complaint was not maintainable against the appellant in his personal capacity and trial court had misread the evidence. Aggrieved by the order of the trial court, this petition was filed and the matter is currently pending before the court.
- 8. Gurdeep Singh ("Appellant") filed an appeal before the Sessions Court, Moga against our Bank to set aside the order of the trial court wherein appellant was held guilty for the default in the payment of loan

amount under Section 138 of the Negotiable Instruments Act, 1881. Appellant argued that the trial court failed to appreciate the evidence, produced by the appellant and the order is liable to be set aside. The matter is currently pending.

- 9. Inderjit Singh ("Appellant") filed an appeal before the Sessions Court, Jalandhar against our Bank to set aside the order of the lower court wherein accused was held guilty for issuing fake and bogus cheque deliberately to cheat the respondent under Section 138 of the Negotiable Instruments Act, 1881 read with Section 420 of the Indian Penal Code, 1908. Aggrieved by the order of the lower court, the appellant filed this appeal and is currently pending.
- 10. M/s Jagir Machine Tools ("Appellant") filed a criminal appeal before the court of Sessions Judge, Amritsar against our Bank ("Respondent") under Section 374(3) of the C.r.P.C. to set aside the conviction of the Appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the lower court failed to appreciate the evidence such as inquiry report of the police stating that manager of the Respondent bank is involved in fraud. Thereafter, this appeal was filed and is currently pending.
- 11. Madan Lal ("Appellant") filed a criminal appeal before the Additional Sessions Judge, Fazilka, against our Bank ("Respondent") to set aside the conviction of the Appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the Respondent failed to prove the existence of legally recoverable debt against which the cheque was issued. The Appellant did not issue any cheque to the complainant to discharge any of his liability. The matter is currently pending before the court.
- 12. M/s Rhytham Plastic Industry ("Appellant") filed a criminal appeal before the Sessions Court, Fazilka, against our Bank ("Respondent') to set aside the conviction of the Appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the cheque was never issued in favour of the Respondent, thereby no offence was committed. The matter is currently pending.
- 13. Ashok Kumar Garg ("Appellant') filed a criminal appeal before the Sessions Judge, Ludhiana, against our Bank ("Respondent") to set aside the conviction of the appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant took a loan from the bank and gave blank cheque as a security. However, the appellant failed to make payments on time and a complaint was filed by the Respondent. Aggrieved by the order of the trial court, the Appellant filed this petition alleging that the blank cheque given as a security cannot be used for the loan instalments. The matter is currently pending.
- 14. Premanath Shetty ("Appellant") filed an appeal before the court of Sessions Judge, Mangaluru under Section 374(3) of the Cr.P.C against our Bank ("Respondent") to set aside the conviction of the appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the Respondent had auctioned the vehicle on which the loan was granted but did not deduct the amount from the claim, thereby, there exists no legally recoverable debt. The matter is currently pending.
- 15. Sandeep Puthran ("Appellant") filed an appeal before the court of Sessions Judge, Mangaluru under Section 374(3) of the Cr.P.C against our Bank ("Respondent") to set aside the conviction of the appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the trial court passed the order in the absence of the appellant and did not consider the fact that the appellant had already paid ₹ 1.50 million. The matter is currently pending.
- 16. Saba Anjum Nadim Ahmad Sheikh ("Complainant") filed a criminal miscellaneous application before the Chief Judicial Magistrate, Gondia under Section 503 of Bharatiya Nyaya Sanhita, 2023 against our Banks and others ("Respondents"). The Complainant lodged a complaint with a cyber cell alleging that she was cheated by unknown person and amount of ₹ 0.02 million was debited from her account. Police requested the Bank to put the account of the cheater on hold. However, the Respondent Bank stated that without obtaining the order from the court that has jurisdiction over the matter, they cannot hold the amount. Aggrieved by the response of the Bank, the Complainant filed this application. The matter is currently pending.

- 17. Deepak Kumar Jaiswal ("Complainant") filed a complaint before the Chief Judicial Magistrate, Bhagalpur under Section 406, 420, 467 and 468 of the Indian Penal Code, 1908 against branch manager of our Bank ("Respondent'). On May 27, 2022, the Complainant took a loan from the Respondent Bank. The Complainant alleged that despite paying the full loan amount, the Respondent have not returned mortgage papers, document and no dues certificate, thereby establishing ill minded and illegal motive of the staff and manager. Aggrieved by the actions of the Bank staff, this criminal complaint was filed and the matter is currently pending.
- 18. Kalindri Bai ("Appellant") filed a criminal revision petition before the High Court of Chhattisgarh under Section 397 and 401 of the Cr.P.C. against our Bank ("Respondent") to set aside the conviction and sentence confirmed by the Additional Sessions Judge arising out of the order of conviction and sentence passed by the Judicial Magistrate of First Class. The Appellant took a loan of ₹ 1.50 million and an amount of ₹ 0.50 million as cash credit loan. A cheque of ₹ 0.52 million was issued in lieu of payment of the loan amount but the same was dishonoured. Respondent filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 and decision was rendered in favour of the Bank. Thereafter, an appeal was filed by the Appellant in the court of Additional Sessions Judge alleging that the Respondent used the cheque given as security at the time of obtaining the loan. Aggrieved by the order of the Additional Sessions Judge, the Appellant filed this revision petition. The matter is currently pending.
- 19. Santhosh Kumar Swarnkar and another ("Appellant") filed a criminal miscellaneous application before the High Court of Jharkhand against the State of Jharkhand and Indian Overseas Bank ("Respondents") under Section 482 of the Cr.P.C. to quash the entire criminal proceedings initiated under Sections 419, 420, 406, 467, 468, 120B, 34 of the Indian Penal Code, 1908. The Appellant had obtained loan from the Respondent Bank by mortgaging gold jewellery. On investigation, it was found that jewellery was fake. However, the Appellant alleged that the appraiser was appointed by the Respondent bank itself and had no connection with the appraiser, thereby there was no conspiracy or fraud committed. The matter is currently pending.
- 20. Bhanwarlal ("Appellant") filed an appeal before the court of District and Sessions Judge, Bundi under Section 374 of the Cr.P.C against our Bank ("Respondent") to set aside the conviction of the appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the lower court committed a legal mistake by relying only on the oral evidence and not studying the evidence in detail. The Respondent did not mention and prove the details by way of evidence such as the amount of agricultural loan taken, for how many years the loan was taken, instalments to be repaid, interest rate imposed etc. Further, the Appellant stated that the Respondent did not produce the loan agreement and loan account statement executed between the parties due to which the Respondent failed to provide that the cheque in question was given in lieu of legally enforceable loan. The matter is currently pending.
- 21. Mangilal ("Appellant") filed an appeal before the court of District and Sessions Judge, Bundi under Section 374 of the Cr.P.C against our Bank ("Respondent") to set aside the conviction of the appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that he did not receive the legal notice regarding the non-payment. The branch manager who filed the complaint did not appear in the court and did not prove the details regarding the default in the payment of the loan. The matter is currently pending.
- 22. Ashok Kumar ("Applicant") filed a complaint before the court of Special Chief Judicial Magistrate, Agra, under Sections 420, 467, 468, 471, 120B and 380 of the Indian Penal Code, 1908 against our Bank ("Accused"). The Applicant alleged that the Bank had never issued cheque book to him from the date of the opening of the bank account and he always had to withdraw money through withdrawal form. On August 17, 2016, the Plaintiff went to withdraw money from his said account and was told that the cheque book was issued by someone by writing an application in English and ₹ 0.18 million was withdrawn from the account. The Applicant had filed application to regional manager and police station of the concerned area, but no actions were taken. Thus, the Applicant filed a complaint alleging that the bank manager, cashier and clerk had entered into conspiracy and fraudulently withdrawn the alleged amount from his account. The matter is currently pending.
- 23. Kamla Chaudhary ("Complainant") filed a complaint before the court of Chief Judicial Magistrate, Sasaram, Rohtas, under Sections 303, 420 and 504 of the Indian Penal Code, 1908 against Aarti Kumari, Branch Manager of our Bank ("Respondent"). The Complainant alleged that Prabhavati Devi

(complainant's daughter-in-law) had taken loan by pledging her land as collateral, but the Respondent measured her land and wanted to sell it illegally without having any connection with her land. Further, it was alleged that the Respondent demanded  $\stackrel{?}{\phantom{}}$  0.10 million for not taking any legal action against her house. The matter is currently pending.

- 24. Ram Hriday Singh ("Complainant") filed a complaint before the court of Chief Judicial Magistrate, Sitamarhi, under Sections 406, 409, 120B, 420 and 506 of the Indian Penal Code, 1908 against branch manager of our Bank ("Respondent") alleging that the Respondent refused to give any discount, subsidy or credit card without depositing the entire loan amount which was illegal and unlawful. The Complainant sent a legal notice, thereafter, the complaint was filed before the court. The matter is currently pending.
- 25. Anmol Bodh ("Applicant") filed a complaint before the court of Chief Judicial Magistrate, Saharanpur, under Section 156(3) of the C.r.P.C. against branch manager and bank employees of our Bank ("Respondents") alleging that ₹ 0.29 million was withdrawn online from the Applicant's bank account when his account was not linked to net banking. The Applicant had informed the Respondent, but no action was taken and refused to give any information. Aggrieved by the lack of the response from the bank staff, the Applicant filed this application alleging that Respondents withdrew money from the account and were involved in a criminal conspiracy. The matter is currently pending.
- 26. Rajarajan Motors ("Complainant") filed a complaint before the court of Judicial Magistrate VII at Puducherry under Sections 233 read with 237, 303, 316(1)(5) and 318(4) of Bharatiya Nagarik Suraksha Sanhita 2023 against Ajay Kumar, Rammohan, Joydeep Dutta Roy and T. Dhanaraj and Others ("Respondents") alleging that the Respondents had committed fraud and criminal breach of trust. The Complainant alleged that Debt Recovery Tribunal 3 issued a recovery certificate and had powers to initiate the recovery but the Respondents had sold the property in an e-auction sale without information and intimation to the Debt Recovery Tribunal 3, thereby committing illegal activities against the Complainant. The matter is currently pending.
- 27. M/S Surya Paper Cup through Smt. Kanta Rani ("Appellant") filed an appeal before the court of Sessions Judge, Fazilka under Section 374 of the Cr.P.C against our Bank ("Respondent") to set aside the conviction of the appellant passed in a criminal complaint filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881. The appellant alleged that the lower court's judgment was against the law, the Respondent failed to prove the charges beyond a reasonable doubt, and the Respondent bank had no valid cause of action as it was neither the payee nor the holder in due course of the cheque in question. The appellant asserted that the complaint was false and frivolous and that the lower court misread the evidence. The matter is currently pending.
- 28. J.K. & Co. ("Complainant") filed five complaints bearing numbers 2245, 2246, 2247, 4256 and 4259 before the various courts of Meerut, namely Chief Judicial Magistrate, Additional Chief Judicial Magistrate, Chief Judicial Magistrate, Special Court, Chief Judicial Magistrate, Special Court, and Judicial Magistrate Second Class respectively, against our Bank ("Respondent") under section 420 and 406 of Indian Penal Code, 1860 ("IPC"). The Complainant and our Bank entered into an agreement dated July 28, 2016, wherein it was agreed that the Complainant would work as a recovery agent for the Bank in consideration for 10% commission on every recovered amount. The Complainant alleged that our Bank failed to pay the 10% commission on multiple occasions despite serving a demand notice. The matter is currently pending.
- 29. Som Nath Dhiman ("Complainant") filed a complaint before the court of Judicial Magistrate, First Class, Dharamshala ("Hon'ble Court") under Section 210 read with Section 215 of Bharatiya Nagarik Suraksha Sanhita, 2023 against our Bank and others ("Accused") alleging non-compliance of the order passed by the Hon'ble Court dated June 19, 2024 for release of ₹ 2.77 million. The Complainant alleged that on the pretext of guiding, he had invested the money in share market and was a victim of financial fraud. The matter is currently pending.

#### B. Criminal cases by the Bank

1. Our Bank has filed a criminal miscellaneous petition before the Chief Judicial Magistrate, Kalpetta, under Section 14(1) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI") against Jayaprakashan and Others ('Respondents") seeking actual

- possession of the secured assets of the Respondents due to the default in the repayment of the loan due to which assets were classified as non-performing. The matter is currently pending.
- 2. Our Bank has filed a criminal miscellaneous petition before the Chief Judicial Magistrate, Kalpetta, under Section 14 of the SARFAESI against Rinto ("**Respondent**") seeking actual possession of the secured assets of the Respondents due to the default in the repayment of the loan due to which assets were classified as non-performing. The matter is currently pending.
- 3. Our Bank ("Appellant") has filed a criminal appeal before the High Court of Tripura under Section 419 of the C.r.P.C. against Abhijit Debnath ("Respondent") and the State of Tripura ("Proforma Respondent"). Chief Manager of the Respondent took a loan from the Appellant of ₹ 20.89 lakh. On May 28, 2014, the Respondent issued a cheque of ₹ 0.45 million as a full and final payment, however, the cheque was dishonoured on account of insufficiency of funds. The Appellant issued a demand notice, but no payment was made, and complaint was filed under Section 138 of the Negotiable Instruments Act, 1881. However, the complaint was dismissed by the court stating that the appellant failed to establish the case, thereby giving benefit of doubt and acquitted the respondent. Aggrieved by the order of the lower court, the appeal was before this Court and the matter is currently pending.
- 4. Dharambhat Mishra, Branch Manager of our Bank ("Appellant"), filed a criminal petition before the Chief Judicial Magistrate, Bankura under Section 156(3) of the Cr.P.C. against Rajib Kumar Tiwari and others ('Accused'). Rajib Kumar Tiwari had taken a loan of ₹ 0.90 million for establishing poultry by mortgaging land and the poultry shed. However, accused constructed poultry shed on some other property instead of the mortgaged property. Appellant lodged a FIR for the fraudulent action, but no action was taken. Thereafter, the appellant filed this petition and matter is still pending.
- 5. Our Bank through its authorised officer ("Applicant") has filed a criminal miscellaneous application before the Chief Judicial Magistrate, Pune, under Section 14(1) of the SARFAESI against M/s. Sun Textiles & Others for seeking actual possession of the secured assets of the Respondents due to the default in the repayment of the loan due to which assets were classified as non-performing. The matter is currently pending.
- 6. Our Bank through Rajesh Kumar ("**Appellant**') filed a criminal appeal subsequent to a criminal revision application, before the High Court of Jharkhand under Section 419(4) of Bharatiya Nagarik Suraksha Sanhita against Manoranjan Thakur, Puspa Thakur and the State of Jharkhand and others ("**Respondents**") seeking special leave to appeal against acquittal passed by the Sessions Judge in criminal appeal no. 243 of 2018 filed against the order of Judicial Magistrate of First Class whereby Manoranjan Thakur and Puspa Thakur were convicted under Section 138 of the Negotiable Instruments Act, 1881. The Appellant alleged that the lower appellate court did not consider the statement recorded under Section 313 of C.r.P.C. wherein Respondents had admitted dishonour of cheque. The matter is currently pending before the Court.
- 7. Our Bank has filed a criminal miscellaneous petition before the Chief Judicial Magistrate, Tiruchirpallai, under Section 14 of the SARFAESI against Selvaraj and others ("Respondents") seeking actual possession of the secured assets of the Respondents due to the default in the repayment of the loan due to which assets were classified as non-performing. The matter is currently pending.
- 8. Our Bank has filed a criminal miscellaneous petition before the Chief Judicial Magistrate, Tiruchirpallai, under Section 14 of the SARFAESI against Prabharkaran and others ("Respondents") seeking actual possession of the secured assets of the Respondents due to the default in the repayment of the loan due to which assets were classified as non-performing. The matter is currently pending.
- 9. Our Bank has filed a criminal miscellaneous petition before the Chief Judicial Magistrate, Tiruchirpallai, under Section 14 of the SARFAESI against M/s Medul Agro Products Limited and A Vijayakumar ("Respondents") seeking actual possession of the secured assets of the Respondents due to the default in the repayment of the loan due to which assets were classified as non-performing. The matter is currently pending.

# C. Civil cases above the materiality threshold against the Bank

1. Punjab National Bank ("Applicant") filed a petition before the Debt Recovery Tribunal- II, Chandigarh under Section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, against our

Bank ("**Defendant**") due to the failure of the Defendant to discharge its liability in honouring twelve letter(s) of undertaking amounting to ₹ 3,628.27 million out of thirty-five letter(s) of undertaking issued in favour of the Applicant Bank under Buyer's Credit Finance to pay the principal and interest on the due date(s). The Respondent alleged that the Applicant had disbursed the amount the buyer's credit directly to the account of the exporter/supplier instead of disbursement to the Bank of the exporter/supplier. However, the Applicant alleged that they have disbursed the amount after receiving authenticated SWIFT message from the Defendant. The matter is currently pending.

2. Bangalore Development Authority ("Plaintiff") filed an original suit number 1570 of 2017 before the court of City Civil Judge, Bengaluru, under Order VII Rule 1 read with Section 26 of the Code of Civil Procedure, 1908, against Sandeep Dash, our Bank and others ("Defendant") alleging that the Plaintiff alleged that the amount invested by the Plaintiff was diverted unauthorisedly. The defendants debited the main current account in collusion with our Bank and diverted large sums of money due to which plaintiff suffered a huge loss amounting to ₹ 2,542.66 million. Plaintiff alleged that our Bank aided and abetted in such fraudulent exercise by partially crediting the redemption payout cheques issued from mutual funds to such collection accounts. The matter is currently pending.

#### D. Civil cases above the materiality threshold by the Bank

As on the date of this Placement Document, there are no civil cases above the Materiality Threshold, filed by our Bank.

E. Outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Bank and all notices and actions by regulatory authorities against our Bank in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the period till the date of this Placement Document

Our Bank received a show cause notice ("Notice") dated August 16, 2024 issued under Sections 35, 35A, 46, 47A and 51 of Banking Regulation Act, 1949 ("Act") from RBI, pursuant to inspections in relation to directions on interest rate on advances, credit flow to agriculture – collateral free agricultural loans, lending to MSME sector, loans and advances, KYC, and cyber security framework in banks. Our Bank had been called upon to show cause in writing, as to why the maximum penalty stipulated under Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Act should not be imposed upon the Bank. Subsequently, a reply dated September 4, 2024, has been filed by our Bank for the Notice. The matter is currently pending.

#### 2. Other Proceedings

#### A. Banking Ombudsman Complaints

Banking Ombudsman had imposed penalties on our Bank for the nine months period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, amounting to ₹3.26 million, ₹3.55 million, ₹2.87 million and ₹0.37 million pursuant to the complaints filed by the customers and the same were paid by our Bank. As on the date of the Placement Document, there are no penalties pending against us.

As on the date of this Placement Document, there are 59 complaints filed by various cutomers before the Banking Ombudsman alleging, *inter alia*, wrong inward credit, recovery in pension account, unauthorized debits in the account, cyber frauds, CIBIL correction.

#### B. Fraud Cases

Our Bank has a fraud risk management cell ("FRMC") at Head Office. Regional offices are required to submit flash reports for suspected fraud cases to the FRMC at the Head Office. After the fraud detection committee decides to classify a case as fraud, the FRMC at the Head Office is responsible for submitting the fraud monitoring returns ("FMR") to the RBI. 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 ₹ 60 million	State/ Union Territory Police
₹ 60.00 million and above	Central Bureau of Investigation ("CBI")

As on date of this Placement Document, our Bank has filed 485 cases before various police stations and CBI, in accordance with RBI circulars and guidelines on fraud classification and reporting dated July 15, 2024. The amount involved in such matters on a consolidated basis is ₹ 101,137.00 million. The matters are pending at various stages of adjudication.

#### C. Cases filed under Section 138 of the Negotiable Instruments Act, 1881

As on the date of this Placement Document, our Bank has filed 247 legal proceedings under Section 138 of the Negotiable Instruments Act, 1881, against various accused persons. The amount involved in such matters on a consolidated basis is ₹ 204.99 million. The matters are currently pending.

#### D. Insolvency Proceedings

As on the date of this Placement Document, our Bank is involved in 177 insolvency proceedings before various benches of the National Company Law Tribunal/ National Company Appellate Law Tribunal. The amount involved in such matters on a consolidated basis is ₹ 385,460.80 million. The matters are currently pending.

#### E. Debt Recovery Proceedings

As on the date of this Placement Document, our Bank is involved in 5,133 debt recovery proceedings before various debt recovery tribunals. The amount involved in such matters on a consolidated basis is ₹ 351,049.00 million. The matters are currently pending.

# F. Tax Proceedings

As on the date of this Placement Document, claims relating to direct and indirect taxes involving our Bank are disclosed below in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of Case	Number of Cases	Amount (₹ in million) *		
Direct Tax	89	99,790.00		
Indirect Tax	29	1,4550.00		

<sup>\*</sup>To the extent quantifiable

#### G. Other Material Litigation

As on the date of this Placement Document, there are no other material litigations involving our Bank.

#### 3. Litigations Involving our Directors

#### A. Criminal cases involving our Directors

As on the date of this Placement Document, there are no other criminal litigations involving our directors.

#### B. Material Civil cases involving our Directors

As on the date of this Placement Document, there are no material civil litigations involving our directors.

# C. Tax Proceedings involving our Directors

As on the date of this Placement Document, there are no tax litigations involving 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 outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) against our Directors

#### GENERAL INFORMATION

- Our Bank was incorporated as Indian Overseas Bank under the Indian Companies Act, 1913 on November 20, 1936. Our Bank was constituted as Indian Overseas Bank under the Banking Companies Act on July 19, 1969.
- 2. The Head Office of our Bank is located at 763, Anna Salai, Chennai 600 002, Tamil Nadu, 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 22, 2024 and our Shareholders through a special resolution passed at the AGM held on July 2, 2024.
- 5. Our Bank has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from both BSE and NSE each dated March 19, 2025. 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 approval from RBI dated April 2, 2024 and approval from the Ministry of Finance, GoI dated September 17, 2024.
- 7. As on the date of this Placement Document, M/s. R. Devendra Kumar & Associates, Chartered Accountants, M/s. Tej Raj & Pal, Chartered Accountants, M/s. Laxmi Tripti & Associates, Chartered Accountants and M/s. Sanjeev Omprakash Garg & Co., 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 ₹ 42.70 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Bank had offered a discount of 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations.
- 10. Our Bank and the 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

Sr. No.	Financial Statement	
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2.	Unaudited Consolidated Financial Results as of and for the nine months ended December 31, 2024	287
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5.	Audited Standalone Financial Statements for the Financial Year ended March 31, 2024	327
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R. Devendra Kumar & Associates Chartered Accountants

205, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai - 400 066

Laxmi Tripti & Associates Chartered Accountants 800, M V K, 8th Floor, Sangita Elipse, Sahakar Road, Vile Parle (East), Mumbai - 400 057 Tej Raj & Pal Chartered Accountants Plot No.1278/2256/4294, Govinda Prasad, Bomikhal, Bhubaneswar – 751010

Sanjeev Omprakash Garg & Co. Chartered Accountants B-141, Gauri Grah Nirman Society, Dr Govind Narayan Singh Model Town, Chuna Bhatti, Bhopal, 462016

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Indian Overseas Bank for the quarter and nine months ended December 31, 2024 pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

To,
The Board of Directors
Indian Overseas Bank
Chennai

- 1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Indian Overseas Bank ('the Bank') for the quarter and nine months ended December 31, 2024 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended ('the Regulations') except for the disclosures relating to 'Consolidated Pillar 3 disclosures as at December 31, 2024 including Leverage Ratio, liquidity coverage ratio and Net stable funding ratio (NSFR) 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 aforesaid Statement and have not been reviewed by us. This 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.
- 2. 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 ("ICAI"). 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 inquiries of Bank personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.









R. Devendra Kumar & Associates Chartered Accountants

Laxmi Tripti & Associates Chartered Accountants Tej Raj & Pal Chartered Accountants

Sanjeev Omprakash Garg & Co. Chartered Accountants

- 3. The financial results incorporate the relevant returns of 20 domestic branches reviewed by us and 1 foreign branch reviewed by the local auditor of foreign branch specifically appointed for this purpose. These review reports cover 27.69 % of the advance portfolio of the Bank (excluding the advances of Asset Recovery branches and outstanding food credit) and 66.34 % of the non-performing assets of the Bank. The financial results also include un-reviewed results of 3210 branches of the Bank. In the conduct of our review, we have also considered review reports submitted by the Inspection teams of Bank of 160 domestic branches and 03 foreign branches to the Bank Management. These review reports cover 24.59 % of the advance portfolio of the Bank (excluding the advances of Asset Recovery branches and outstanding food credit) and 17.21% of the non-performing assets of the Bank. Apart from these review reports, we have also considered various information generated from Centralized Database at Bank's Central Office.
- 4. Based on our review conducted as above and subject to limitation in scope as mentioned in paragraph 3 above and read with notes to the financial results, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations 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 the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

#### 5. Emphasis of Matter

We draw attention to the following notes to the Statement:

- a) Note No. 1 relating to quarterly/nine months Financial results being placed directly to the Board for review for want of quorum in Audit Committee of the Board by invoking para 14A of Nationalised Banks (Management and Miscellaneous Provisions ) Scheme 1970.
- b) Note No.17 of the Statement regarding carried balance of ₹ 4,40,438.92 lakhs relating to Deferred tax asset and reversal of ₹36,000 lakhs and ₹66,000 lakhs during the quarter and nine months ended December 31, 2024 respectively, on estimated basis and the management assessment of the realizability of the carried balance of the Deferred tax asset as on December 31, 2024.
- c) Note No. 18 of the Statement relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein.

Our conclusion is not modified in respect of these matters.









R. Devendra Kumar & Associates

Chartered Accountants

Tej Raj & Pal Chartered Accountants

Laxmi Tripti & Associates

Chartered Accountants

Sanjeev Omprakash Garg & Co. Chartered Accountants

#### Other Matter

The Standalone Financial statements of the Bank for the previous year ended March 31, 2024 were audited by the joint auditors one of which is predecessor audit firm and have expressed unmodified opinion on such Financial statements vide their report dated May 09, 2024. Further the unaudited Standalone financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter and nine months ended December 31, 2023 were reviewed by the joint auditors one of which is predecessor audit firm and have expressed their unmodified conclusions on those results vide their report dated January 24, 2024.

For R. Devendra Kumar & Associates

Chartered Accountants

FRN: 114207W

Piyush Pitroda

Partner M. No.: 188843

UDIN:25188843BMJGRG6009

हुमार एवं एसी

M. No.: 010905

RN: 114207W

MUMBAI

FRN No. 009189C

Chartered

Accountant

मिन् हां मि

For Laxmi Tripti & Associates

Chartered Accountants

FRN: 009189C

Abhay Paliwal

Partner M. No.:435511

UDIN:25435511BMIAAZ7027

Date: January 20, 2025

Place: Chennai

For Tej Raj & Pal Chartered Accountants FRN:304124E

P Venugopala Rao

Partner

UDIN:25010905BMOHTH6635

For Sanjeev Omprakash Garg & Co.

FRN No.

304124E

Chartered Accountants

008773C

Chartered

Accountants

Chartered Accountants

FRN:008773C

Vikas Mittal

Partner

M. No.:407833

UDIN:25407833BMJONF6911



# इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

Unaudited Standalone Financial Results for the Quarter and Nine Months ended 31st December 2024

(Rs. In Lakhs)

		S	TANDALONE					
	o Particulars	Quarter Ended			Nine Months Ended		Year Ended	
S.No		31.12.2024	30.09,2024	31.12.2023	31.12.2024 31.12.2023		31.03.2024	
		(Unaudifed)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Interest Earned (a) + (b) +(c)+ (d)	7,11,172	6,85,067	6,17,551	20,49,742	17,42,084	24,04,97	
	(a) Interest/discount on advances/bills	5,03,906	5,05,488	4,61,419	14,92,431	12,81,568	17,57,56	
	(b) Income on Investments	1,80,839	1,75,377	1,51,921	5,22,186	4,40,631	5,94,57	
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	4,651	4,202	4,211	13,349	19,885	22,87	
	(d) Others	21,776	0	0	21,776	0	29,96	
2	Other Income	1,29,753	1,63,347	1,26,166	3,96,397	3,17,889	5,65,62	
3	TOTAL INCOME (1+2)	8,40,925	8,48,414	7,43,717	24,46,139	20,59,973	29,70,59	
4	Interest Expended	4,32,278	4,31,343	3,77,787	12,73,017	10,35,451	14,22,03	
5	Operating Expenses (i) + (ii)	1,82,046	2,04,249	1,87,910	5,66,113	5,44,256	8,72,19	
	(i) Employees Cost	1,06,905	1,34,092	1,26,921	3,53,441	3,62,311	6,13,98	
	(ii) Other Operating expenses	75,141	70,157	60,989	2,12,672	1,81,945	2,58,20	
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	6,14,324	6,35,592	5,65,697	18,39,130	15,79,707	22,94,22	
7	OPERATING PROFIT before Provisions & Confingencies (3-6)	2,26,601	2,12,822	1,78,020	6,07,009	4,80,266	6,76,37	
8	Provisions (other than tax) and Contingencies	1,02,864	1,14,633	70,142	3,11,284	2,58,357	3,35,12	
	of which Provisions for Non-Performing Assets	39,980	7,054	36,735	63,425	2,29,717	2,70,64	
9	Exceptional Items	0/,/00	0	0	05,425	0	2,7 0,04	
	Profit (+)/Loss(-) from Ordinary Activities before tax	0.5						
10	(7-8-9)	1,23,737	98,189	1,07,878	2,95,725	2,21,909	3,41,25	
11	Tax Expenses	36,371	20,473	35,622	67,361	37,157	75,69	
	Net Profit (+) / Loss(-) from Ordinary Activities after	30,371		33,622	07,301	3/,13/	/3,07	
12	Tax (10-11)  Extraordinary items (Net of Tax Expenses)	87,366	77,716	72,256	2,28,364	1,84,752	2,65,56	
	Net Profit (+) / Loss (-) for the period (12-13)	87,366	77,716	72,256	2 20 2/4	1.04.750	0/55/	
14	Paid up Equity Share Capital (Face Value of each	07,300	//,/16	/2,256	2,28,364	1,84,752	2,65,56	
15	share - Rs.10/-)	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241	18,90,24	
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						6,31,72	
_	Analytical Ratios							
	(i) Percentage of shares held by Govt. of India	96.38	96.38	96.38	96.38	96.38	96.3	
	(ii) Capital Adequacy Ratio (%) ( Basel III)	16.97	17.45	16.80	16.97	16.80	17.2	
	(a) CET 1 Ratio	14.33	14.75	13.95	14.33	13.95	14.4	
	(b) Additional Tier 1 Ratio	0	0	0	0	0		
	(iii) Earning Per Share (EPS) - in Rupees							
	a) Basic and Diluted EPS before Extraordinary			1 1 1 1 1				
	items (Net of Tax Expenses) for the period, for the	0.46	0.42	0.38	1.21	0.98	1.4	
	year to date and for the previous year (not annualized)	3007			15.9			
	b) Basic and Diluted EPS after Extraordinary items							
	for the period, for the year to date and for the previous year (not annualized)	0.46	0.42	0.38	1.21	0.98	1.4	
	(iv) NPA Ratios							
	a) Gross NPA	6,07,051	6,24,907	8,44,083	6,07,051	8,44,083	6,79,44	
-	b) Net NPA	97,591	1,05,925	1,30,258	97,591	1,30,258	1,21,68	
	c) % of Gross NPA	2.55	2.72	3.90	2.55	3.90	3.1	
-	d) % of Net NPA	0.42	0.47	0.62	0.42	0.62	0.5	
-	(v) Return on Assets (Annualised) (%)	0.93	0.82	0.86	0.82	0.76	0.8	
	(vi) Net Worth	20,15,473	18,97,316	16,87,636		16,87,636	18,06,91	
	(vii) Outstanding Redeemable Preference Share			Not App	4			
	(viii) Capital Redemption Reserve / Debenture							
	Redemption Reserve							
	(ix) Debt Equity Ratio	1.81	2.32	1.72	1.68	1.40	1.4	
	(x) Total Debts to Total Assets	0.88	0.88	0.89	0.88	0.89	0.8	
						the state of the s	650	
	(xi) Operating Margin (%) (Operating Profit/Total Income)  (xii) Net Profit Margin (%) (Net Profit after Tax/Total	26.95	25.08	23.94	24.81	23.31	22.7	

DHANARAJ T EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO JOYDEEP DUTTA ROY EXECUTIVE DIRECTOR

SRINIVASAN SRIDHAR NON-EXECUTIVE CHAIRMAN

Place: Chennal Date : 20.01.2025

FOR IDENTIFICATION ONLY









# INDIAN OVERSEAS BANK CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002 STANDALONE SEGMENT RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2024

Notes on Segment Reporting:

1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.

2. Figures of the previous years/Current year/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current year /quarters classification / presentation.

3. In compliance with RBI Circular DOR.AUT.REC. 12/22/01.001/2022-23 dated April 7, 2022, on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment under Accounting Standard - 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment.

DHANARAJT EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO JOYDEEP DUTTA ROY
EXECUTIVE DIRECTOR

SKINIVASAN SRIDHAR NON-EXECUTIVE CHAIRMAN

Place: Chennal Date: 20.01.2025









R. Devendra Kumar & Associates Chartered Accountants 205, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai - 400 066

Laxmi Tripti & Associates Chartered Accountants 800, M V K, 8th Floor, Sangita Elipse, Sahakar Road, Vile Parle (East), Mumbai - 400 057 Tej Raj & Pal Chartered Accountants Plot No.1278/2256/4294, Govinda Prasad, Bomikhal, Bhubaneswar – 751010

Sanjeev Omprakash Garg & Co. Chartered Accountants B-141, Gauri Grah Nirman Society, Dr Govind Narayan Singh Model Town, Chuna Bhatti, Bhopal, 462016

Independent Auditors' Review Report on Unaudited Consolidated Financial Results of Indian Overseas Bank for the quarter and nine months ended December 31, 2024 pursuant to the Regulation 33 and 52 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended

To
The Board of Directors
Indian Overseas Bank
Chennai

- 1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Indian Overseas Bank ("the Parent"/ "the Bank"/ "the Group"), its Joint Venture and share of the net profit/(loss) after tax of its associate for the quarter and for the period from April 1, 2024 to December 31, 2024 ('the Statement'), being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations') except for the disclosures relating to 'Consolidated Pillar 3 disclosure as at December 31, 2024 including Leverage Ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) 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 aforesaid 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 by the Parent's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by Institute of Chartered Accountants of India ("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. Our responsibility is to express a conclusion on the Statement based on our review.









#### R. Devendra Kumar & Associates

Chartered Accountants

Tej Raj & Pal Chartered Accountants

Laxmi Tripti & Associates Chartered Accountants Sanjeev Omprakash Garg & Co. Chartered Accountants

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 ICAI. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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. Accordingly, we do not express an audit opinion.

The Unaudited Standalone Financial Results of the Parent incorporate the relevant returns of 20 domestic branches reviewed by us and 1 foreign branch reviewed by local auditor of foreign branch specifically appointed for this purpose.

In the conduct of our review of the Parent, we have also considered the review reports submitted by the Inspection teams of Bank of 160 domestic branches and 03 foreign branches to the Bank Management of the Parent. Apart from these review reports, we have also considered various information generated from Centralized Database at Bank's Central Office.

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 Statement includes the results of the following entities:

Parent

Indian Overseas Bank

Joint Venture

India International Bank (Malaysia), Berhad #

Associate

Odisha Gramya Bank (Regional Rural Bank)

# Incorporated/located outside India

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 other auditor referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement read with notes to financial results,









#### R. Devendra Kumar & Associates Chartered Accountants

Laxmi Tripti & Associates Chartered Accountants Tej Raj & Pal Chartered Accountants

Sanjeev Omprakash Garg & Co. Chartered Accountants

prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standards, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at December 31, 2024, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under Basel III Capital Regulations as 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.

#### **Emphasis of Matter**

- 6. We draw attention to the following notes to the Statement:
  - a) Note No. I relating to quarterly/nine months Financial results being placed directly to the Board for review for want of quorum in Audit Committee of the Board by invoking para 14A of Nationalised Banks (Management and Miscellaneous Provisions) Scheme 1970.
  - b) Note No.17 of the Statement regarding carried balance of ₹ 4,40,438.92 lakhs relating to Deferred tax asset and reversal of ₹36,000 lakhs and ₹66,000 lakhs during the quarter and nine months ended December 31, 2024 respectively, on estimated basis and the management assessment of the realizability of the carried balance of the Deferred tax asset as on December 31, 2024.
  - c) Note No. 18 of the Statement relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein.

Our conclusion is not modified in respect of these matters.

#### Other Matters

7. We did not review the interim financial information of 03 foreign branches included in the unaudited standalone financial results of the Parent, whose results reflect total revenues of ₹ 27,936.51 lakhs and ₹98,362.49 lakhs for the quarter ended December 31, 2024 and for the period from April 1, 2024 to December 31, 2024 respectively, as considered in the unaudited standalone financial results of the Parent. This interim financial information have been reviewed by other auditor whose report have been furnished to us and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the branches is based solely on the report of other auditors and the procedures performed by us as stated in paragraph 3 above.









R. Devendra Kumar & Associates Chartered Accountants

Laxmi Tripti & Associates Chartered Accountants Tej Raj & Pal Chartered Accountants

Sanjeev Omprakash Garg & Co. Chartered Accountants

The consolidated unaudited financial results include Group's share of net profit/(loss) after tax of ₹ 138.19 lakhs and ₹ 1,896.19 lakhs for the quarter ended December 31, 2024 and for the period from April 1, 2024 to December 31, 2024 respectively, as considered in the consolidated unaudited financial results, in respect of Associate, whose financial results have not been reviewed by us. These interim financial information have been reviewed by other auditor whose report has 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 the Associate is based solely on the report of the other auditor 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 include the interim financial information which have not been reviewed of 3210 Domestic Branches (3207 domestic branches and 3 foreign branches) included in the unaudited standalone financial results of the Parent, whose results reflect total revenues of ₹ 4,01,628.19 lakhs and ₹14,12,978.27 lakhs for the quarter ended December 31, 2024 and for the period from April 1, 2024 to December 31, 2024 respectively, as considered in the standalone unaudited financial results of the Parent. Based on our review of the Parent conducted as per para 3 above and according to the information and explanation given to us by the management, these interim financial information are not material to the Group.

The consolidated unaudited financial results include the interim financial information of Joint Venture which have not been reviewed by their auditors, whose interim financial information reflect total revenues of ₹470.48 lakhs and ₹ 1235.43 lakhs and total net profit/(loss) after tax of ₹ 23.18 lakhs and ₹ 95.46 lakhs for the quarter ended December 31, 2024 and for the period from April 1, 2024 to December 31, 2024 respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the statement is not modified in respect of the above matters.

9. The Consolidated Financial statements of the Bank for the previous year ended March 31, 2024 were audited by the joint auditors one of which is predecessor audit firm and have expressed unmodified opinion on such Financial statements vide their report dated May 09, 2024. Further the unaudited Consolidated financial









#### R. Devendra Kumar & Associates

Chartered Accountants

Tej Raj & Pal Chartered Accountants

Laxmi Tripti & Associates

Chartered Accountants

Sanjeev Omprakash Garg & Co. Chartered Accountants

results of the Bank as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended, for the quarter and nine months ended December 31, 2023 were reviewed by the joint auditors one of which is predecessor audit firm and have expressed their unmodified conclusions on those results vide their report dated January 24, 2024.

For R. Devendra Kumar & Associates

RN: 114207W

MUMBAI

FRN No. 009189C

Chartered Accountant

मिप्र होंग मि

Chartered Accountants

FRN: 114207W

Piyush Pitroda

Partner

M. No.: 188843

UDIN:25188843BMJGRH4369

For Tej Raj & Pal Chartered Accountants

FRN:304124E

P Venugopala Rao

Partner

M. No.: 010905

UDIN:25010905BMOHTI9627

For Laxmi Tripti & Associates

Chartered Accountants

FRN: 009189C

Abhay Paliwal

Partner

M. No.:435511

UDIN:25435511BMIABA2510

For Sanjeev Omprakash Garg & Co. Chartered Accountants OMPRAKASA

FRN No.

304124E

Chartered Accountants

FRN No. 008773C Chartered Accountants

काश गुग

FRN:008773C

Vikas Mittal

Partner

M. No.: 407833

UDIN:25407833BMJONG9020

Date: January 20, 2025

Place: Chennai



#### इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

Unaudited Consolidated Financial Results for the Quarter and Nine Months ended 31st December 2024

(Rs. in Lakhs)

		CO	NSOLIDATED				
			Quarter Ended		Nine Mon	ths Ended	Year Ended
S.No	Particulars	31.12.2024 (Unaudited)	30.09.2024 (Unaudited)	31.12.2023 (Unaudited)	31.12.2024 (Unaudited)	31.12.2023 (Unaudited)	31.03.2024 (Audited)
1	Interest Earned (a) + (b) +(c)+ (d)	7,11,588	6,85,394	6,17,984	20,50,883	17,43,216	24,06,56
	(a) Interest/discount on advances/bills	5,03,932	5,05,507	4,61,452	14,92,498	12,81,652	17,57,67
	(b) Income on Investments	1,80,997	1,75,494	1,52,020	5,22,603	4,41,061	5,95,17
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	4,883	4,393	4,512	14,006	20,503	23,76
	(d) Others	21,776	0	0	21,776	0	29,96
2	Other Income	1,29,946	1,63,596	1,26,282	3,98,387	3,18,613	5,66,53
3	TOTAL INCOME (1+2)	8,41,534	8,48,990	7,44,266	24,49,270	20,61,829	29,73,09
4	Interest Expended	4,32,394	4,31,455	3,77,968	12,73,405	10,35,873	14,22,6
5	Operating Expenses (i) + (ii)	1,82,378	2,04,469	1,88,131	5,66,865	5,44,915	8,73,05
_	(i) Employees Cost (ii) Other Operating expenses	1,07,022	1,34,177	1,26,994	3,53,708	3,62,541	6,14,32
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	75,356 6,14,772	70,292 6,35,924	5,66,099	2,13,157 18,40,270	1,82,374 15,80,788	2,58,72
7	OFERATING PROFIT before Provisions & Contingencies (3-6)	2,26,762	2,13,066	1,78,167	6,09,000	4,81,041	6,77,39
8	Provisions (other than tax) and Contingencies	1,02,864	1,14,631	70,137	3,11,284	2,58,364	3,35,12
	of which Provisions for Non-Performing Assets	39,980	7,051	36,735	63,422	2,29,721	2,70,65
9	Exceptional Items	0,700	0	30,733	05,422	2,27,721	2,70,00
10	Profit (+)/Loss(-) from Ordinary Activities before tax (7-8-9)	1,23,898	98,435	1,08,030	2,97,716	2,22,677	3,42,27
11	Tax expenses	36,371	20,473	35,616	67,361	37,154	75,70
12	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	87,527	77,962	72,414	2,30,355	1,85,523	2,66,56
13	Extraordinary items (Net of Tax Expenses)	0	0	-0	0	0	
	Net Profit (+) / Loss (-) for the period (12-13)	87,527	77,962	72,414	2,30,355	1,85,523	2,66,56
15	Paid up Equity Share Capital (Face Value of each share - Rs.10/-)	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241	18,90,24
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	10					5,93,06
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	96.38	96.38	96.38	96.38	96.38	96.3
	(ii) Capital Adequacy Ratio (%) (Basel III)				Francisco State		
	(a) CET 1 Ratio						
	(b) Additional Tier 1 Ratio						
	(iii) Earning Per Share (EPS) - in Rupees						
	a) Basic and Diluted EPS before Extraordinary items (Net of tax expense) for the period, for the year to date and for the previous year (not annualized)						
	b) Basic and Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)						
	(iv) NPA Ratios						
	a) Gross NPA						
	b) Net NPA						
	c) % of Gross NPA						
	d) % of Net NPA						
	(v) Return on Assets (Annualised) (%)						
_	(vii) Net Worth (vii) Outstanding Redeemable Preference Share						
	(viii) Capital Redemption Reserve / Debenture Redemption Reserve						
_	(ix) Debt Equity Ratio						
	(x) Total Debts to Total Assets						
	(x) Total Debts to Total Assets (xi) Operating Margin (%) (Operating Profit/Total Income)	26.95	25.10	23.94	24.86	23,33	22.7

DHANARAJ T EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA
MANAGING DIRECTOR & CEO

JOYDEEP DUTTA ROY EXECUTIVE DIRECTOR

SRINIVASANSRIDHAR NON-EXECUTIVE CHAIRMAN

Place: Chennal Date : 20.01.2025











### INDIAN OVERSEAS BANK CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002 CONSOLIDATED SEGMENT RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2024

(Rs. in Lakhs) Nine months Nine months Quarter ended 31.12.2024 Quarter ended 30.09.2024 Quarter ended Year ended Particulars ended ended 31.12.2023 31.03.2024 31.12.2024 31.12.2023 (Unaudited) (Unaudited) (Unaudited) (Audited) (Unaudited) (Unaudited) 1) Segment Revenue a) Treasury Operations 1 91 126 1 84 869 1 69 898 5 70 186 4 79 022 7 27 589 b) Corporate / Wholesale Banking 2 39 018 2 92 564 2 15 630 7 61 250 7 01 248 9 63 131 c) Retail Banking 3 65 960 3 55 960 3 38 161 10 42 442 8 33 005 11 83 891 \*1.) Digital Banking 10 42 430 3 65 954 3 55 956 3 38 159 8 33 002 2.) Other Retail Banking 11 83 884 d) Other Banking Operations 23 606 15 552 20 532 53 523 48 418 68 260 e) Unallocated 21 825 21 870 30 182 7 44 266 8 48 990 8 41 534 24 49 270 20 61 829 29 73 053 Less: Inter segment Revenue Income from Operations 8 41 534 8 48 990 7 44 266 24 49 270 20 61 829 29 73 053 2) Segment Results after Provisions & Before Tax a) Treasury Operations 8 130 816 8 687 38 522 9 338 55 626 b) Corporate / Wholesale Banking 42 128 75 125 18 812 1 35 310 1 36 77: 36 505 c) Retail Banking 1 38 855 1 28 541 1 36 433 3 81 963 3 02 728 4 12 477 \*1.) Digital Banking (53)(31) (49) (97) (99 (161) 1 28 572 3 02 827 2.) Other Retail Banking 1 38 908 1 36 482 3 82 060 4 1 2 638 d) Other Banking Operations 15 850 8 561 14 205 31 389 32 098 42 646 e) Unallocated 21 798 21 816 104 30 135 2 13 066 1 78 166 6 09 000 4 81 040 6 77 390 Operating Profit 2 26 762 Less: Provisions and Contingencies other than Taxes 1 02 864 1 14 63 70 142 3 11 284 2 58 370 3 35 119 Profit before Tax 1 23 898 98 435 1 08 024 2 97 716 3 42 271 2 22 670 Less: Provisions for Taxation 36 371 20 473 35 617 67 361 37 149 75 708 Profit after Tax 87 527 77 962 72 407 2 30 355 1 85 521 2 66 563 3) Segment Assets 118 68 467 117 04 148 105 64 686 118 68 467 107 33 071 a) Treasury Operations 105 64 686 107 59 736 11471613 b) Corporate / Wholesale Banking 110 48 825 11471613 107 59 736 114 38 296 c) Retail Banking 149 35 217 138 14 328 112 83 725 149 35 217 112 83 725 119 31 638 \*1.) Digital Banking 116 51 2.) Other Retail Banking 149 35 102 138 14 282 112 83 649 149 35 102 112 83 649 119 31 587 d) Other Banking Operations 14 751 13 377 13 302 14 751 8 546 13 302 10 75 381 e) Unallocated 10 29 873 10.55.580 10 61 133 10 29 873 10 61 133 Total 386 08 043 376 36 258 343 94 459 386 08 043 343 94 459 351 86 932 4) Segment Liabilities 109 50 794 106 15 981 109 50 794 a) Treasury Operations 97 52 730 97 52 730 97 93 996 103 27 814 107 06 726 b) Corporate / Wholesale Banking 110 38 365 103 27 814 110 38 365 110 44 119 c) Retail Banking 143 76 661 134 26 810 108 93 880 143 76 661 108 93 880 115 59 436 \*1.) Digital Banking 116 116 4 2.) Other Retail Banking 143 76 545 134 26 764 108 93 804 108 93 804 115 59 385 143 76 545 d) Other Banking Operations 31 804 50 056 28 928 31 804 28 928 27 264 e) Unallocated 28 487 26 213 28 487 3976 5 972 317 17 879 357 15 560 348 25 786 317 17 879 324 30 787 357 15 560 5) Capital Employed : Segment Assets-Segment Liabilities a) Treasury Operations 9 17 673 9 17 673 10 88 167 8 11 956 8 11 956 9 39 075 b) Corporate / Wholesale Banking 4 31 921 3 42 099 4 33 248 4 31 921 4 33 248 394 177 c) Retail Banking 5 58 556 3 87 518 3 89 845 5 58 556 3 89 845 3 72 202 \*1.) Digital Bankina 2.) Other Retail Banking 5 58 556 3 87 518 5 58 556 3 89 845 3 89 845 3 72 202 d) Other Banking Operations [17 053] (36 679) (15 626) (17 053) (15 626) (18 719)

Notes on Segment Reporting:

e) Unallocated

Total

10 29 367

28 10 472

10 01 385

28 92 483

DHANARA T

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO JOYDEEP DUTTA ROY EXECUTIVE DIRECTOR

10 01 385

28 92 483

10 57 157

26 76 580

10 69 410

27 56 145

10 57 157

26 76 580

SRINIVASAN SRIDHAR NON-EXECUTIVE CHAIRMAN



Place: Chennai Date: 20.01.2025









Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not
possible.

<sup>2.</sup> Figures of the previous years/Currrent year/quarters have been regrouped / reclassified / rearranged wherever considered necessary to correspond with the current year /quarters classification / presentation.

<sup>3.</sup> In compliance with RBI Circular DOR.AUT.REC. 12/22/01.001/2022-23 dated April 7, 2022, on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment under Accounting Standard - 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment.



# इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

Unaudited Financial Results for the Quarter and Nine Months ended 31st December 2024

(Rs. in Lakhs)

	SUMMAR	MMARISED BALANCE SHEET	11			
		STANDALONE			CONSOLIDATED	
	31.12.2024	31.12.2023	31.03.2024	31.12.2024	31.12.2023	31.03.2024
***************************************	(unanaliea)	(unanalied)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
Capital & Liabilities						
Capital	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241
Reserves and Surplus	10,35,835	8,25,487	686'80'6	10,02,242	7,86,340	8,65,904
Minority Interest	0	0	0	0	0	0
Deposits	3,05,12,130	2,78,04,575	2,85,90,538	3,05,12,144	2,78,26,872	2,86,12,148
Borrowings	43,09,667	30,99,366	30,38,717	43,09,667	30,99,366	30,38,717
Other Liabilities & Provisions	8,93,624	7,91,575	7,79,877	8,93,749	7,91,640	7,79,922
Total	3,86,41,497	3,44,11,244	3,52,03,362	3,86,08,043	3,43,94,459	3,51,86,932
Assets						
Cash & Balances with Reserve Bank of India	16,70,574	13,79,079	16,90,457	16,70,579	13,79,134	16,90,554
Balances with Banks & Money at call and Short Notice	6,80,420	1,26,278	1,64,985	180'56'9	1,51,390	1,90,936
Investments	1,09,10,323	98,21,202	99,63,208	1,08,61,049	97,77,506	99,19,392
Advances	2,32,50,683	2,08,90,240	2,13,31,881	2,32,51,673	2,08,91,792	2,13,33,013
Fixed Assets	3,70,481	3,76,159	3,73,975	3,70,489	3,76,210	3,74,019
Other Assets	17,59,016	18,18,286	16,78,856	17,59,222	18,18,427	16,79,018
Total	3,86,41,497	3,44,11,244	3,52,03,362	3,86,08,043	3,43,94,459	3,51,86,932

DHANARAÎT EXECUTIVE DIRECTOR

JOYDEEP DUTTA ROY EXECUTIVE DIRECTOR

AJAY KUMAR-SRIVASTAVA MANAGING DIRECTOR & CEO

Place: Chennai Date: 20.01.2025

SRINIVASAM SRIDHAR NON-EXECUTIVE CHAIRMAN





# Indian Overseas Bank Central Office, 763, Anna Salai, Chennai 600 002

# Notes Forming Part of Standalone and Consolidated Unaudited (Reviewed) Financial Results for the Quarter and Nine Months ended December 31, 2024

- 1. The above Standalone and Consolidated Financial results for the quarter and nine month ended December 31, 2024 have been reviewed and approved by the Board of Directors of Indian Overseas Bank (hereinafter referred as "Bank") in the meeting held on January 20, 2025. In the absence of sufficient number of Independent Directors on the Board, Bank has invoked Para 14A of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 and placing the financial results for the quarter and nine months ended December 31, 2024 directly to the Board for review and approval for want of quorum in Audit Committee of the Board. The results have been subjected to limited review by the Statutory Central Auditors of the Bank as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Regulations").
- 2. The above financial results for the quarter and nine month ended December 31, 2024 have been arrived at after considering necessary provisions for loan losses, restructured assets, standard assets, non-performing assets (including COVID-19 related provisions) stressed sector accounts, income tax, deferred tax, depreciation on investments and fixed assets, non performing investments, unhedged foreign currency exposures and other necessary provisions on the basis of prudential norms and directions issued by RBI, judicial pronouncement and accounting standards notified under the Companies (Accounting Standards) Rules, 2021 and applicable laws. Provision for employee benefits for the quarter and nine month ended December 31, 2024 pertaining to Pension, Gratuity and Leave Encashment have been made on estimated Actuarial Valuation for the current year which is subject to adjustment at year end.
- 3. The Standalone and Consolidated Financial results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time, the relevant provisions of the Banking Regulation Act, 1949, the directions, guidelines and circulars issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India.











- 4. In preparation of these financial results the Bank has applied its significant accounting policies and practices that are consistent with those followed in annual financial results for the previous year ended March 31, 2024, except those pertaining to classification, valuation and operation of Investment Portfolio which has been carried out in compliance with the Reserve Bank of India Master Direction Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 vide RBI/ DOR/ 2023-24/ 104 DOR. MRG. 36/ 21.04.141/ 2023-24 dated September 12, 2023, read with clarifications issued by FIMMDA, effective from April 01, 2024. The impact of the revised framework on profit and loss account subsequent to the transition is not ascertainable. As a result, the impact on income/ profit or loss from investments arising on account of the revised framework is not comparable with previous period/s.
- 5. The Consolidated Financial Results (CFS) are prepared in accordance with Accounting Standard 21 (AS 21) on "Accounting for Consolidated Financial Results", Accounting Standard 23 (AS 23) on "Accounting for Investment in Associates" and Accounting Standard 27 (AS 27) on "Financial Reporting of Interests in Joint Venture" issued by The Institute of Chartered Accountants of India and the guidelines issued by RBI.
- 6. The Consolidated Financial Results comprise the financial results of Indian Overseas Bank (The Bank) and the following Associate and Joint Venture of the Bank:

Name of the Company	Type of Investment	Country of Incorporation	% of Holding
Odisha Gramya Bank	Associate	India	35%
India International Bank (Malaysia) Berhad	Joint Venture	Malaysia	35%

7. The accounts of Joint Venture India International Bank (Malaysia) Berhad, which is combined in the Consolidated Financial results is prepared on a calendar year basis in accordance with the local legal requirements. The accounts incorporated of the Joint venture is for the period July 01, 2024 to September 30, 2024. There are no material changes during the period October 01, 2024 to December 31, 2024 requiring adjustment to the figures reported in the unreviewed accounts as received.











- 8. The Bank has an investment of 35% in the JV, India International Bank (Malaysia) Berhad (IIBMB) with 1,15,50,000 no. of shares of MYR 10 each valuing ₹199,57,52,186 Lakhs as at the quarter end December 31, 2024. Upon the shareholders of IIBMB unanimously deciding for voluntary exit of the operation in Malaysia, the Board of the IIBMB sought approval from the Bank Negara Malaysia (BNM) for voluntary winding up. The BNM in letter dated February 09, 2024 has given no objection to the voluntary winding up operations and subsequently surrender the business licence subject to submission of detailed exit plan. In terms of the said order of BNM, the IIBMB is in the process of winding up. The impact on the investment, if any, that might arise shall be considered upon final winding up.
- 9. The Bank is holding 18.06% in Universal Sompo General Insurance Company Ltd. Since the shareholding in the Company is less than 25%, the same has not been considered as Joint Venture for preparation of Consolidated Financial Results as per extant RBI guidelines.
- 10.a) The consolidated financial results include the interest in JV which has been accounted in proportionate consolidation method as per AS 27 (Financial Reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of ₹4,086.52 Lakhs in JV representing Foreign Currency Translation Reserve (FCTR) is reported under reserves and surplus, this represents the translation difference.
  - b) In respect of investment in Associate, which has been accounted under equity method as per AS 23 (Accounting for Investment in Associates), the carrying amount of investment in equity shares of ₹60,690.22 Lakhs is adjusted against IOB's share of net assets of ₹23,379.24 Lakhs and the balance of ₹37,310.98 Lakhs is adjusted against balance in Reserves and Surplus to recognize the decline in the value.
- 11. The Standalone and Consolidated financial results are prepared in accordance with Regulation 33 and Regulation 52 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 12. In accordance with SEBI regulations, for the purpose of consolidated Financial Results for quarter ended December 31, 2024, minimum eighty percent (80%) of each of consolidated revenue, assets and profits have been subjected to review.









- 13. In compliance with RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment under Accounting Standard 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment.
- 14. In line with RBI Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022 on 'Basel III Capital Adequacy' read together with the RBI Circular DBR. No. BP. BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', the Banks are required to make consolidated Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under Basel III capital requirements. The said disclosures are made available on the following link https://iob.in/Basel-iii-disclosures. These disclosures are not subjected to limited review by the Statutory Central Auditors of the Bank.
- 15. Based on the available financial results and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated October 11,2022 and holds provision of ₹1,745 Lakhs as on December 31, 2024.
- 16. The Bank has evaluated the options available under Section 115BAA of Income Tax Act, 1961 and opted to continue to recognize the taxes on income for the quarter ended on December 31, 2024 under the old regime of the Income Tax Act, 1961.
- 17. The Bank has a carried balance of Net Deferred Tax Assets up to December 31, 2024 aggregating to ₹4,40,438.92 Lakhs which was recognized in earlier periods and on estimated basis Bank has reversed Deferred Tax Asset amounting to ₹36,000 Lakhs and ₹66,000 Lakhs for the quarter and nine months ended on December 31, 2024, respectively. As per consistent practice followed by the Bank, necessary accounting adjustments in this regard are to be carried out at the year end.











- 18. In respect of various Direct Tax and Indirect Tax litigation pending before appellate authorities, taking into consideration certain judicial rulings and expert advice, Bank is of the view that there is a fair chance of succeeding in the appeals filed with the appellate authorities and accordingly no provision has been made in respect of disputed income tax liability of ₹3,55,973.86 Lakhs and Indirect Tax liability of ₹1,45,499.93 Lakhs which are disclosed as contingent liability. Tax paid in advance (Net of Provision) is under reconciliation. This is on account of amounts pending assessments/under appeal/tax paid under dispute.
- 19. As per RBI circular No DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 and DBR.No.BP.1906/21.04.048/2017-18 dated August 28, 2017, for the accounts covered under the provisions of IBC (Insolvency and Bankruptcy Code), the Bank is holding a total provision of ₹15,73,509.28 Lakhs (99.29% of total outstanding of IBC admitted accounts of ₹15,84,690.05 Lakhs) as on December 31, 2024.
- 20. The position of Investors' Complaints for the quarter ended December 30, 2024 is as under:

Complaints pending at the beginning	NIL
Complaints received	14
Complaints redressed	14
Complaints pending at the end	NIL

21. As per RBI circular No. RBI/2015-16/376 DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 the Bank has option to defer the provision in respect of fraud over the period of four quarters. However, the Bank has opted to provide full provision for the liability towards frauds during the quarter and nine months ended on December 31, 2024, instead of spilling over a period of four quarters.

(In ₹Lakhs)

Particulars on frauds reported	For the quarter ended December 31, 2024		For the Nine months ended December 31, 2024	
Теропеа	No.	Amount	No.	Amount
Advance Related Frauds	4	417.98	15	2,170.69
Other than Advances	9	25.68	15	25.87
Cyber Frauds	13	0.00	1,848	0.00
Total	26	443.66	1,878	2,196.56
Amount of Provision made for such frauds.	44	3.66	2,196.56	
Amount of unamortized provision debited from 'other reserves' as at the end of the quarter.		NIL		











- 22. Provision Coverage Ratio of the Bank as on December 31, 2024 stood at 97.07% (97.06% as on September 30, 2024).
- 23. Impact of RBI Circular No. RBI/2018-19/203 DBR No. BP.BC.45/21.04.048/2018-19 dated June 07, 2019 on resolution of stressed assets, where viable resolution plan has not been implemented within 180 days/365days of review period. Prudential framework:

		(In ₹	(Lakhs)
Amount of Loans as on 31.12.2024, out of (b) classified as NPA	Provision Held as on 30.09.2024	Addl. Provision made during quarter ended 31.12.2024	Provision held as on 31.12.2024
(c)	(d)	(e)	· (f)
	(c)		(c) (d) (e)

24. In accordance with the RBI Cir.No.DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework – 2.0: Resolution of COVID – 19 related stress of individuals and Small Business", the number of borrower accounts where modification was sanctioned and implemented and the aggregate exposure to such borrowers are as under: -

(In ₹Lakhs)

No of Borrowers	Aggregate exposure as on December 31, 2024
20,738	2,09,216.40

25. Details of Priority Sector Lending Certificate (PSLC) purchased and sold are as under:

Particulars	Units (In Number)	Commission Paid / Earned (In ₹Lakhs)
PSLC (SF/MF & General)-Purchased		
During Q3	NIL	NIL
Cumulative FY 2024-25	NIL	NIL
PSLC (SF/MF & General)-Sold		
During Q3	8,000	2,918
Cumulative FY 2024-25	35,462	14,964











26. In accordance with the RBI circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34 /21.04.048/2019-20 dated February 11, 2020 & DOR. No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020, on "Restructuring of Advances - Micro, Small and Medium Enterprises (MSME) Sector' (One Time Restructuring)"the details of MSME restructured accounts as on December 31, 2024 are as under:

(In ₹Lakhs)

Number of Accounts	Aggregate exposure as on December 31, 2024
2,229	15,315

- 27. Disclosure as per the RBI Master directions ref no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 "Master Direction Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021" dated September 24, 2021, the details of loans transferred / acquired during quarter ended December 31, 2024 are given below.
  - I. Details of loans not in default acquired:
    - Co-Lending:

Particulars	Corporate	Agri	Retail	MSME	
Mode of Acquisition	Direct Assignment				
Aggregate Principal outstanding of loans acquired (In ₹Lakhs)	-	33,445.65	-	1,165.63	
Weighted Average Residual Maturity (in years)	-	Less than 1 year	-	1	
Weighted Average Holding period by originator (in years)	-	NA	-	Nil	
Tangible Security Coverage (%)	-	140		149.65	
Rating wise distribution of loans acquired by value	-		-	-	

#### Pool Buy-out:

Particulars	Corporate	Agri	Retail	MSME
Mode of Acquisition	Direct Assignment			
Aggregate Principal outstanding of loans acquired (In ₹Lakhs)				
Weighted Average Residual Maturity (in years)	NIL			
Weighted Average Holding period by originator (in years)				
Tangible Security Coverage (%)				
Rating wise distribution of loans acquired by value				

II. Details of loans not in Default transferred: NIL











III. Details of Stressed Loan transferred during the year 2024-25 (Upto December 31, 2024):

Details of Stress Loans (NPA A/cs) trans  Particular	To ARCs	To Permitted Transferees	To other Transferees
No. of Accounts	04	01	
Aggregate principal outstanding loans transferred (₹Lakhs)	1,10,071.43	3,682.65	
Weighted average residual tenor of the loans transferred	5 years	0.00	
Net book value of loans transferred (at the time of transfer)	0.00	0.00	
Aggregate Consideration (₹Lakhs)	37,055.10	2,712.68	1.2
Additional consideration realized in respect of accounts transferred in earlier year.	346.96	0.00	•
Details of loans acquired:			
Particular	From SCBs, RRBs DCCBs, AIFIs, SFE including Hous Companies (HFC	From ARCs	
Aggregate principal outstanding of loans acquired			
Aggregate consideration paid		NIL	
Weighted average residual tenor of loans acquired			

The Bank has reversed the amount of ₹13,923.59 Lakhs of excess provision to the profit and loss account on account of sale of stressed loans during the year 2024-25 (Upto December 31, 2024).

IV. The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on December 31, 2024 is given as under:

(In ₹Lakhs)

Recovery Rating	Book Value (31.12.2024)
RR1+ (More than 150%)	
RR1 (100% - 150%)	
RR2 (75% - 100%)	
RR3 (50% - 75%)	
RR4 (25% - 50%)	NIL
RR5 (0% - 25%)	INIL
RR6	
SRs – Rating Exempted during planning period	
SRs- Unrated	
TOTAL	











- 28. During the quarter and nine month ended December 31, 2024, the Reserve Bank of India has levied a Nil penalty on the Bank.
- 29. Other Income includes income (including commission) from non-fund-based banking activities, fees, earning from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off, etc.
- 30. As per RBI guidelines, RBI/DOR/2021-22/ 83DOR. ACC.REC. No.45 / 21.04.018/ 2021-22 dated August 30, 2021 (updated as on April 01, 2024), the details of Miscellaneous Income under the head "Other Income" exceeding 1% of the Total Income is as under:-

Period	Item under the Subhead /Head	Amount (Rs. in lakhs)	Amount in Percent
For the quarter ended 31.12.2024	Recovery in Write Off	63,504.06	7.55%
For the nine months ended 31.12.2024	Recovery in Write Off	1,88,523.65	7.71%

- 31. The figures for the quarter ended December 31, 2024 are the balancing figures between the unaudited (reviewed) Figures in respect of the quarter year ended December 31, 2024 and the published unaudited (reviewed) figures for the quarter ended September 30, 2024.
- 32. Figures for the corresponding previous periods have been regrouped/ reclassified wherever considered necessary.

(Bhanarai T)

**Executive Director** 

Srivastava)

Managing Director & CEO

(Joydeep Dutta Roy)

Executive Director

(Sripivasan Sridhar)

Non-Executive Chairman

Place: Chennai

Date: January 20, 2025









S.N. Kapur & Associates Chartered Accountants 2<sup>nd</sup> Floor, M-5, Gole Market Mahanagar, Lucknow - 226006

Tej Raj & Pal Chartered Accountants Plot No.1278/2256/4294, Govinda Prasad, Bomikhal, Bhubaneswar – 751010 R. Devendra Kumar & Associates
Chartered Accountants
205, Blue Rose Industrial Estate,
Western Express Highway,
Borivali (East), Mumbai - 400 066

Laxmi Tripti & Associates
Chartered Accountants
800, M V K, 8th Floor, Sangita
Elipse, Sahakar Road, Vile Parle
(East), Mumbai - 400 057

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Indian Overseas Bank for the quarter and nine months ended December 31, 2023 pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Indian Overseas Bank
Chennai

- 1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Indian Overseas Bank ('the Bank') for the quarter and nine months ended December 31, 2023 ("the Statement") attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended ("the Regulations") except for the disclosures relating to 'Consolidated Pillar 3 disclosures as at December 31, 2023 including Leverage Ratio, liquidity coverage ratio and Net stable funding ratio (NSFR) 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 aforesaid Statement and have not been reviewed by us. This 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.
- 2. 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 ("ICAI"). 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 inquiries of Bank personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.









Tej Raj & Pal Chartered Accountants Laxmi Tripti & Associates Chartered Accountants

- 3. The financial results incorporate the relevant returns of 20 domestic branches reviewed by us and 01 foreign branch reviewed by local auditor of foreign branch specifically appointed for this purpose. These review reports cover 37.92% of the advance portfolio of the Bank (excluding the advances of Asset Recovery branches and outstanding food credit) and 75.37% of the non-performing assets of the Bank. In the conduct of our review, we have also considered review reports in respect of non-performing assets submitted by the Inspection teams of Bank of 140 domestic branches and 03 foreign branches to the Bank Management. These review reports cover 20.34% of the advance portfolio of the Bank (excluding the advances of Asset Recovery branches and outstanding food credit) and 7.60% of the non-performing assets of the Bank. Apart from these review reports, we have also considered various information generated from Centralized Database at Bank's Central Office.
- 4. Based on our review conducted as above and subject to limitation in scope as mentioned in paragraph 3 above and read with notes to the financial results, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations 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 the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

#### 5. Emphasis of Matter:

We draw attention to the following:

- a) Note No. 14 regarding carried balance of ₹ 5,68,382.70 lakhs relating to Deferred tax asset, reversal of ₹ 35,000.00 lakhs on estimated basis during the quarter and management assessment of realisability of the carried balance of Deferred tax asset as on December 31,2023.
- b) Note No. 15 relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein.
- c) Note No. 23 regarding estimated provision of ₹ ₹25,200.00 Lakhs and ₹56,400.00 Lakhs made towards wage revision for the quarter and nine months ended December 31,2023 respectively, which is as assessed by the management and is subject to adjustments at year end.









Page 2 of 3

R. Devendra Kumar & Associates Chartered Accountants

Tej Raj & Pal Chartered Accountants Laxmi Tripti & Associates Chartered Accountants

d) Note No. 24 of the Statement regarding amortization of additional liability on account of revision in family pension amounting to ₹ 42,585.83 Lakhs. The Bank has charged an amount of ₹ 2,129.29 Lakhs and ₹ 6,387.87 Lakhs to the Profit and Loss Account for the quarter and nine month ended December 31, 2023 respectively and the balance unamortized expense of ₹ 19,163.62 Lakhs has in of RBI Circular no. RBI/2021-22/105 forward terms been carried DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021.

Our conclusion is not modified in respect of these matters.

#### 6. Other Matter

The Standalone Financial statements of the Bank for the previous year ended March 31,2023 were audited by the joint auditors three of which are predecessor audit firms and have expressed unmodified opinion on such Financial statements vide their report dated May 12, 2023. Further the unaudited Standalone financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the quarter and nine months ended December 31, 2022 were reviewed by the joint auditors three of which are predecessor audit firms and have expressed their unmodified conclusion on such results vide their report dated February 09, 2023.

For S.N. Kapur & Associates

Chartered Accountants

FRN: 001545C

(Avichal SN. Kapur Partner

M. No.: 400460

UDIN: 24400460BKCBSF4278

For Tej Raj & Pal

Chartered Accountants

FRN:304124E

B. Gangaraju) Partner

M. No.: 007605

UDIN: 24007605BKDGFB8233

For R. Devendra Kumar & Associates

Chartered Accountants

FRN: 114207W

(Neeraj Golas) Partner

M. No.: 074392

UDIN: 24074392BKEAJQ3861

For Laxmi Tripti & Associates

Chartered Accountants

FRN: 009189C

Partner

M. No.:103066 UDIN: 24103066BKAKTW3494

Date: January 24, 2024

Place: Chennai

DRAKUMAR & AS

009189C

Chartered

ccountant

FRN No. 304124E

Chartered

ccountants



#### इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in Lakhs)

SI.			Quarter Ended		Nine Mont	hs Ended	Year Ended
lo.	Particulars	31.12.2023 (Un-Audited)	30.09.2023 (Un-Audited)	31.12.2022 (Un-Audited)	31.12.2023 (Un-Audited)	31.12.2022 (Un-Audited)	31.03.2023 (Audited)
1	Interest Earned (a) + (b) +(c)+ (d)	6,17,552	5,82,102	5,05,553	17,42,085	14,20,789	19,40,0
	(a) Interest/discount on advances/bills	4,61,419	4,28,812	3,51,515	12,81,568	9,51,904	13,15,0
	(b) Income on Investments	1,51,921	1,46,053	1,44,775	4,40,631	4,40,330	5,84,8
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	4,211	7,237	9,263	19,885	28,555	40,1
	(d) Others	0	0	0	0	0	
2		1,26,166	1,11,419	95,048	3,17,889	2,67,877	4,10,8
3		7,43,718	6,93,521	6,00,601	20,59,974	16,88,666	23,50,9
4	Interest Expended	3,77,787	3,47,515	2,78,387	10,35,451	8,22,911	11,14,5
_	Operating Expenses (i) + (ii)	1,87,910	1,78,294	1,68,220	5,44,256	4,59,706	6,42,1
	(ii) Employees Cost (ii) Other Operating expenses	1,26,921	1,13,820	1,10,713	3,62,311	3,00,070	4,09,90
	TOTAL EXPENDITURE (4+5)	60,989	64,474	57,507	1,81,945	1,59,636	2,32,2
	(excluding Provisions & Contingencies)	5,65,696	5,25,809	4,46,607	15,79,707	12,82,617	17,56,6
7	OPERATING PROFIT before Provisions & Contingencies(3-6)	1,78,022	1,67,712	1,53,994	4,80,266	4,06,049	5,94,2
8	Provisions (other than tax) and Contingencies	70,142	1,04,420	97,950	2,58,357	2,59,812	3,59,3
	of which Provisions for Non-Performing Assets	36,735	1,12,050	71,141	2,29,717	1,82,995	2,85,77
-	Exceptional Items	50,735	1,12,030	71,140	2,27,717		2,03,7
	Profit (+)/Loss(-) from Ordinary Activities before		0	0	0	0	
	tax(7-8-9)	1,07,880	63,292	56,044	2,21,909	1,46,237	2,34,8
	Tax expenses	35622	834	524	37157	1,365	24,94
	Net Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	72,258	62,458	55,519	1,84,752	1,44,871	2,09,87
13	Extraordinary items (net of tax expense)	0	0	0	0	0	
	Net Profit (+) / Loss (-) for the period (12-13)	72,258	62,458	55,519	1,84,752	1,44,871	2,09,8
	Paid up equity share capital (Face value of each share - Rs.10/-)	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241	18,90,24
	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						1,38,19
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	96.38	96.38	96.38	96.38	96.38	96.3
	(ii) Capital Adequacy Ratio (%) ( Basel III)	16.80	17.00	15.16	16.80	15.16	16.1
	(a) CET 1 Ratio	13.95	13.81	12.66	13.95	12.66	12.8
	(b) Additional Tier 1 Ratio	0.00	0.00	0.00	0.00	0.00	0.0
	(iii) Earning Per Share (EPS) (in Rupees)						
1	a) Basic and diluted EPS before Extraordinary items (Net of tax expense) for the period, for the year to date and for the previous year (not annualized)	0.38	0.33	0.80	0.98	0.51	1,1
1	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	0.38	0.33	0.80	0.98	0.51	1.1
1	(iv) NPA Ratios						
-	a) Gross NPA	8,44,083	9,89,330	14,33,321	8,44,083	14,33,321	14,07,15
-	b) Net NPA c) % of Gross NPA	1,30,258	1,36,434	4,00,035	1,30,258	4,00,035	3,26,60
+	d) % of Net NPA	3.90	4.74	8.19	3.90	8.19	7.4
1	(v) Return on Assets (Annualised) (%)	0.62	0.68	2.43	0.62	2.43	1.8
	(vi) Net Worth	16,87,636	15,78,630	0.73	0.76	0.63	0.6
- 1	(vii) Outstanding redeemable preference share	10,07,036	13,78,630	13,74,614	16,87,636	13,74,614	14,64,34
				Not Appli	cable		1
F	(viii) Capital Redemption Reserve / Debenture Redemption Reserve			Not Appli			
-	(ix) Debt Equity Ratio	1.72	1.35	0.97	1.40	0.78	0.8
	(x) Total Debts to Total Assets	0.89	0.87	0.86	0.89	0.86	0.8
i	(xi) Operating Margin (%) (Operating Profit/Total Income)	23.94	24.18	25.64	23.31	24.05	25.2
1(	(xii) Net Profit Margin (%) (Net Profit after Tax/Total Income)	9.72	9.01	9.24	8.97	11.44	8.9

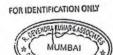
Place: Chennai Date : 24.01.2024 SANJAY VINAYAK MUDALIAR EXECUTIVE DIRECTOR

S SRIMATHY EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO













#### इण्डियन ओवरसीज़ वैंक Indian Overseas Bank Central Office, 763, Anna Salai, Chennai, 600 002

Unaudited Standalone Segment Results for the Quarter and Nine months ended December 31, 2023

	T .	Quarter Ended		Nine mon	ths Ended	(Rs In Lakhs) Year Ended
Particulars	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
ranicolais	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
1) Segment Revenue	(5.1.710-11.12)	(4.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1	(3.1.1.1.1.1.)	(	Can creament	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
a) Treasury Operations	1 69 381	1 59 437	1 63 947	4 77 250	5 00 773	6 66 66
b) Corporate / Wholesale Banking	2 15 599	2 49 096	1 60 167	7 01 163	4 59 361	6 64 57
c) Retail Banking	3 38 161	2 70 553	2 58 133	8 33 005	6 88 589	9 61 97
*1.) Digital Banking	2	1	0	3	0	70177
2.) Other Retail Banking	3 38 159	2 70 552	2 58 133	8 33 002	6 88 589	9 61 97
d) Other Banking Operations	20 532	14 362	18 325	48 418	39 850	57 53
e) Unallocated	44	73	28	137	91	15
Total	7 43 717	6 93 521	6 00 600	20 59 973	16 88 664	23 50 90
Less: Infer segment Revenue	0	0	0	0	0	200010
Income from Operations	7 43 717	6 93 521	6 00 600	20 59 973	16 88 664	23 50 90
2) Segment Results after Provisions & Before Tax						
a) Treasury Operations	8 565	2 156	22 078	8 600	69 654	88 86
b) Corporate / Wholesale Banking	18 789	54 714	9 038	1 36 736	37 977	74 21
c) Retail Banking	1 36 433	1 02 025	1 08 857	3 02 728	2 70 454	3 90 98
*1.) Digital Banking	(49)	(34)	0	(99)	0	(34
2.) Other Retail Banking	1 36 482	1 02 059	1 08 857	3 02 827	2 70 454	3 91 01
d) Other Banking Operations	14 205	8 753	14 000	32 098	27 902	40 00
e) Unallocated	14 203	64	20	104	59	15
Operating Profit	1 78 021	1 67 712	1 53 993	4 80 266	4 06 046	5 94 21
Less: Provisions and Contingencies	70 142	1 04 420	97 950	2 58 357	2 59 813	3 59 39
Profit After Provisions and before Tax	1 07 879	63 292	56 043	2 21 909	1 46 233	2 34 82
3) Segment Assets						
a) Treasury Operations	105 81 471	104 23 517	104 68 719	105 81 471	104 68 719	103 21 17
b) Corporate / Wholesale Banking	11471 613	112 46 486	88 74 305	11471 613	88 74 305	98 47 13
c) Refail Banking	112 83 725	108 96 090	97 62 573	112 83 725	97 62 573	101 37 18
*1.) Digital Banking	76	64	0	76	0	5
2.) Other Retail Banking	112 83 649	108 96 026	97 62 573	11283649	97 62 573	101 37 12
d) Other Banking Operations	13 302	16 153	21 520	13 302	21 520	13 11.
e) Unallocated	10 61 133	10 75 201	10 68 917	10 61 133	10 68 917	10 55 980
Total	344 11 244	336 57 447	301 96 034	344 11 244	301 96 034	313 74 582
4) Segment Liabilities						
a) Treasury Operations	97 30 368	99 49 943	98 99 834	97 30 368	98 99 834	102 11 99
b) Corporate / Wholesale Banking	110 38 365	106 65 180	84 75 039	110 38 365	84 75 039	91 56 26
c) Retail Banking	108 93 880	103 68 393	93 55 204	108 93 880	93 55 204	94 59 03
*1.) Digital Banking	76	64	0	76	0	5'
2.) Other Retail Banking	108 93 804	103 68 329	93 55 204	108 93 804	93 55 204	94 58 97
d) Other Banking Operations	28 928	33 169	2 754	28 928	2 754	1511
e) Unallocated	3 976	3 717	3 684	3 976	3 684	5 88
Total	316 95 517	310 20 402	277 36 515	316 95 517	277 36 515	288 48 28
5) Capital Employed : Segment Assets-Segment Liabilities						
a) Treasury Operations	8 51 103	4 73 574	5 68 885	8 51 103	5 68 885	1 09 17
b) Corporate / Wholesale Banking	4 33 248	5 81 306	3 99 266	4 33 248	3 99 266	6 90 86
c) Retail Banking	3 89 845	5 27 697	4 07 369	3 89 845	4 07 369	6 78 15
*1.) Digital Banking	3 67 643	0	4 07 367	0	0	07013
2.) Other Retail Banking	3 89 845	5 27 697	4 07 369	3 89 845	4 07 369	6 78 15
d) Other Banking Operations	(15,625)	(17,016)	18 766	(15,625)	18 766	(2,001
e) Unallocated	10 57 157	10 71 484	10 65 233	10 57 157	10 65 233	10 50 09
Total	27 15 728	26 37 045	24 59 519	27 15 728	24 59 519	25 26 29
		200,010		27 10 120	2407017	20 20 21
GEOGRAPHICAL SEGMENTS		·				
1)Revenue						
a) Domestic	7 22 672	671 961	5 87 356	19 97 504	5 87 356	22 94 64
b) International	21 046	21 560	13 244	62 469	13 244	56 26
Total	7 43 718	6 93 521	6 00 600	20 59 973	6 00 600	23 50 90
2)Assets						
a) Domestic	331 99 489	324 99 156	282 78 512	331 99 489	282 78 512	303 13 29
b) International	12 11 755	11 58 291	19 17 521	12 11 755	19 17 521	10 61 28
Total	344 11 244	336 57 447	301 96 033	344 11 244	301 96 033	313 74 583

Notes on Segment Reporting

1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.

2. Figures of the previous years/Currrent year/quarters have been regrouped / reclassified / rearranged whereever considered necessary to correspond with the current year /quarters classification / presentation.

3. In compliance with RBI Circular DOR.AUT.REC. 12/22/01.001/2022-23 dated April 7, 2022, on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment under Accounting Standard - 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment.

Place: Chennai Date: 24.01.2024 Sanjay Mudaliar EXECUTIVE DIRECTOR

S SRIMATHY
EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO







ATEREO ACCOUNTA





S.N. Kapur & Associates Chartered Accountants 2<sup>nd</sup> Floor, M-5, Gole Market Mahanagar, Lucknow - 226006

Tej Raj & Pal Chartered Accountants Plot No.1278/2256/4294, Govinda Prasad, Bomikhal, Bhubaneswar – 751010 R. Devendra Kumar & Associates
Chartered Accountants
205 Blue Rose Industrial Estate

205, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai - 400 066

Laxmi Tripti & Associates Chartered Accountants 800, M V K, 8th Floor, Sangita Elipse, Sahakar Road, Vile Parle (East), Mumbai - 400 057

Independent Auditor's Review Report on Unaudited Consolidated Financial Results of Indian Overseas Bank for the quarter and nine months ended December 31, 2023 pursuant to the Regulation 33 and 52 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
Indian Overseas Bank
Mumbai

- 1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Indian Overseas Bank ("the Parent") "the Bank" ("the Group"), its Joint Venture and share of the net profit/(loss) after tax of its associate for the quarter and nine months ended December 31, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations") except for the disclosures relating to 'Consolidated Pillar 3 disclosure as at December 31, 2023 including Leverage Ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under Basel III Capital Regulations' as 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 Parent's Management and approved by the Parent's Board of Directors, has been prepared by the Parent's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by 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.









R. Devendra Kumar & Associates
Chartered Accountants

Tej Raj & Pal Chartered Accountants Laxmi Tripti & Associates Chartered Accountants

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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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. Accordingly, we do not express an audit opinion.

The financial results of the Parent incorporate the relevant returns of 20 domestic branches reviewed by us and 01 foreign branch reviewed by local auditor of foreign branch specifically appointed for this purpose.

In the conduct of our review of the Parent, we have also considered the review reports in respect of nonperforming assets submitted by the Inspection teams of Bank of 140 domestic branches and 03 foreign branches to the Bank Management of the Parent. Apart from these review reports, we have also considered various information generated from Centralized Database at Bank's Central Office.

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 Statement includes the results of the following entities:

Parent

Indian Overseas Bank

Joint Venture

India International Bank (Malaysia), Berhad #

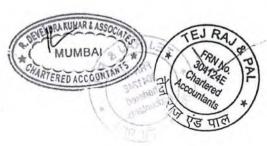
Associate

Odisha Gramya Bank (Regional Rural Bank)

# Incorporated/located outside India

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement read with notes to financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid







R. Devendra Kumar & Associates
Chartered Accountants

Tej Raj & Pal Chartered Accountants Laxmi Tripti & Associates Chartered Accountants

Accounting Standards, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at December 31, 2023, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under Basel III Capital Regulations as disclosed on the Bank's website and in respect of which a link is being provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

#### **Emphasis of Matter**

- 6. We draw attention to the following:
  - a) Note No. 14 regarding carried balance of ₹ 5,68,382.70 lakhs relating to Deferred tax asset, reversal of ₹ 35,000.00 lakhs on estimated basis during the quarter and management assessment of realisability of the carried balance of Deferred tax asset as on December 31,2023.
  - b) Note No. 15 relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein.
  - c) Note No. 23 regarding estimated provision of ₹₹25,200.00 Lakhs and ₹56,400.00 Lakhs made towards wage revision for the quarter and nine months ended December 31,2023 respectively, which is as assessed by the management and is subject to adjustments at year end.
  - d) Note No. 24 of the Statement regarding amortization of additional liability on account of revision in family pension amounting to ₹ 42,585.83 Lakhs. The Bank has charged an amount of ₹ 2,129.29 Lakhs and ₹ 6,387.87 Lakhs to the Profit and Loss Account for the quarter and nine month ended December 31, 2023 respectively and the balance unamortized expense of ₹19,163.62 Lakhs has been carried forward in terms of RBI Circular no. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021.

Our conclusion is not modified in respect of these matters.

#### Other Matters

7. We did not review the interim financial information of 01 foreign branch included in the standalone unaudited financial results of the Parent, whose results reflect total revenues of ₹ 9,266.76 lakhs and ₹ 25,904.99 lakhs for the quarter ended December 31, 2023 and for the period from April 1, 2023 to December 31, 2023 respectively, as considered in the standalone unaudited financial results of the Parent. These interim financial information have been reviewed by other auditor whose report have been furnished to us and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in









R. Devendra Kumar & Associates
Chartered Accountants

Tej Raj & Pal Chartered Accountants Laxmi Tripti & Associates Chartered Accountants

respect of the branch is based solely on the report of other auditor and the procedures performed by use as stated in paragraph 3 above.

The consolidated unaudited financial results include Group's share of net profit/(loss) after tax of ₹ 104.00 lakhs and ₹ 722.96 lakhs for the quarter ended December 31, 2023 and for the period from April 1, 2023 to December 31, 2023 respectively, as considered in the consolidated unaudited financial results, in respect of Associate, whose financial results have not been reviewed by us. These interim financial information have been reviewed by other auditor whose report has 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 the Associate is based solely on the report of the other auditor 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 include the interim financial information which have not been reviewed of 3269 Branches (3266 domestic branches and 3 foreign branches) included in the standalone unaudited financial results of the Parent, whose results reflect total revenues of ₹ 9,43,952.18 lakhs and ₹ 28,95,445.02 lakhs for the quarter ended December 31, 2023 and for the period from April 1, 2023 to December 31, 2023 respectively, as considered in the standalone unaudited financial results of the Parent. Based on our review of the Parent conducted as per para 3 above and according to the information and explanation given to us by the management, these interim financial information are not material to the Group.

The consolidated unaudited financial results includes the interim financial information of joint venture which have not been reviewed by their auditors, whose interim financial information reflect total revenues of ₹ 443.42 lakhs and ₹ 1,133.69 lakhs and total net profit/(loss) after tax of ₹ 50.27 lakhs and ₹ 48.73 lakhs for the quarter ended December 31, 2023 and for the period from April 1, 2023 to December 31, 2023 respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the statement is not modified in respect of the above matters.









R. Devendra Kumar & Associates
Chartered Accountants

Tej Raj & Pal Chartered Accountants Laxmi Tripti & Associates Chartered Accountants

9. The Consolidated Financial statements of the Bank for the previous year ended March 31,2023 were audited by the joint auditors three of which are predecessor audit firms and have expressed unmodified opinion on such Financial statements vide their report dated May 12, 2023. Further the unaudited Consolidated financial results of the Bank as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the quarter and nine months ended December 31, 2022 were reviewed by the joint auditors three of which are predecessor audit firms and have expressed their unmodified conclusion on such results vide their report dated February 09, 2023.

For S.N. Kapur & Associates Chartered Accountants FRN: 0015450

> (Avichal SN. Kapur) Partner

M. No.: 400460 UDIN:24400460BKCBSG1619

> For Tej Raj & Pal Chartered Accountants FRN:304124E

(B. Gangaraju)
Partner
M. No.: 007605

UDIN: 24007605BKDGFC9

Date: January 24, 2024

Place : Chennai

For R. Devendra Kumar & Associates

Chartered Accountants FRN: 114207W

Madle

(Neeraj Golas)

Partner M. No.: 074392

UDIN: 24074392BKEAJR9510

For Laxmi Tripti & Associates Chartered Accountants

FRN: 009189C

Partner
M. No.:103066

UDIN: 24103066BKAKTX

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#### इण्डियन ओवरसीज़ बैंक INDIAN OVERSEAS BANK

CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002
UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

			ONSOLIDATED				
SI.			Quarter Ended		Nine Mont	hs Ended	Year Ended
No.	Particulars	31.12.2023 (Un-Audited)	30.09.2023 (Un-Audited)	31.12.2022 (Un-Audited)	31.12.2023 (Un-Audited)	31.12.2022 (Un-Audited)	31.03.2023 (Audited)
1	Interest Earned (a) + (b) +(c)+ (d)	6,17,983	5,82,490	5,05,708	17,43,217	14,21,225	19,40,69
	(a) Interest/discount on advances/bills	4,61,452	4,28,840	3,51,531	12,81,652	9,51,946	13,15,13
	(b) Income on Investments	1,52,020	1,46,280	1,44,813	4,41,061	4,40,454	5,85,03
	(c) Interest on Balances with Reserve Bank of India and other Inter Bank Funds	4,512	7,370	9,364	20,503	28,825	40,53
	(d) Others	0	0	0	0	0	-
	Other Income	1,26,282	1,11,660	95,099	3,18,613	2,68,060	4,11,64
	TOTAL INCOME (1+2)	7,44,265	6,94,150	6,00,807	20,61,830	16,89,285	23,52,34
	Interest Expended	3,77,968	3,47,660	2,78,399	10,35,873	8,22,950	11,14,629
5	Operating Expenses (i) + (ii)	1,88,131	1,78,508	1,68,428	5,44,914	4,60,323	6,42,98
	(i) Employees Cost	1,26,994	1,13,906	1,10,793	3,62,541	3,00,310	4,10,236
	(ii) Other Operating expenses	61,137	64,602	57,635	1,82,374	1,60,013	2,32,745
	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	5,66,099	5,26,168	4,46,827	15,80,788	12,83,273	17,57,610
	OPERATING PROFIT before Provisions & Contingencies(3-6)	1,78,166	1,67,982	1,53,980	4,81,042	4,06,012	5,94,732
8	Provisions (other than tax) and Contingencies	70,137	1,04,432	97,953	2,58,364	2,59,814	3,59,399
	of which Provisions for Non-Performing Assets	36,735	1,12,054	71,141	2,29,721	1,82,995	2,85,774
9	Exceptional Items	0	0	0	0	0	
10	Profit (+)/Loss(-) from Ordinary Activities before tax(7-8-9)	1,08,029	63,550	56,027	2,29,679	1,46,198	2,35,333
11	Tax expenses	35616	832	521	37,154	1,362	24,934
12	Nel Profit (+) / Loss(-) from Ordinary Activities after tax (10-11)	72,413	62,718	55,505	1,85,524	1,44,836	2,10,399
13	Extraordinary items (net of tax expense)	0	0	0	0	0	
	Net Profit (+) / Loss (-) for the period (12-13)	72,413	62,718	55,505	1,85,524	1,44,836	2,10,399
	Paid up equity share capital (Face value of each share - Rs.10/-)	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241	18,90,241
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						1,38,192
17	Analytical Ratios						
	(i) Percentage of shares held by Govt. of India	96.38	96.38	96.38	96.38	96.38	96.38
	(ii) Capital Adequacy Ratio (%) ( Basel III)			70.00	76.66	70.00	70.30
	(a) CET 1 Ratio						
	(b) Additional Tier 1 Ratio						
	(iii) Earning Per Share (EPS) (in Rupees)						
	a) Basic and diluted EPS before Extraordinary items						
	(Net of tax expense) for the period, for the year to						
	dale and for the previous year (not annualized)						
_							
	b) Basic and diluted EPS after Extraordinary items						
	for the period, for the year to date and for the previous year (not annualized)						
	(iv) NPA Ratios						
	a) Gross NPA						
4	b) Net NPA						
	c) % of Gross NPA						
	d) % of Net NPA						
	(v) Return on Assets (Annualised) (%)						
$\overline{}$	(vi) Net Worth						
	(vii) Outstanding redeemable preference share						2
	(viii) Capital Redemption Reserve / Debenture						

Place: Chennai Date : 24.01.2024

Income)

Income)

Sanjay Mudalias SANJAY VINAYAK MUDALIAR EXECUTIVE DIRECTOR

S SRIMATHY
EXECUTIVE DIRECTOR

24.20

9.04

AJAY-KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

24.03

8.57

25.28

8.94



Redemption Reserve (ix) Debt Equily Ratio (x) Total Debts to Total Assets



(xi) Operating Margin (%) (Operating Profit/Total

(xii) Net Profit Margin (%) (Net Profit after Tax/Total



23.94

9.73



25.63

9.24



23.33

9.00



#### इण्डियन ओवरसीज़ बैंक Indian Overseas Bank Central Office, 763, Anna Salai, Chennai, 600 002

Unaudited Consolidated Segment Results for the Quarter and Nine months ended December 31, 2023

		Quarter Ended		Nine Mon	ths Ended	(Rs in Lakhs) Year Ended
Parliculars	31.12.2023	30.09.2023	31.12.2022	31,12,2023	31.12.2022	31.03.2023
runcoldis	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
1) Segment Revenue	(on-Addied)	(bii-Addied)	(on-Addired)	(bii-Addied)	(on-Addied)	(Addired)
a) Treasury Operations	1 69 898	1 60 037	1 64 139	4 79 022	5 01 394	6 67 87
b) Corporate / Wholesale Banking	2 15 630	2 49 124	1 60 182	7 01 248	4 59 361	6 64 64
c) Retail Banking	3 38 161	2 70 553	2 58 133	8 33 005	6 88 589	9 61 97
1.) Digital Banking	3 30 101	270 333	2 36 133	3	0 00 307	7 01 77
2.) Other Retail Banking	3 38 159	2 70 552	2 58 133	8 33 002	6 88 589	9 61 97
d) Other Banking Operations	20 532	14 362	18 325	48 418	39 850	
		73				57 69
e) Unallocated	44		28	137	91	15
Total	7 44 265	6 94 149	6 00 807	20 61 830	16 89 285	23 52 34
Less: Inter segment Revenue	744045	0	0	0	0	
Income from Operations	7 44 265	6 94 149	6 00 807	20 61 830	16 89 285	23 52 34
2) Segment Results after Provisions & Before Tax	0.407	0.01	00.05/		10.100	
a) Treasury Operations	8 687	2 416	22 056	9 338	69 620	89 19
b) Corporate / Wholesale Banking	18 812	54 714	9 047	1 36 772	37 977	74.24
c) Retail Banking	1 36 433	1 02 025	1 08 857	3 02 728	2 70 454	3 90 98
1.) Digital Banking	(49)	(34)	0	(99)	. 0	[34
2.) Other Retail Banking	1 36 482	1 02 059	1 08 857	3 02 827	2 70 454	3 91 01
d) Other Banking Operations	14 205	8 753	14 000	32 098	27 902	40 16
e) Unallocated	29	64	20	104	59	1.5
Operating Profit	1 78 166	1 67 972	1 53 980	4 81 040	4 06 012	5 94 73
Less: Provisions and Confingencies	70 142	1 04 432	97 953	2 58 370	2 59 812	3 59 38
Profit After Provisions and before Tax	1 08 024	63 540	56 027	2 22 670	1 46 200	2 35 34
3) Segment Assets	10511101	10/00/00/		122 11 121		
a) Treasury Operations	105 64 686	104 00 954	104 33 067	105 64 686	104 33 067	102 91 57
b) Corporate / Wholesale Banking	11471 613	112 46 486	88 74 305	11471 613	88 74 305	98 47 13
c) Retail Banking	112 83 725	108 96 090	97 62 573	112 83 725	97 62 573	101 37 18
1.) Digital Banking	76	64	0	76	0	5
2.) Other Retail Banking	112 83 649	108 96 026	97 62 573	112 83 649	97 62 573	101 37 12
d) Other Banking Operations	13 302	16 153	21 520	13 302	21 520	13 11
e) Unallocated	10 61 133	10 75 201	10 68 917	10 61 133	10 68 917	10 55 98
Total	343 94 459	336 34 884	301 60 382	343 94 459	301 60 382	313 44 99
4) Segment Liabilities						
a) Treasury Operations	97 52 730	99 66 813	99 04 829	97 52 730	99 04 829	102 21 08
b) Corporate / Wholesale Banking	110 38 365	106 65 180	84 75 039	110 38 365	84 75 039	91 56 26
c) Retail Banking	108 93 880	103 68 393	93 55 204	108 93 880	93 55 204	94 59 03
1.) Digital Banking	76	64	0	76	0	5
2.) Other Retail Banking	108 93 804	103 68 329	93 55 204	108 93 804	93 55 204	94 58 97
d) Other Banking Operations	28 928	33 169	2 754	28 928	2 7 5 4	15 11
e) Unallocated	3 976	3 7 1 7	3 684	3 976	3 684	5 88
Total	317 17 878	310 37 272	277 41 510	317 17 878	277 41 510	288 57 38
5) Capital Employed : Segment Assets-Segment Liabilities						
a) Treasury Operations	8 11 956	4 34 141	5 28 238	8 11 956	5 28 238	70 48
b) Corporate / Wholesale Banking	4 33 248	5 81 306	3 99 266	4 33 248	3 99 266	6 90 86
c) Retail Banking	3 89 845	5 27 697	4 07 369	3 89 845	4 07 369	6 78 15
1.) Digital Banking	0	0	0	0	0	
2.) Other Retail Banking	3 89 845	5 27 697	4 07 369	3 89 845	4 07 369	6 78 15
d) Other Banking Operations	(15,625)	(17,016)	18 766	(15,626)	18 766	(2,001
e) Unallocated	10 57 157	10 71 484	10 65 233	10 57 157	10 65 233	10 50 09
Total	26 76 581	25 97 612	24 18 872	26 76 581	24 18 872	24 87 60
Notes on Segment Reporting	20 /0 301	23 // 012	24 10 0/2	20 / 0 301	24 10 0/2	24 07 80

1. Segment expenses and liabilities have been apportioned on the basis of average segment assets, wherever direct allocation is not possible.

2. Figures of the previous years/Currrent year/quarters have been regrouped / reclassified / rearranged whereever considered necessary to correspond with the current year /quarters classification / presentation

3. In compliance with RBI Circular DOR.AUT.REC. 12/22/01.001/2022-23 dated April 7, 2022, on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment under Accounting Standard - 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment.

Place: Chennai Date: 24.01.2024 SANJAY VINAYAK MUDALIAR EXECUTIVE DIRECTOR

S SRIMATHY EXECUTIVE DIRECTOR AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO















# INDIAN OVERSEAS BANK

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023 CENTRAL OFFICE, 763, ANNA SALAI, CHENNAI 600 002

		NUS	SUMMARISED BALANCE SHEET	SHEET			(Re in Lakhe)
			STANDALONE			CONSOLIDATED	(2000)
		31.12.2023 (Un-Audited)	31.12.2022 (Un-Audited)	31.03.2023 (Audited)	31.12.2023	31.12.2022	31.03.2023
Capital & Liabilities				(	(2000)	(pallpay lip)	(pamen)
Capital		18,90,241	18,90,241	18.90.241	18 90 241	18 90 241	18 90 941
Reserves and Surplus		8,25,487	5.69.277	6.36.053	7 86 340	5 20 730	507070
Minority Interest		0	0	0	0+2,00,	0,20,02,0	000,17,0
Deposits		2,78,04,575	2,57,47,998	2.60.88.329	2 78 24 872	7 57 57 034	0 40 07 350
Borrowings		30,99,366	13,36,533	20.80.377	30 00 346	13 24 532	775 09 00
Other Liabilities & Provisions	visions	7,91,575	6.51.984	6 79 582	7 01 440	000,000	7700002
Total Capital & Liabilities	les	3,44,11,244	3,01,96,033	3.13.74.582	3 43 94 459	3 01 40 381	3 12 44 000
Assets						0000000	0,1,44,01,0
Cash & Balances with	Cash & Balances with Reserve Bank of India	13,79,079	17.99.405	17.14.836	13 79 134	17 00 /80	17 15 010
Balances with Banks &	Balances with Banks & Money at Call and Short Notice	1,26,278	3,77,178	3.45.873	1 51 390	3 05 300	27077
Investments		98,21,202	94,38,828	94.17.041	97 77 506	93 83 440	03,07,000
Advances		2,08,90,240	1,64,68,025	1.78.05.257	2 08 91 792	1 44 49 128	1 78 04 749
Fixed Assets		3,76,159	3.69.764	3.70.998	3.74.910	3 40 8 48	1,70,00,00,1
Other Assets		18,18,286	17,42,833	17,20,577	18.18.427	17 43 044	17.20.813
Total Assets		3,44,11,244	3,01,96,033	3,13,74,582	3,43,94,459	3,01,60,381	3.13.44.990
						-	
	Sonjay Mudalia	,	4				
Place: Chennai Date: 24.01.2024	SANJAX,VINAYAK MUDALIAR EXECUTIVE DIRECTOR	EXE	S SRIMATHY EXECUTIVE DIRECTOR		AJAY KUMAR SRIVASTAVA	SRIVASTAVA	
					ALL DANIDURIUM	CLOR & CEO	





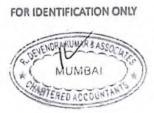
#### Indian Overseas Bank Central Office, 763, Anna Salai, Chennai 600 002

## Notes Forming Part of Standalone and Consolidated Unaudited (Reviewed) Financial Results for the Quarter and Nine months ended December 31, 2023

- 1. The above Standalone and Consolidated Financial results for the quarter and nine months ended December 31, 2023 have been reviewed and recommended by the Audit Committee of the Board of Indian Overseas Bank (hereinafter referred as "Bank") and approved by the Board of Directors in their respective meeting held on January 24, 2024. The results have been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India (RBI) and as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Regulations").
- 2. The above financial results for the quarter and nine months ended December 31, 2023 have been arrived at after considering necessary provisions for loan losses, restructured assets, standard assets, non-performing assets (including Covid 19 related provisions) stressed sector accounts, income tax, deferred tax, depreciation on investments and fixed assets, non performing investments, unhedged foreign currency exposures, derivative exposures and other necessary provisions on the basis of prudential norms and directions issued by RBI, judicial pronouncement and accounting standards notified under the Companies (Accounting Standards) Rules, 2021 and applicable laws. Provision for employee benefits for the quarter and nine months ended pertaining to Pension, Gratuity and Leave Encashment have been made on estimated Actuarial Valuation for the current year which is subject to adjustment at year end.
- 3. The Standalone and Consolidated Financial results have 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. The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in annual financial results for the previous year ended March 31,2023.













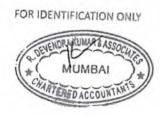
- 4. The Consolidated Financial Results (CFS) are prepared in accordance with Accounting Standard 21 (AS 21) on "Accounting for Consolidated Financial Results", Accounting Standard 23 (AS 23) on "Accounting for Investment in Associates" and Accounting Standard 27 (AS 27) on "Financial Reporting of Interests in Joint Venture" issued by The Institute of Chartered Accountants of India and the guidelines issued by RBI.
- 5. The Consolidated Financial Results comprise the financial results of Indian Overseas Bank (The Bank) and the following Associate and Joint Venture of the Bank:

S. No	Name of the Company	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank	Associate	India	35%
2	India International Bank (Malaysia) Berhad (As on 30.09.2023)	Joint Venture	Malaysia	35%

- 6. The Bank is holding 18.06% in Universal Sompo General Insurance Company Ltd. Since the shareholding in the Company is less than 25%, the same has not been considered as Joint Venture for preparation of Consolidated Financial Results as per extant RBI guidelines.
- 7. a) The consolidated financial results include the interest in JV which has been accounted in proportionate consolidation method as per AS 27 (Financial Reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of ₹1,109.43 Lakhs in JV representing Foreign Currency Translation Reserve (FCTR) is reported under reserves and surplus, this represents the translation difference.
  - b) In respect of investment in Associate, which has been accounted under equity method as per AS 23 (Accounting for Investment in Associates), the carrying amount of investment in equity shares of ₹57,537.30 Lakhs is adjusted against IOB's share of net assets of ₹17,807.18 Lakhs and the balance of ₹39,730.12 Lakhs is adjusted against balance in Reserves and Surplus to recognize the decline in the value.









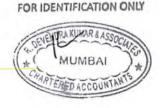




- 8. The Standalone and Consolidated financial results are prepared in accordance with Regulation 33 and Regulation 52 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- In accordance with SEBI regulations, for the purpose of consolidated Financial Results for quarter and nine months ended December 31,2023, minimum eighty percent (80%) of each of consolidated revenue, assets and profits have been subjected to review.
- 10. In compliance with RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on establishment of Digital Banking Units (DBUs) and reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment under Accounting Standard 17 "Segment Reporting", bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment.
- 11. In line with RBI Circular DOR.CAP.REC.3/21.06.201/2022-23 dated April 01, 2022 on 'Basel III Capital Adequacy' read together with the RBI Circular DBR. No. BP. BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments', the Banks are required to make consolidated Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under Basel III capital requirements. The said disclosures are made available on the following link https://iob.in/Basel-iii-disclosures. These disclosures are not subjected to limited review by the Statutory Central Auditors of the Bank.
- 12. Based on the available financial results and the declaration from borrowers, the Bank has estimated the liability towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated October 11,2022 and holds provision of ₹1,286 Lakhs as on December 31,2023.
- 13. The Bank has evaluated the options available under Section 115BAA of Income Tax Act, 1961 and opted to continue to recognize the taxes on income for the Quarter and Nine months ended on December 31,2023 under the old regime of the Income Tax Act, 1961.













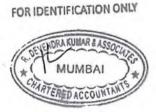
- 14. The Bank has a carried balance of Net Deferred Tax Assets up to December 31,2023 aggregating to ₹5,68,382.70 Lakhs which was recognized in earlier periods and is net of deferred tax asset amounting to ₹35,000 Lakhs, reversed during the quarter ended on December 31,2023 on estimated basis. As per consistent practice followed by the Bank, necessary accounting adjustments in this regard are to be carried out at the year end.
- 15. In respect of various Direct Tax and Indirect Tax litigation pending before appellate authorities, taking into consideration certain judicial rulings and expert advice from independent tax consultants, Bank is of the view that there is a fair chance of succeeding in the appeals filed with the appellate authorities and accordingly no provision has been made in respect of disputed income tax liability of ₹7,77,369.54 Lakhs and Indirect Tax liability of ₹1,13,591.45 Lakhs which are disclosed as contingent liability.
- 16. As per RBI circular No DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 and DBR.No.BP.1906/21.04.048/2017-18 dated August 28, 2017, for the accounts covered under the provisions of IBC (Insolvency and Bankruptcy Code), the Bank is holding a total provision of ₹18,77,516.31 Lakhs (99.32% of total outstanding of IBC admitted accounts of ₹18,90,415.29 Lakhs) as on December 31,2023.
- 17. The position of Investors' Complaints for the quarter ended December 31, 2023 is as under:

Complaints pending at the beginning of the quarter	Nil
Complaints received during the quarter	04
Complaints redressed during the quarter	04
Complaints pending at the end of the quarter	Nil

18. As per RBI circular No. RBI/2015-16/376 DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 the Bank has option to defer the provision in respect of fraud over the period of four quarters. However, the Bank has opted to provide full provision for the liability towards frauds during the quarter ended on December 31, 2023, instead of spilling over a period of four quarters. During the quarter ended December 31, 2023, the Bank has reported 2,121 fraud cases involving ₹809.46 Lakhs for which it is holding 100% provision.













- 19. Provision Coverage Ratio of the Bank as on December 31, 2023 stood at 96.85%. (96.76% as on September 30, 2023).
- 20. Impact of RBI Circular No. RBI/2018-19/203 DBR No. BP.BC.45/21.04.048/2018-19 dated June 07, 2019 on resolution of stressed assets, where viable resolution plan has not been implemented within 180 days/365days of review period. Prudential framework:

(In ₹Lakhs)

Amount of loans impacted by RBI Circular (FB + NFB)	Amount of loans to be classified as NPA	Amount of Loans as on 31.12.2023, out of (b) classified as NPA	Provision Held as on 30.09.2023	Addl. Provision made during quarter ended 31.12.2023	Provision held as on 31.12.2023
(a)	(b)	(c)	(d)	(e)	(f)
94,441.14	94,441.14	94,441.14	7,640.00	(350.07)	7,289.93

21. In accordance with the RBI Cir.No.DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework – 2.0: Resolution of COVID – 19 related stress of individuals and Small Business", the number of borrower accounts where modification was sanctioned and implemented and the aggregate exposure to such borrowers are as under: -

(In ₹Lakhs)

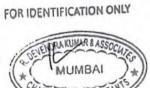
No of Borrowers	Aggregate exposure as on December 31, 2023
29,426	2,72,306.91

22. Details of Priority Sector Lending Certificate (PSLC) purchased and sold are as under:

Particulars	Units (In Number)	Commission Paid / Earned (In ₹Lakhs)
PSLC (SF/MF & General) - Purchased		
During Q3	Nil	Nil
Cumulative FY 2023-24	Nil	Nil
PSLC (SF/MF & General) Sold		
During Q3	Nil	Nil
Cumulative FY 2023-24	36,020	13,480.00













- 23. Pending settlement of Bipartite agreement on wage revision (due with effect from November 01, 2022), an estimated provision of ₹25,200 Lakhs and ₹56,400 Lakhs has been made towards wage revision for the quarter and nine months ended December 31, 2023 respectively. The cumulative provision held in this regard is ₹62,400 Lakhs upto December 31, 2023. Necessary accounting adjustments based on actuarial valuation are to be carried out at the year end.
- 24. Bank has estimated the additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020, amounting to ₹42,585.83 Lakhs. RBI vide their Circular RBI /2021-22 /105 DOR .ACC. REC. 57/21.04.018/2021-22 dated 4th October 2021, has permitted Banks to amortize the said additional liability over a period of not exceeding 5 (five) years, beginning with financial year 2021-22, subject to a minimum of 1/5th of the total amount being expensed every year. Bank has opted the said provision of RBI and accordingly charged an amount of ₹2,129.29 Lakhs and ₹6,387.87 Lakhs to the Profit & Loss account for the Quarter and Nine months ended December 31,2023 respectively and the balance unamortized expense of ₹19,163.62 Lakhs has been carried forward. Had the Bank charged the entire additional liability to the Profit and Loss Account, the net profit (after tax) for the quarter and nine months ended December 31,2023 would have been lower by ₹12,467.08 Lakhs.
- 25. In accordance with the RBI circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 DOR.No.BP.BC.34 /21.04.048/2019-20 dated February 11, 2020 & DOR. No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020, on "Restructuring of Advances - Micro, Small and Medium Enterprises (MSME) Sector' (One Time Restructuring)"the details of MSME restructured accounts as on December 31, 2023 are as under:

Aggregate exposure as on December 31, 2023 Number of Accounts 23,951.49

26. Disclosure as per the RBI Master directions ref no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 "Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021" dated September 24, 2021, the details of loans transferred / acquired during quarter ended December 31, 2023 are given below.





3,898











#### I. Details of loans not in default acquired:

#### Co- Lending:

Particulars  Mode of Acquisition	Corporate Direct Assignment	Agri Direct Assignment	Retail Direct Assignment	MSME Direct Assignment
Weighted Average Residual Maturity (in years)	-	-	-	2.00
Weighted Average Holding period by originator (in years)	1	.=.	-	
Tangible Security Coverage (%)	-	128.80%	-	83.90
Rating wise distribution of loans acquired by value	-			Underlying pool assets are unrated.

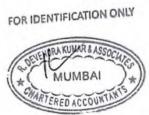
#### Pool Buy-out:

Particulars	Corporate	Agri	Retail	MSME		
Mode of Acquisition	Direct Assignment	Direct Assignment	Direct Assignment	Direct Assignment		
Aggregate Principal outstanding of loans acquired (In ₹Lakhs)						
Weighted Average Residual Maturity (in years)						
Weighted Average Holding period by originator (in years)	Nil					
Tangible Security Coverage (%)						
Rating wise distribution of loans acquired by value						

#### II. Details of loans not in Default transferred: Nil













III. Details of Stressed Loan transferred during the year 2023-24 (Upto December 31, 2023):

Particular	To ARCs	To permitted transferees	To other transferees
No. of Accounts	8,427		
Aggregate principal outstanding loans transferred (₹Lakhs)	55,922.55		
Weighted average residual tenor of the loans transferred	5 Years		
Net book value of loans transferred (at the time of transfer)	0.00		Nil
Aggregate Consideration (₹Lakhs)	16,873.04		
Additional consideration realized in respect of accounts transferred in earlier year	0.00		
Details of loans acquired:			
Particular	From SCBs, RRBs, UCBs, SCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	Fror	n ARCs
Aggregate principal outstanding of loans acquired			1
Aggregate consideration paid		Nil	
Weighted average residual tenor of loans acquired			2

The Bank has reversed the amount of ₹2,930.98 Lakhs of excess provision to the profit and loss account on account of sale of stressed loans during the year 2023-24 (upto December 31,2023).















IV. The distribution of Security Receipts (SRs) held by the Bank across the various categories of Recovery Ratings assigned to such SRs by the Credit Rating Agencies as on December 31, 2023 is given as under:

(In ₹Lakhs)

Recovery Rating	Book Value (31.12.2023)
RR1+ (More than 150%)	742.65
RR1 (100% - 150%)	3,655.12
RR2 (75% - 100%)	9,190.34
RR3 (50% - 75%)	1,615.49
RR4 (25% - 50%)	10,471.31
RR5 (0% - 25%)	5,725.96
RR6	0.00
SRs – Rating Exempted during planning period	0.00
SRs- Unrated	15,081.52
TOTAL	46,482.38*

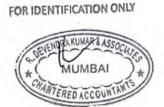
<sup>\*</sup>Bank is holding 100 % of Provision.

- 27. During the nine months ended December 31,2023 the Reserve Bank of India has levied a penalty of ₹320 Lakhs on the Bank. However, for the quarter ended December 31,2023 the Reserve Bank of India has levied a penalty ₹100 lakhs on the Bank.
- 28. Other Income includes income (including commission) from non-fund-based banking activities, fees, earning from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off etc.
- 29. As per RBI guidelines, RBI/DOR/2021-22/ 83DOR. ACC.REC.No.45 /21.04.018/2021-22 dated October 25, 2023, the details of Miscellaneous Income under the head "Other Income" exceeding 1% of the Total Income is as under:-

Period	Item under the Subhead /Head	Amount in Lakhs	Amount in Percent
For the quarter ended 31.12.2023	Recovery in Write Off	63245.93	8.50%
For the nine months ended 31.12.2023	Recovery in Write Off	146411.66	7.11%













- 30. During the quarter and nine months ended December 31, 2023 the Bank has redeemed the Basel III Tier II Bonds (Series II) of ₹30,000 Lakhs, by exercising call option.
- 31. Figures for the corresponding previous periods have been regrouped/reclassified wherever considered necessary.

(Sanjay Vinayak Mudaliar)

Executive Director

(S Srimathy)

Executive Director

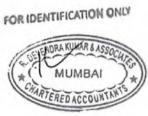
(Ajay Kamar Srivastava)

Managing Director & CEO

Place: Chennai Date: 24.01.2024











Chartered Accountants
Plot No.1278/2256/4294,
Govinda Prasad, Bomikhal,
Bhubaneswar – 751010

Laxmi Tripti & Associates
Chartered Accountants
800, M V K, 8th Floor, Sangita Elipse,
Sahakar Road, Vile Parle (East),
Mumbai - 400 057

#### INDEPENDENT AUDITORS' REPORT

To The Members of Indian Overseas Bank

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

- 1. We have audited the accompanying Standalone Financial Statements of Indian Overseas Bank (the Bank"), which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account, Cash Flow Statement for the year then ended, and Notes to the Standalone Financial Statements including Significant Accounting Policies and other explanatory information, in which are included the returns for the year ended on that date of:
  - (i) The Central office and 20 branches audited by us,
  - 856 domestic branches and 2 Regional Offices audited by the respective Statutory Branch Auditors and;
  - (iii) 04 foreign branches audited by the 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 ('RBI').

Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 2369 domestic branches and 47 Regional offices which have not been subjected to audit. These unaudited branches account for 27.75 % of advances, 54.43 % of deposits, 28.59% of interest income and 22.02% of interest expenses.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act 1949 (the "Act"), in the manner so required for the Bank and are in conformity with the accounting principles generally accepted in India and:

- a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2024;
- b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit; and
- c) the Cash Flow statement gives a true and fair view of the cash flows for the year ended on that date.

#### **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 ("the ICAI"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements, prepared in accordance with the accounting principles generally accepted in India, including the appliable Accounting Standards, and provisions of section 29 of Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

- 3. We invite attention to the following notes in Schedule 18 of Standalone Financial Statements:
  - Note No.5 relating to the reconciliation and elimination of entries in inter branch and internal/office accounts which are at different stages.
  - ii) Note No. 7.3 relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein and Note No. 7.2 regarding pending reconciliation of tax paid in advance.
  - iii) Note No. 7.5 regarding carried balance of ₹ 5,299.94 crores relating to Deferred tax asset, reversal of ₹ 734.24 crores during the year on estimated basis and the management assessment of the realizability of the carried balance of the Deferred tax asset as on March 31,2024.

Our opinion is not modified in respect of these matters.

#### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Vernice of the standalone financial statements as a whole, and in forming our opinion, thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Vernice of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

I. Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer 2.1 of Schedule 17, read with Note 2 of Schedule 18 to the financial statements)

The net advances of the Bank constitute 50.09 percent of the total assets, which is the significant part of the financial statements. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRACP) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices in which case the classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRACP norms as per its accounting policy followed.

Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing.

Besides following the prudential norms on Income Recognition, Asset Classification and Provisioning relating to Advances issued by the Reserve Bank of India ("RBI"), the Bank also has certain policies for provisioning on non- performing assets.

The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRACP norms are not properly followed.

Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements.

Further due to reliance placed on data submitted by the borrowers & lead bank for Drawing Power calculations, third party for security valuation, computation of provisions as per various guidelines issued by the RBI, computation of diminution in value for restructured advances and recognition of interest income including in non-performing advances, we determined the above area as a Key Audit Matter.

#### Auditors' Responses

#### Principal Audit Procedures

We assessed the Bank's system in place to identify and provide for non-performing assets. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing including the following:

a) We had obtained understanding from the Bank about the controls built in the system checks and

for identification of non-performing assets, provisioning to determine the nature, timing and extent of the substantive procedures and had accordingly planned our audit procedures.

- b) The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRACP norms in respect of the top 20 branches allotted to us. In carrying out substantive procedures at the branches allotted to us, we have examined large advances/ stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers as provided by the Bank's management.
- c) Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank.
- d) Relied on the returns received from the branches not subject to audit and in that regard reviewed the internal monitoring mechanisms/systems of the Bank to satisfy the correctness of the sample data made available to us and ensured exceptions/deviations/errors noticed during our audit procedures were adequately considered by the Bank.
- e) Test checked the identification and provisioning of non-performing assets and corresponding reversal of income, in accordance with RBI Guidelines issued from time to time.
- f) Evaluated and tested the management estimates and judgements for the purpose of identification of NPA and adequacy of provision required as per RBI's Prudential norms.
- g) Evaluated the effectiveness of automated IT based system of asset classification implemented by the Bank in accordance with the directives of RBI.
- h) We have also relied on the work done by the branch auditors for other domestic and foreign branches selected by the Bank.
- i) Review of files of the borrowers selected on sample basis and operations of such accounts.
- j) Performing relevant analytical procedures.
- k) Test checking of interest application, levying of other charges, commission etc
- Ensured exceptions noticed during our audit procedures are duly corrected.

### II. Information Technology (IT) and controls impacting financial Reporting

The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Our areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information

Technology (IT) systems are used in financial reporting process. The Bank's operational and financial processes generate extensive volume on daily basis and process varied and complex transactions which are highly dependent on IT systems. There is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively, hence considered as a key audit matter.

#### Auditors' Responses

#### Principal Audit Procedures

Our audit procedures include assessment and identification of key IT applications, and further verifying, testing and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included:

- a) Obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit.
- b) Reviewed the design, implementation and operating effectiveness of the Bank's IT controls including application, access controls that are critical to financial reporting on test check basis.
- c) Where we identified the need to perform additional procedures, we placed reliance on manual compensating controls; such as reconciliations between systems and other information sources or performing additional testing; extended our sample sizes, to obtain adequate and appropriate audit evidence.
- Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs)
  passed based on branch audits.
- e) Reliance on external vendor inspection reports wherever made available.
- f) Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.
- III. Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Refer 4 of Schedule 17 read with Note 1 of Schedule 18 to the financial Statements)

Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities.

Investments constitute 26.49 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of

Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.

The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIBIL rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc. Considering the complexities and extent of judgment involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, we determined the above area as a Key Audit Matter.

#### Auditors' Responses

#### Principal Audit Procedures

Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. Our audit procedures with respect to audit of Treasury, focused on –

- a) We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments.
- b) For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample.
- c) Independently test-checked valuation of unquoted investments, based on the latest available financial statements or on the basis of other prescribed procedures in terms of the RBI guidelines.
- d) We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision.
- e) We carried out substantive audit procedures to re-compute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs.

IV. Assessment of Provisions and Contingent liabilities including in respect of certain litigations, various claims filed by other parties not acknowledged as debt (Refer 13 of Schedule 17 read with Note 14 (AS-29) of Schedule 18 to the financial statements):

The Bank has disputed claims against it including matters pending at various levels in Tax and non tax matters which are pending at various courts/forums and are at various stages in the judicial process. The management has exercised significant judgement in assessing the possible outflow in such matters.

There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/interpretation of law involved.

#### Auditors' Responses

#### Principal Audit Procedures

- a) We have evaluated the appropriateness of the design and tested the operating effectiveness of the management's controls over the tax litigation matters.
- b) We reviewed the management's underlying assumptions in estimating the possible outflow and the possible outcome of the disputes. The legal precedence and other rulings were considered in evaluating management's position on these uncertain tax /non tax positions.
- c) Further we have relied upon the management judgements, industry level deliberations and estimates for possible outflow and opinion of internal experts of the Bank in relations to such disputed tax positions.
- d) Read and analysed select key correspondences, internal/external legal opinions / consultations by management for key disputed non tax matters.
- Reviewed and verified other legal pronouncements wherever available in similar matters in the case of the Bank/other corporate.
- f) Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the provisions.
- g) Assessed management's estimate of the possible outcome of the disputed non tax cases and relied on the management judgments in such cases.

#### 5. Other Matters

- a) We did not audit the financial Statements/financial information of 856 domestic branches, 2 Regional offices and 4 foreign branches included in the standalone financial statements of the Bank whose financial statements/financial information reflects total Assets of ₹ 175898.05 crores as at March 31,2024 and total revenue of ₹12711.84 crores for the year ended on that date, as considered in the standalone financial statements. These branches and offices cover 40.68% of total advances, 40.93% of total deposits and 21.92% of non-performing assets as at 31st March 2024 and 36.39% of revenue for the year ended on 31st March 2024. The financial statements/information of these branches have been audited by the Bank's Statutory Branch Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the reports of such branch auditors.
- b) The Standalone Financial statements of the Bank for the previous year ended March 31,2023 were audited by the joint auditors three of which are predecessor audit firms and have expressed unmodified opinion on such financial statements vide their report dated May 12,2023.

Our opinion is not modified in respect of above matters.

### Information Other than the Standalone Financial Statements and Auditors' Report thereon

6. The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon) which we obtained at the time of issue of this auditors' report and Directors' Report, Key Financial Indicators and Shareholder's Information, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required

When we read the Directors' Report, Key Financial Indicators and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

# Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Bank in accordance with the accounting principles generally accepted in India including the applicable Accounting Standards, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 judgements and estimate 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 statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 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.

### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

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 statements, whether does

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 management.
- Conclude on the appropriateness of management's 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 statements 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 financial statements, including the
  disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report values law are result in

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other Legal and Regulatory Requirements

- 9. The Balance Sheet and the Profit and Loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949.
  Subject to the limitations of the audit indicated in paragraph 5, 7 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 10. As required by letter no. DOS.ARG. No.6270 /08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks-Reporting obligations for SCAs from F.Y. 2019-20", read with subsequent communication dated May 19, 2020 issued by RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
- a) In our opinion, the aforesaid Standalone Financial Statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
- c) As the bank is not registered under the Companies Act, 2013, the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- d) There are no qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- e) Our Audit report on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements is given in Annexure 'A' to this report. Our report expresses an unmodified opinion on the Banks's operating effectiveness of internal financial controls with reference to financial statements as at March 31,2024.

#### 11. We further report that:

a) In our opinion, proper books of account as required by law have been kept 367 the Bank so far as it

- b) The Balance Sheet, Profit and Loss account and Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank as per the provisions of section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For S.N. Kapur & Associates Chartered Accountants

FRN: 00/1545C

(Avienal SN. Kapur) 545C Partner Lucknow

M. No.: 400460 Charlered

RAJE

FRN No.

304124E

Chartered

Accountants

UDIN: 24400460BKCBCC3582

For Tej Raj & Pal Chartered Accountants FRN:304124E

( B. Gangaraju)

Partner M. No.: 007605

UDIN: 24007605BKDGFP7731

Date: May 09, 2024

Place: Chennai

For R. Devendra Kumar & Associates

Chartered Accountants

FRN: 114207W

(Neeraj Golas) Partner

M. No.: 074392

UDIN: 24074392BKEAJZ9941

For Laxmi Tripti & Associates

Chartered Accountants

FRN: 009189C

(Abhay Paliwal)

Partner

M. No.:435511

UDIN: 24435511BKAHVW114

FRN No. 009189C Chartered Accountant

MUMBAI

### ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10(e) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal financial controls with reference to Financial Statements as required by the Reserve Bank of India (the "RBI") Letter no. DOS. ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls with reference to Financial Statements of Indian Overseas Bank (the "Bank") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls with reference to Financial Statements of the Bank's branches.

### Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our reality of the internal financial

evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Financial Statements.

### Meaning of Internal financial controls with reference to Financial Statements

A Bank's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal financial controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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 branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on "the criteria for internal control over financial reporting established by the Bank sonsidering the essential components of internal control stated in the Guidance Note on Audit of Internal Figure 110 and 110 and

#### Other Matter

Our aforesaid report in so far as it relates to the operating effectiveness of internal financial controls with reference to Financial Statements of 858 branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

For S.N. Kapur & Associates

Chartered Accountants

FRN: 001545C

(Avichal SN. Kapur)

Partner S

M. No.: 400460

UDIN: 24400460BKCBDC3582

For Tej Raj & Pal Chartered Accountants FRN:304124E

(B. Gangaraju)
Partner

M. No.: 007605

UDIN: 24007605BKDGFP773

FRN No. 304124E Chartered Accountants

RAJE

131

Date: May 09, 2024

Place: Chennai

For R. Devendra Kumar & Associates

Chartered Accountants

FRN: 114207W

(Neeraj Golas)

M. No. 074392

UDIN: 24074392BKEAJZ9941

For Laxmi Tripti & Associates

Chartered Accountants

FRN: 009189C

(Abhay Paliwal)

Partner

M. No.:435511

UDIN: 24435511BKAHVW114



BALANCE SHEET AS AT 31 March 20	)24			PROFIT & LOSS ACCOUNT FOR THE	E YEAR ENDED 31	March 2024	
	SCHEDULES	AS AT 31 March 2024	AS AT 31 March 2023			YEAR ENDED	YEAR ENDEI
CAPITAL AND LIABILITIES		(₹ in '00		INCOME	SCHEDULES	31 March 2024	31 March 202
Capital	01	18902 41 23	18902 41 23	Interest Earned		(₹ in '00	
Reserves and Surplus	02	9039 88 85	6360 53 25	Other Income	13	24049 73 44	19400 32 6
Deposits	03	285905 37 82	260883 29 05	TOTAL	14	5656 26 24	4108 74 82
Borrowings	04	30387 16 55	20803 77 19	EXPENDITURE		29705 99 68	23509 07 4
Other Liabilities and Provisions **	05	7798 77 43	6783 97 88	Interest Expended			
TOTAL		352033 61 88	313733 98 60	Operating Expenses	15	14220 32 04	11145 44 45
			010100 70 00	Provisions and Contingencies (Net)	16	8721 90 75	6421 46 32
ASSETS				TOTAL		4108 14 40	3843 38 07
Cash and balances with Reserve Bank of India	06	16904 56 29	17148 09 47			27050 37 19	21410 28 84
Balances with Banks		10004 30 20	1/140 09 4/	PROFIT / LOSS (-)			
and Money at Call and Short Notice	07	1649 85 57	3458 72 71	Net Profit / Loss (-) for the year		2655 62 49	2098 78 60
Investments	08	99632 08 17	94170 41 04	Profit /Loss (-) brought forward		-16448 69 87	-17999 28 75
Advances	09	213318 80 94	178052 57 37	Less: Set off against Share Premium			
Fixed Assets	10	3739 75 59	3709 97 69	TOTAL		-13793 07 38	-15900 50 16
Other Assets **	11	16788 55 32		ANDRODOLUM			
TOTAL		352033 61 88	17194 20 32 313733 98 60	APPROPRIATIONS			
	_	332033 01 88	313/33 98 00	Transfer to Statutory Reserve		663 90 62	524 69 65
Contingent Liabilities	12	195742 15 63	10/121 110/	Transfer to Revenue and Other Reserves			
Bill for collection	12	19119 00 64	196131 44 96	Transfer to Capital Reserve		12 31 19	23 50 06
		19119 00 04	19547 85 75	Transfer to Investment Fluctuation Reserve			
Significant Accounting Policies	17			Proposed Dividend (including Dividend Tax)			
Notes on Accounts	18			Balance carried over to Balance Sheet		-14469 29 18	-16448 69 87
	10			TOTAL		-13793 07 38	-15900 50 16
				Basic & Diluted Earnings per share (Rs.)		1.40	1.15
				Nominal Value per Equity Share (Rs.)		10.00	10.00
Schedules Form Part of the Balance Sheet				01.11.5			
FOR AND	ON BEHALF OF THE	E BOARD		Schedules Form Part of the Profit & Loss Accou			
DHANARAJ T EXECUTIVE DIRECTOR		JOYDEEP DUTTA EXECUTIVE DIRE		S N KAPUR & ASSOCIATES	R REPORT OF EVEN I	OATE  KUMAR & ASSOCIATES	

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

KARTIKENAMISRA

SURESH KUMAR RUNGTA

DEEPAK SHARMA

CHENNAI

09.05.2024

DIRECTORS

SRINIVASAN SRIDHAR

SONALI SEN GUPTA

B CHANDRA REDDY

SANJAYA RASTOGI

Partner M No: 400460

TEJ RAJ & PAL FRN 304124E

(B. GANGARAJU)

Partner M No: 007605 (NEERAJ GOLAS)

Partner M No : 074392

LAXMI TRIPTI & ASSOCIATES

FRN 009189C

(ABHAY PALIWAL)

Partner M No: 435511

CHARTERED ACCOUNTANTS



SCHEDULE - 1 CAPITAL	AS AT 31 March 2024	AS AT 31 March 2023	SCHEDULE - 2 RESERVES & SURPLUS	AS AT	AS A
	(₹ in '000s)		RESERVES & SORI LOS	31 March 2024 (₹ in '000s	31 March 20
AUTHORISED CAPITAL				(K III 000S	)
2500,00,00,000 Equity Shares of Rs.10/- each (Previous year-2500,00,00,000 Equity shares of Rs. 10/- each)			B Special Reserve		
	25000 00 00	25000 00 00	Opening balance	0	
ISSUED, SUBSCRIBED & PAID UP CAPITAL			Add: Additions	0	
1890 24 12 256 Equity Shares of Rs.10/- each. (Includes 1821 83			Less: Deductions	0	
26 570 Equity Shares of Rs.10/- each held by Government of India)					
	18902 41 23	18902 41 23			
Previous year 1890 24 12 256 Equity Shares of Rs.10/- each.			TOTAL - B	0	
(Includes 1821 83 26 570 Equity Shares of Rs.10/- each held by				v	
Government of India)					
			C Investment Reserve Account		
SCHEDULE - 2	AS AT	AS AT	Opening Balance	97 95 58	97 95 5
RESERVES & SURPLUS	31 March 2024	31 March 2023	Add: Additions	0	9/955
	(₹ in '000s)		Less: Deductions	0	
I CHARE PREMIUM			TOTAL - C	97 95 58	97 95 5
I. SHARE PREMIUM			D Foreign Currency Translation Reserve		77700
Opening balance Add: Additions	8557 90 11	8557 90 11	Opening balance	965 71 07	841 65 9
Less: Deductions	0	0	Add: Additions	111 80 37	126 64 3
TOTAL -I	0	0	Less: Deduction	93 60 97	2 59 25
II. STATUTORY RESERVE	8557 90 11	8557 90 11	TOTAL - D	983 90 47	965 71 0
Opening balance	1006 73 04		E. Investment Fluctuation Reserve Account		
Add: Additions	4086 72 84	3562 03 19	Opening balance	390 00 00	390 00 0
Less: Deductions	6639062	5246965	Add: Additions	0	
TOTAL -II	4750 63 46	4086 72 84	Less : Deductions	0	(
III. CAPITAL RESERVE	1750 05 40	4000 72 04	TOTAL - (E)	390 00 00	390 00 00
A. Revaluation Reserve			TOTAL - IV (A,B,C,D,E)		
Opening Balance	2753 15 36	2749 56 13	TOTAL - IV (A,B,C,D,E)	5155 00 83	5100 78 16
Add: Additions	9 87 87	43 90 22	V. PROFIT AND LOSS ACCOUNT	14460.20.17	
Less: Deductions / Depreciation	40 39 74	40 30 99	WIND LOSS ACCOUNT	-14469 29 17	-16448 69 85
TOTAL - A	2722 63 49	2753 15 36	TOTAL (I, II, III, IV & V)	9039 88 85	(2(0.50.50.5
B. On sale of Assets			(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	9039 88 83	6360 53 24
Opening Balance	2157 44 57	2133 94 51	SCHEDULE - 3	AS AT	45.47
Add: Additions	12 31 19	23 50 06	DEPOSITS	31 March 2024	AS AT 31 March 2023
Less: Deduction TOTAL - B	0	0		(₹ in '000s)	31 Waren 2023
	2169 75 76	2157 44 57	The state of the s	(* 111 0003)	
C. Equity Revaluation Reserve AFS Opening Balance			A. I. DEMAND DEPOSITS		
Add: Additions**	0	0	i) From Banks	10 92 98	8 12 73
TOTAL - C	0	0	ii) From Others	22908 03 99	16662 13 19
D. Others			TOTAL - I	22918 96 97	16670 25 92
Opening Balance	153 33 05		II. SAVINGS BANK DEPOSITS	102589 32 08	97442 54 56
Add: Additions	153 22 07	153 12 62	III. TERM DEPOSITS		
Less: Deduction	231	945	i) From Banks	566 65 84	570 93 19
TOTAL - D	153 24 38	152 22 07	ii) From Others	159830 42 92	146199 55 38
TOTAL - III (A,B,C,D)	5045 63 63	153 22 07	TOTAL - III	160397 08 77	146770 48 57
V. REVENUE & OTHER RESERVES	3043 03 03	5063 82 00			
A Other Revenue Reserves			TOTAL - A (I,II & III)	285905 37 82	260883 29 05
Opening Balance	3647 11 52	2611.00.12	D D D		
Add: Additions	36 03 27	3611 09 12	B. I) Deposits of branches in India	278967 49 60	254324 09 53
Less: Deduction	0	36 02 40	II) Deposits of branches outside India	6937 88 22	6559 19 52
TOTAL - A	3683 14 78	3647 11 52	TOTAL - B	285905 37 82	260883 29 05
	2002 17 70	304/11/32			
M 1				11/	
N 21 Mal	).		F My My	Of It	/ /





SCHEDULE - 4	AS AT	AS AT	SCHEDULE - 6		
BORROWINGS	31 March 2024	31 March 2023		AS AT	AS A
	(₹ in '00		CASH AND BALANCES WITH	31 March 2024	31 March 202
I. BORROWINGS IN INDIA	(* iii )/	003)	RESERVE BANK OF INDIA	(₹ in '00	
Reserve Bank of India			I. Cash on hand (including Foreign	1263 61 73	1124 41 8
Other Banks	2118 67 50		currency notes & ATM cash)		
Other Institutions & Agencies	19121 97 00	15428 82 35	II. Balances with Reserve Bank of India		
Innovative Perpetual Debt Instruments (IPDI)	171217700	13420 02 33	i) in Current Account	9094 53 29	12222 84 8
Hybrid Debt Capital Instruments issued as Bonds			ii) in Other Accounts	6546 41 27	3800 82 7
Subordinated Debt	2165 00 00	2465.00.00			
	2103 00 00	2465 00 00	TOTAL	16904 56 28	17148 09 4
TOTAL (I)	23405 64 50	17893 82 35			
			SCHEDULE - 7	AS AT	AS AT
II. BORROWINGS OUTSIDE INDIA			BALANCES WITH BANKS AND	31 March 2024	31 March 2023
II. BORROWINGS OUTSIDE INDIA	6981 52 05	2909 94 83	MONEY AT CALL AND SHORT NOTICE	(₹ in '000	The second secon
TOTAL (1 8 II)				(* 000	
TOTAL (I & II)	30387 16 55	20803 77 19	I. In India		
			i) Balances with banks		
III. Secured borrowings included in I & II above	21240 64 50	15428 82 35	a) In Current Accounts		
		13420 02 33		8 78 89	15 11 42
			b) In Other Deposit Accounts	236 89 25	1060 05 50
			ii) Money at Call and Short Notice		
SCHEDULE - 5			a) With banks	0	0
OTHER LIABILITIES & PROVISIONS	AS AT	AS AT	b) With other institutions	0	0
OTHER EIABIETTES & PROVISIONS	31 March 2024	31 March 2023	TOTAL - I	245 68 14	1075 16 92
I. Bills Payable	(₹ in '00		II. Outside India		10/3 10 /2
	811 73 08	818 79 34	a) In Current Accounts	790 57 04	473 61 34
II. Inter Office Adjustments ( Net)			b) In Other Deposit Accounts	3 50 90	1732 15 95
II. Interest Accrued	402 50 31	279 92 37	c) Money at Call and Short Notice	610 09 50	177 78 50
V. Others (including provisions)	6584 54 04	5685 26 16		010 07 50	1// /6 30
			TOTAL - II	1404 17 44	2383 55 79
TOTAL	7798 77 43	6783 97 88	TOTAL (I & II)		

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SCHEDULE - 8	AS AT	AS AT	SCHEDULE - 9	46.45	72.
INVESTMENTS	31 March 2024	31 March 2023	ADVANCES	AS AT	AS AT
	(₹ in '00		ADVANCES	31 March 2024	31 March 2023
I. INVESTMENTS IN INDIA	(1.11. )	, , ,		(₹ in '000s	s)
i) Government Securities	91652 13 70	86603 00 74	A. i) Bills Purchased & Discounted		
ii) Other Approved Securities	99 45	98 95	ii) Cash Credits, Overdrafts and	8332 89 52	4566 85 3
iii) Shares	602 66 86	1135 28 89	Loans repayable on demand	77151 92 44	77358 12 7
iv) Debentures and Bonds	2542 94 34	2214 23 50	iii) Term Loans		
v) Subsidiaries/ Joint Ventures	606 90 22	0	iii) Teriii Loans	127833 98 98	96127 59 32
vi) Other Investments	71 00 76	88 83 28	TOTAL		
(Investments in Mutual Funds, Venture Capital Funds		00 03 20	IOIAL	213318 80 94	178052 57 37
			B. i) Secured by Tangible Assets	145445 87 71	135655 23 42
			(includes advances against Book Debts)		155055 25 42
TOTAL - I			ii) Covered by Bank/Government Guarantees	34358 84 19	11604 08 55
TOTAL-1	95476 65 32	90042 35 36	iii) Unsecured	33514 09 04	30793 25 40
II. INVESTMENTS OUTSIDE INDIA			TOTAL		
i) Government Securities (including			TOTAL	213318 80 94	178052 57 37
Local Authorities)	3834 79 09	3710 18 36			
ii) Other Approved Securities	5 66	0	C DAL B		
iii) Shares	0	45 85 91	C. I) Advances in India		
iv) Debentures and Bonds	127 13 90	178 57 21	i) Priority Sector	107640 07 65	91803 94 00
v) Subsidiaries/ Joint Ventures	193 44 19	193 44 19	ii) Public Sector	24336 39 57	24710 67 89
vi) Other Investments	193 44 19	193 44 19	iii) Banks	0	0
			iv) Others	64104 10 60	47319 44 89
TOTAL - II	4155 42 84	4128 05 68	TOTAL	196080 57 82	163834 06 79
TOTAL (I & II)	99632 08 17	041704104			
	99032 08 17	94170 41 04	II) Advances Outside India		
Gross Investments in India	0/772 20 2/		i) Due from Banks	0	0
Less: Depreciation	96752 28 36	92133 61 92	ii) Due from Others		
Less: Interest on Restructured Investments	1275 63 04	2091 26 56	a) Bills Purchased & Discounted	7333 80 59	6623 36 77
Net Investments	05456 (5.00		b) Syndicated Loans	2743 70 69	2530 49 57
	95476 65 32	90042 35 36	c) Others	7160 71 84	5064 64 25
Gross Investments Outside India	4164 78 91	4137 76 01			
Less: Depreciation	9 36 06	9 70 33	TOTAL	1700000	
Net Investments	4155 42 84	4128 05 68	TOTAL	17238 23 12	14218 50 59
FOTAL NET INVESTMENTS	00/22 20 17				
and the same and t	99632 08 17	94170 41 04	TOTAL (C-I & C-II)	213318 80 94	178052 57 37



### **Indian Overseas Bank GOOD PEOPLE TO GROW WITH**

SCHEDULE - 10	AS AT	AS AT	SCHEDULE - 11	10.15	
FIXED ASSETS	31 March 2024	31 March 2023	OTHER ASSETS	AS AT	AS AT
	(₹ in '000		OTHER ASSETS	31 March 2024	31 March 2023
I. Premises			i) Inter Office Adjustments ( Net)	(₹ in '00	
At cost / revalued as at beginning of the FY	4571 95 99	4491 30 77	ii) Interest Accrued	305135.58	7351256.50
Additions during the year *	4 20 09	80 65 22	iii) Tax paid in advance (Net of Provisions)	41538967.75	36204719.37
SUB TOTAL	4576 16 08	4571 95 99	iv) Stationery & Stamps	54505420.64	45225989.06
Deductions during the year *	0	0	v) Non Banking Assets acquired in	25192.25	39407.30
	4576 16 08	4571 95 99	satisfaction of claims	2242747.83	2100150.92
Depreciation to date	1378 83 55	1325 92 48	vi) Others (Include Deposits placed with NABARD)	69268067.79	81020508.80
TOTAL -I	3197 32 53	3246 03 51	TOTAL		
		3240 03 31	TOTAL	16788 55 32	17194 20 32
II. Capital work in progress	14 47 85	8 79			
TOTAL - II	14 47 85		SCHEDULE - 12	AS AT	AS AT
	14 4 / 85	8 79	CONTINGENT LIABILITIES	31 March 2024	31 March 2023
I. Other Fixed Assets (including Furniture &			(₹ in '000	s)	
Fixtures)					
At cost as at beginning of the FY	2703 23 88	2202 47 91	i) Claims against the Bank not acknowledged		
Additions during the year	346 66 67	542 31 60	as debts	4 87 95	4 79 19
SUB TOTAL	3049 90 55	2744 79 50	ii) Liability for partly paid investments		
Deductions during the year	94 23 89	41 55 63	iii) Liability on account of outstanding forward	11 60	11 60
	2955 66 67	2703 23 88	exchange contracts	0	0
Depreciation to date	2427 71 45	2239 38 49	iv) Guarantees given on behalf of constituents	165998 91 81	165634 95 19
TOTAL - III			a) In India	13137 86 75	11746 40 32
TOTAL-III	527 95 21	463 85 39	b) Outside India	157 78 69	371 76 19
			v) Acceptances, Endorsements &Other obligations	4557 27 59	5530 28 60
TOTAL (I, II & III)	2500 55 55	Charles Colo	vi) Other items for which the bank is contingently	4337 27 39	5530 28 00
(-, ,	3739 75 59	3709 97 69	liable		
·			a) Estimated amount of contracts remaining	100 99 50	52 46 12
			to be executed on capital accounts b) Banks liability under currency swaps		
			c) Interest rate swaps (USD)	0	0
Includes adjustment on account of conversion of figures relating	to foreign branches at the rate of excha	nge at 31 03 2024	d) Interest rate swaps (USD)	0	0
	at the rate of exem	inge at 51.05.2024		0	0
			e) Bank's Liability under Currency Options	0	0
			f) Credit Default Swaps/FRAs/Receivable charges	0	0
			g) Amount in DEAF with RBI	2003 50 50	1822 20 80
			h) Disputed IT demands	0=00=100	2022 20 00

9780 74 96

195742 15 63

10968 40 67

196131 44 96

6 29

h) Disputed IT demands

i) Others

TOTAL



# Indian Overseas Bank GOOD PEOPLE TO GROW WITH

SCHEDULE - 13 INTEREST EARNED	Year Ended 31 March 2024 (₹ in '00	Year Ended 31 March 2023 0s)	SCHEDULE - 15 INTEREST EXPENDED	Year Ended 31 March 2024 (₹ in '00	Year Ended 31 March 2023 0s)
i) Interest / discount on advances / bills ii) Income on investments iii) Interest on Balances with Reserve Bank of India and Other Inter-Bank Funds iv) Others	17575 60 73 5945 77 19 228 74 20 299 61 33	13150 68 73 5848 62 93 401 00 96	<ul> <li>i) Interest on Deposits</li> <li>ii) Interest on Reserve Bank of India / Inter-Bank Borrowings</li> <li>iii) Others</li> </ul>	12608 56 51 1611 81 65 - 6 12	10535 60 95 609 80 22 3 28
TOTAL	24049 73 44	19400 32 62	TOTAL	14220 32 04	11145 44 44

SCHEDULE - 14 OTHER INCOME	Year Ended 31 March 2024	Year Ended 31 March 2023	SCHEDULE - 16 OPERATING EXPENSES	Year Ended 31 March 2024	Year Ended 31 March 2023
	(₹ in '00	10s)		(₹ in '000s	
<ul> <li>i) Commission, Exchange and Brokerage</li> <li>ii) Profit/Loss on Sale of Investments</li> <li>iii) Profit/Loss on Revaluation of</li> </ul>	1330 59 21 273 23 94	1220 78 96 249 57 50	<ul><li>i) Payments to and provisions for employees</li><li>ii) Rent, Taxes and Lighting</li></ul>	6140 12 56 528 16 92	4099 05 11 492 71 53
Investments iv) Profit on sale of land, Building &	749 91 77	-314 03 46	iii) Printing and Stationery	32 85 60	24 66 66
other Assets v) Profit/Loss on exchange transactions	2 20 92	1 58 38	iv) Advertisement and Publicity	5 08 06	1 40 17
vi) Miscellaneous Income TOTAL	192 80 84 3107 49 56 5656 26 24	564 42 16 2386 41 28 4108 74 82	v) Depreciation on Bank's property vi) Directors' fees, allowances and expenses vii) Auditors' fees and expenses (including Branch auditor's Fees and Expenses) viii) Law charges ix) Postages, telegrams, telephones, etc. x) Repairs and Maintenance xi) Insurance	335 85 28 97 53 30 26 73 31 29 54 60 99 30 40 61 73 350 06 73	259 88 98 74 46 31 96 81 24 70 76 67 19 63 25 05 46 340 80 82
			xii) Other Expenditure  TOTAL	1165 60 78 8721 90 75	1053 25 93

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#### **SCHEDULE 17**

### SIGNIFICANT ACCOUNTING POLICIES OF THE BANK

#### Basis of Preparation

1.1 The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

### Use of Estimates

1.2 The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

### 2. Revenue Recognition and Expense Accounting

2.1 Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning).

NCLT admitted accounts shall be treated as suit filed accounts and the appropriation of recovery in these NCLT accounts whether it is from the process initiated against the corporate debtor or guarantors shall be done as in suit filed accounts.

Recovery is in the form of debentures/equity/other debt or equity or quasi equity instruments etc. in the NCLT approved resolution plan amount as cash recovery and to appropriate the same as is done in suit filed accounts i.e. towards principal and thereafter towards interest.

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- 2.2 Interest on bills purchased/Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- 2.3 Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.
- 2.4 Expenditure is accounted for on accrual basis, unless otherwise stated.
- 2.5 In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI guidelines.
- 2.6 Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss Account. Such amount when recovered is treated as income.
- 2.7 In respect of foreign branches, Income and Expenditure are recognized/ accounted for as per local laws of the respective countries.

### 3. Foreign Currency Transactions

- 3.1 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 3.2 Transactions in respect of Treasury (Foreign):
  - a) Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
  - b) Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each quarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
  - c) The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/"Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.

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- d) Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.
- Translation in respect of overseas branches:
  - a) As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
  - b) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - c) Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - d) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

#### Investments

- Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz.,
  - a) Government Securities
  - b) Other Approved securities including those issued by local bodies,
  - c) Shares,
  - e) Bonds & Debentures.
  - f) Subsidiaries / Joint Ventures and
  - f) Units of Mutual Funds and Others.
- Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
- 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve,

credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored except for the depreciation on Non Performing Investments, which is not netted off against appreciation available in the basket. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

- 4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.
- Investments are subject to appropriate provisioning / de -recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based on the difference between the holding cost and the face value i.e. discount income.

# IV



- 4.8 Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.
- 4.9 All the investments are held by adopting the Weighted Average Pricing Method
- 4.10 All the investments are held in the book on settlement date basis only
- 4.11 Dividend income on investments is accounted on cash basis
- 4.12 Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments
- 4.13 Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14 An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI)
- 4.15 As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/21.04.0489/2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following: -

- a) Net Profit on sale of investments during the year or
- b) Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the HFT and AFS Portfolio, on a continuing basis.

#### 5. Advances

- 5.1 Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.
- 5.2 Advances are stated net of provisions, except general provisions for standard advances.

5.3 For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators

#### Derivatives

- 6.1 The Bank enters into Derivative Contracts in order to hedge interest bearing assets/liabilities, and for trading purposes.
- In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assets/ liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is designated with an asset/ liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/ liability.
- 6.3 Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

### 7. Fixed Assets (Property, Plant and Equipment)

- 7.1 Fixed Assets, except revalued premises, are stated at historical cost.
- 7.2 Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

Premises	2.50%
Furniture	10%
Electrical Installations, Vehicles & Office Equipments	20%
Computers	33 1/3 %
Fire Extinguishers	100%
Computer Software	33 1/3%

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Indian Overseas Bank

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Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- Depreciation is provided for the full year irrespective of the date of acquisition / revaluation.
- Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- In respect of leasehold properties, premium is amortized over the period of lease.
- Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

#### **Staff Benefits** 8.

- Contribution to Provident Fund and National Pension System is charged to Profit and Loss Account.
- Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Funds. Provision for encashment of accumulated leave payable on retirement is made based on actuarial valuation at the year-end.
- In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 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 comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is

considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

#### Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

#### 11. Impairment of Assets

The bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

#### Segment Reporting

The Bank recognizes 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. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

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#### STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

	Rs in '000s	Rs in '000s
	Year ended	Year ended
	31.03.2024	31.03.2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss)	26 55 62 49	20 98 78 61
Provision for taxes	7 56 91 66	2 49 45 56
Net Profit / (Loss) before Income Tax	34 12 54 15	23 48 24 17
Adjustments for :		
Amortisation of HTM Investments	45 27 60	48 32 25
Loss on Revaluation of Investments	-7 49 91 77	3 14 03 46
Depreciation on Fixed Assets	3 35 85 28	2 59 88 98
(Profit) / Loss on Sale of Assets	- 2 20 92	- 1 58 38
Provision for NPAs	27 15 61 90	29 32 97 61
Provision for Standard Assets	-1 12 22 29	-4 62 44 67
Depreciation on Investments (net of Provision for NPI)	6 37 00 59	3 43 49 00
Provision for Other Items	1 27 32 54	8 67 99 15
Interest on Tier II Bonds	2 27 69 10	1 83 40 80
	32 24 42 04	44 86 08 20
Adjustments for :		
Increase / (Decrease) in Deposits	250 22 08 76	-12 75 63 43
Increase / (Decrease) in Borrowings	98 83 39 36	175 33 13 53
Increase / (Decrease) in Other Liabilities & Provisions	19 45 84 84	-53 55 83 98
(Increase) / Decrease in Investments	-53 94 03 55	33 03 05 53
(Increase) / Decrease in Advances	-379 81 85 46	-367 42 02 52
(Increase) / Decrease in Other Assets	-6 94 82 30	4 43 70 91
	-72 19 38 35	-220 93 59 96
Direct Taxes (Net)	-5 83 00 00	-3 36 00 00
NET CASH FLOW GENERATED FROM /(USED IN) OPERATING ACTIVITIES (A)	-11 65 42 16	-155 95 27 59
	Rs in '000s	Rs in '000s
	Year ended	Year ended
	31.03.2024	31.03.2023

	Rs in '000s	Rs in '000s
	Year ended	Year ended
	31.03.2024	31.03.2023
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / disposal of Fixed Assets	5 96 76	22 72 02
Purchase of Fixed Assets	-3 65 25 82	-5 82 20 43
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	-3 59 29 06	-5 59 48 40
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Tier I & Tier II Bonds / Other Borrowings	-3 00 00 00	-8 00 00 00
Issue of Basel III Tier II Bonds		10 00 00 00
Interest Paid on IOB Bonds	-2 27 69 10	-2 11 61 10
NET CASH GENERATED FROM/(USED IN) FROM FINANCING ACTIVITIES (C)	-5 27 69 10	- 11 61 10
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) +(B) + (C)	-20 52 40 32	-161 66 37 10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash & Balances with RBI	171 48 09 47	227 48 99 35
Balances with Banks & Money at Call	34 58 72 71	140 24 19 93
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash & Balances with RBI	169 04 56 29	171 48 09 47
Balances with Banks & Money at Call	16 49 85 57	34 58 72 71
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	-20 52 40 32	-161 66 37 10

This statement has been prepared in accordance with Indirect Method

The Previous year figures have been regrouped where ever necessary to confirm with the current year presentation and as per regulatory requirements

VIDE OUR REPORT OF EVEN DATE

#### FOR AND ON BEHALF OF THE BOARD

DHANARAJ T EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

KARTIKEYA MISRA

SURESH KUMAR RUNGTA

DEEPAK SHARMA

JOYDEEP DUTTA ROY EXECUTIVE DIRECTOR

SRINIVASAN SRIDHAR CHAIRMAN

SONALI SEN/GUPTA

B CHANDRA REDDY

SANJAYARASTOGI

S N KAPUR & ASSOCIATES FRN 001545C

(AVICHAL SN. KAPUR)

Partner M No: 400460

TEJ RAJ & PAL FRN 304124E

(B. GANGARAJU) Partner M No: 007605 R.DEVENDRA KUMAR & ASSOCIATES

FRN 114207W

(NEERAJ GOLAS) Partner

M No : 074392

LAXMI TRIPTI & ASSOCIATES

FRN 009189C

(ABHAY PALIWAL) Partner

M No : 435511

CHENNAI DIRECTORS 09.05.2024

CHARTERED ACCOUNTANTS



#### Schedule 18

### **NOTES TO ACCOUNTS FOR STANDALONE FINANCIAL STATEMENT:**

#### 1. Investments:

1.1 In accordance with Reserve Bank of India guidelines, the investments portfolio of the bank has been classified into three categories, as given below:

Category	Gross Boo (Rs. in o		Percentage to Total Investments (%)				
	31.03.2024	31.03.2023	31.03.2024	31.03.2023			
Held to Maturity	85709.55	81 802.30	84.93	84.98			
Available for Sale	15207.30	14 469.07	15.07	15.03			
Held for Trading	0.00	0.00	0.00	0.00			

- 1.2 SLR Securities (domestic) under "Held to Maturity" accounted for 20.66% (previous Year 21.30%) of bank's Demand and Time liabilities as at 31st March 2024 as against ceiling of 23.00% (previous year 23%) stipulated by Reserve Bank of India.
- 1.3 In respect of Held to Maturity category of Investments, premium of ₹ 45.28 Crores was amortized during the year (previous year ₹48.32 Crore). In accordance with the RBI guidelines amortization expense of premium on investments is deducted from interest income.

Further, a sum of ₹4100.00 crore being non-Interest bearing GOI Recapitalization Bonds investments which are held under Held To Maturity category at carrying cost are maturing from March 2031 to March 2036.

- 1.4. In accordance with the RBI Master Circular RBI/DOR/2021-22/83 DOR.ACC.REC. No.45/21.04.018/2021-22 dated August 30,2021, as updated, the Bank was required to disclose profit/loss on revaluation of investments as well as provision for depreciation under the head Proft /loss on revaluation of investment under Schedule 14-"Other Income" and Provision for non-performing investment (NPI) is to be reflected under Provisions and contingencies. The Bank has hitherto been accounting the mark to market impact in the case of non-performing investments under the head Profit/ loss on revaluation of investment and the remaining portion of provision for non-performing investment under the head Provisions and contingencies. During the year, the entire provision required for non-performing investments has been disclosed under "provision and contingencies". Consequent to this, Profit/loss on revaluation of investment is higher to the extent of ₹576.96 crores with corresponding increase in Provisions and contingencies. The impact though related to previous periods has been accounted for during the year, previous year figures have not been restated and are therefore not comparable.
- 1.5 Securities of Face Value for ₹517.00 Crore (previous year ₹ 1,717 Crore) towards CCIL Settlement Guarantee Fund/Default Fund and securities for ₹13,018.00 Crore (previous year ₹15,518.00 Crore) towards collateral for borrowing under TREPS/Default Fund have

been kept with Clearing Corporation of India Limited. Besides, securities to the extent of ₹127.10 Crore (previous year ₹127.10 Crore) has been lodged with CCIL towards default fund for Forex operations and ₹15.00 Crore (previous year ₹15.00 Crore) held for Currency derivative segment. The Bank has placed securities of face value Rs 3,500 Crore (previous year ₹1,500 Crore) with Reserve Bank of India for intraday borrowing. The Bank has also placed Securities to the extent ₹16,000 Crore (previous year ₹6,100 Crore) with Reserve Bank of India for our borrowing under the LAF window.

- 1.6 Shares under Investments in India in Regional Rural Bank Odisha Gramya Bank is ₹606.90 Crore (previous year ₹606.90 Crore) which includes amount towards Share Capital Deposits.
- 1.7 The Bank sold Government Securities from HTM category during the year through, outright sale and no security was sold under Reserve Bank of India's Open Market Operations (OMO). The Bank has sold Government Securities (other than OMO), to the extent of ₹1,668.52 Crore (BV) [previous year ₹2408.02 Crore] (within 5%, prescribed limit of Reserve Bank of India) and booked a profit of ₹14.20 Crore [previous year ₹27.95 Crore]. In accordance with the RBI guidelines the profit on sale of Government Securities under HTM category has been taken to Profit & Loss account and subsequently has been appropriated to capital reserve account (Net of taxes and amount to be transferred to Statutory Reserve).

#### **Investment Fluctuation Reserve**

As per Reserve Bank of India circular number RBI/2017-18/147 DBR. No. BP BC .102/21.04.048/2017-18 dated April 2, 2018, from the year 2018-2019, an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to IFR is to be the lower of the following -

- a. Net profit on sale of Investments during the year or
- b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

During the year ended on March 31st 2024 an amount of ₹NIL ( Previous year ₹ 390.00 crores ) has been transferred to IFR.

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#### 2. Advances

- 2.1 The Classification for advances and provisions for possible loss has been made as per prudential norms issued by Reserve Bank of India.
- 2.2 Claims pending settlement and claims yet to be lodged with Guarantee Institutions identified by the branches have been considered for provisioning requirements on the basis that such claims are valid and recoverable.
- 2.3 In assessing the reliability of certain advances, the estimated value of security, Central Government Guarantees etc. have been considered for the purpose of asset classification and income recognition.
- 2.4 The classification of advances, as certified by the Branch Managers have been incorporated, in respect of unaudited branches.

### 3. Fixed Assets (Property, Plant and Equipment)

The Profit on sale of assets during the year was Rs 2,20,92,202.68 (Rupees Two crore twenty lakhs ninety thousand two hundred and two only and sixty eight paise)

#### 4. Rupee Interest Rate Swap

Deferred income on account of gains on termination of Rupee Interest Rate Swaps taken for hedging as on March 31<sup>st</sup> 2024 is NIL (previous year NIL). This amount, if any, is to be recognized over the remaining contractual life of Swap or life of the Assets/Liabilities, whichever is earlier.

### 5. Inter Branch Reconciliation/internal office accounts

Reconciliation of Inter Branch transactions and internal/office accounts is under progress at different stages at the branches and/or Central Office Departments. Steps are being taken to eliminate the outstanding entries as at the earliest. The necessary accounting adjustments if any required shall be carried out on the completion of such process. The Management however does not anticipate any material consequential effect of pending reconciliation and elimination of outstanding entries.

### 6. Capital and Reserves

- During the Financial Year 2023-24, Bank has not issued Basel III Tier II Bonds. For the Financial year 2022-23, Bank has issued Basel III Tier II Bonds Rs. 1000 Crore through private placement subscribed by Qualified Institutional Buyers (QIBs).
- During the financial year 2023-24, Bank has not raised any equity capital. The paid-up capital of the Bank stands at Rs. 18,902.41 Crores as on March 31st, 2024. The Government of India shareholding stands at 96.38% as on March 31st, 2024.

#### 7. Taxes

- 7.1 In the opinion of management provisions under section 115 JB (Minimum Alternate Tax ) of the Income Tax Act ,1961 are not applicable to the Bank. Therefore bank has not provided any amount towards provision for Income tax.
- 7.2 Tax paid in advance (Net of provisions) is under reconciliation. This is on account of amounts pending assessment/under appeal/ tax paid under dispute. [Refer Schedule 11(iii)].
- 7.3 Taking into consideration the decisions of Appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs.8450.79 Crore (previous year Rs. 9081.37 Crore), Service Tax aggregating to Rs. 238.42 Crore (previous year Rs 220.52 crore) and Goods and Service Tax aggregating to Rs.1071.78 Crore (Previous year Rs.1648.68 Crs).
- 7.4 Tax expense for the year amounting to Rs.756.91 crore includes Current Tax expense of Rs. 22.67 crore and Deferred Tax expense of Rs.734.24 crore refer note no.18.8.
- 7.5 The Bank has a carried balance of Net Deferred Tax Assets up to March 31,2024 aggregating to ₹ 5299.94 crore which was recognized in earlier periods and on estimated basis bank has reversed deferred tax asset amounting to ₹ 384.24 crores for the quarter (31.03.2024) and ₹ 734.24 crore for the year ended 31.03.2024.
- **8.** There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

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## DISCLOSURES AS PER RESERVE BANK OF INDIA REQUIREMENTS:

#### 1. REGULATORY CAPITAL

### a) Composition of Regulatory Capital

(Amount in Rs. crore) Sr. 2023-24 2022-23 **Particulars** No. Common Equity Tier 1 capital (CET 1) / Paid up share 20839.72 16736.13 capital and reserves® (net of deductions, if any) Additional Tier 1 capital\*/ Other Tier 1 capital® 0.00 0.00 iii) Tier 1 capital (i + ii) 20839.72 16736.13 iv) Tier 2 capital 4034.78 4188.83 V) Total capital (Tier 1+Tier 2) 24874.50 20924.96 vi) Total Risk Weighted Assets (RWAs) 143979.05 129980.80 CET 1 Ratio (CET 1 as a percentage of RWAs) / Paidup share capital and reserves as percentage of 14.47% 12.88% RWAs@ Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) 14.47% 12.88% Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) 2.80% 3.22% Capital to Risk Weighted Assets Ratio (CRAR) (Total 17.28% 16.10% Capital as a percentage of RWAs) xi) Leverage Ratio 5.66% 5.14% Percentage of the shareholding of xii) Government of India 96.38% 96.38% b) State Government (specify name)\$ N.A N.A Sponsor Bank\$ N.A N.A Amount of paid-up equity capital raised during the Nil Nil Amount of non-equity Tier 1 capital raised during the Nil Nil xiv) Amount of Tier 2 capital raised during the year, NII 1000.00 of which Basel III Tier II Bonds

### b) Draw down from Reserves

Drawdown from the reserves during the financial year 2023-24 is NIL.

### 2. Asset liability management

# a) Maturity pattern of certain items of assets and liabilities as at March 31st ,2024

			_		(Amount in Rs. crore)			
Particulars	Deposits	Advances (Gross)	Investments (Net)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities		
Day 1	3,494.40	3,968.11	13,823.20	249.53	3,810.85	2,570.05		
2 to 7 days	9,008.35	3,573.95	12,318.52	7,650.21	3,037.05	2,790.44		
8 to 14 days	8,653.41	5,566.81	1,831.97	793.69	1,202.81	2,366.72		
15 Days – 30 Days	8,436.83	4,737.00	2,016.11	1,283.08	5,708.97	6,474.06		
31 Days – 2 Months	11,797.55	9,761.01	3,188.78	435.65	6,530.04	5,472.58		
2 Months – 3 Months	11,538.39	9,576.75	3,155.22	2,764.19	12,085.62	5,245.23		
3 Months – 6 Months	31,628.76	20,060.11	8,140.34	5,902.82	3,354.73	10,967.61		
Over 6 Months & Upto 1 year	47,420.13	32,878.82	11,726.85	6,533.07	1,925.79	3,395.67		
Over 1 year & up to 3 years	1,46,920.56	56,946.67	36,529.83	2,608.42	3,385.02	798.20		
Over 3 years & up to 5 years	5,059.18	20,773.90	2,200.81	1.50	932.69	651.07		
Over 5 years	1,947.80	51,175.33	4,700.43	2,165.00	1,743.50	2,985.30		
Total	2,85,905.36	2,19,018.46	99,632.06	30,387.16	43,717.07	43,716.93		

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<sup>\$</sup> Percentage of shareholding of State Government and Sponsor Bank is applicable only for RRBs.



## Maturity pattern of assets and liabilities as at March 31st , 2023

					(Amount in Rs. crore)			
Particulars	Deposits	Advances (Gross)	Investments (Net)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities		
Day 1	3 070.49	1 837.10	23 532.65	0.27	2 360.90	2 467.40		
2 to 7 days	6 659.81	4 429.34	2 545.41	2 54.38	1 581.66	868.81		
8 to 14 days	7 958.73	2 393.20	1 962.03	0.00	1 814.52	945.80		
15 Days – 30 Days	5 606.22	4 431.81	1 507.15	287.09	3 322.09	1 820.99		
31 Days – 2 Months	8 717.88	6 163.05	2 604.59	828.52	5 412.50	2 205.18		
2 Months – 3 Months	9 675.62	8 546.17	2 521.78	828.67	4 016.56	3 702.26		
3 Months – 6 Months	22 588.12	13 299.37	5 667.89	2 091.53	6 122.42	9 281.98		
Over 6 Months & Upto 1 year	40 030.48	26 407.51	9 580.31	9 64.01	2 679.34	7 325.23		
Over 1 year & up to 3 years	44 559.84	47 511.61	13 165.16	3 075.73	1 346.52	776.50		
Over 3 years & up to 5 years	5 664.79	27 652.69	2 980.80	5.89	2 122.64	698.54		
Over 5 years	106 351.30	46 336.68	28 102.65	2 479.72	2 059.46	2 745.90		
Total	260 883.28	189 008.53	94 170.42	10 815.81	32 838.61	32 838.59		

### b) Liquidity coverage ratio (LCR)

Reserve Bank of India had introduced the Liquidity Coverage Ratio (LCR) vide circular No RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31,2015 which has been modified from time to time, in order to ensure short term resilience of banks to potential liquidity disruptions by ensuring that bank have sufficient high quality liquid assets (HQLA) to survive an acute stress scenario lasting for 30 days. The minimum LCR requirement set out in the Reserve Bank of India guidelines for the bank effective for FY 2023-24 is 100%.

Definition of LCR:

Stock of high quality liquid assets (HQLAs)

Total net cash outflows over the next 30 calendar days

In the stock of high quality liquid assets (HQLA), there are two categories of assets, viz. Level 1 and Level 2 assets. Level 2 assets are sub-divided into Level 2A and Level 2B assets on the basis of their price-volatility. Each category includes assets which the bank is holding on the first day of the stress period. Level 1 assets are with 0% haircut while in Level 2, 2A assets are with a minimum 15% haircut and Level 2B Assets, with a minimum 50% haircut.

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash

outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

Details of LCR for FY 2023-24 (Four Quarters) & Quarter Ended March 2023:

Details	Quarter Ended March 31 2024	Quarter Ended December 31 2023	Quarter Ended September 30 2023	Quarter Ended June 30 2023	Quarter Ended March 31 2023
HQLA	61 725.29	62 640.51	66 334.58	65 135.35	69 269.29
Total Net cash Outflows	44 430.36	44 559.54	43 338.13	39 758.39	40 469.60
LCR in %	138.93	140.58	153.06	163.82	171.16

Bank has calculated LCR for all working days for the March 2024 quarter based on the data extracted from the bank's database through the program specifically designed for this purpose. Bank's LCR for the quarter ended March 31st 2024 stands at 138.93% based on daily average of three months (Q4 FY 2023-24) and is well above the present minimum requirement prescribed by Reserve Bank of India of 100% for the Quarter ended March, 2024. Bank is having enough liquidity to meet sudden cash outflows.

The detailed Quantitative disclosure is placed below:

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and Overseas Centers are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to Risk Management Committee of Board (RMCB) periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short-term requirements.



		Jui	n-23	Jun	1-22	9	0-23							ure to the		mount in Rs.	
		Total	Total	Total	Total	Total	Total		p-22		c-23	Dec	c-22	Ma	r-24		r-23
		Unweighted Value [average]	Weighted Value (average)	Unweighted Value [average]	Weighted Value (average)	Unweighted Value [average]	Weighted Value	Total Unweighte d Value	Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted
Hig	h Quality Liquid Assets				(areiage)	[dvelage]	(average)	[average]	(average)	[average]	(average)	[average]	(average)	[average]	(average)	[average]	Value (average)
1	Total High Quality Liquid Assets (HQLA)		65135.35		74671.80		66334.58		71853.08		/0//0.51					[manage]	(average)
Ca	sh Outflows								71000.00		62640.51		69630.48		61725.29		69 269.29
2	Retail deposits and deposits from small business customers, of which:	205246.75	19197.75	201162.57	18798.37	211340.59	19767.93	201708.59	18852.73	216117.99	20216.43	203241.69	19003.77	219726.53	20565.56	2 04 063.66	19 079.47
(1)	Stable deposits	26538.41	1326.92	26357.71	1317.89	27322.68	136.13	26362.54	1318.13	07007.45	1000.00						17 077.47
(ii)	Less stable deposits	178708.34	17870.83	174804.86	17480.49	184017.91	18401.79	175346.05	17534.61	27907.45		26408.03	1320.40	28141.89	1407.09	26 537.86	1 326.89
3	Unsecured wholesale	47920.97	23941.17	54893.41	27200 27					188210.54	18821.05	176833.66	17683.37	191584.64	19158.46	1 77 525.80	
(i)	funding, of which: Operational deposits (all	0.00	0.00	0.00	27300.37	54082.57	27010.27	51913.39	25847.61	55182.14	27616.31	47480.46	23936.18	54995.09	28485.66	47 998.14	24 053.50
(ii)	Counterparties)  Non-operational deposits	47920.97	23941.17		0.00	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	(all counterparties) Unsecured debt	0.00	0.00	54893.41	27300.37 0.00	54082.57	27010.27	51913.39	25847.61	55182.14	27616.31	47480.46	23936.18	54995.09	28485.66	47 998.14	24 053.47
4	Secured wholesale funding	4753.98	290.16	1806.59	629.85	5214.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Additional requirements,	10477.00					1367.53	1352.74	640.06	7145.04	1762.16	2333.67	614.27	10658.54	0.00	2 976.52	458.00
(i)	of which Outflows related to	12477.02	1859.93	12283.99	1631.34	14153.19	2017.54	12351.63	1640.75	15168.96	2058.76	12285.57	1732.91	16293.91	2340.31	12 532.57	1 945.81
,,,,	derivative exposures and other collateral requirements	808.46	808.46	539.67	539.67	810.90	810.90	556.77	556.77	743.74	743.74	672.96	672.96	575.43	575.43	891.27	891.27
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii)	Credit and liquidity facilities	11668.56	1051.47	11744.32	1091.67	13342.29	1206.64	11794.86	1083.98	14405.00	1000	4			0.00	0.00	0.00
5	Other contractual funding obligations	0.00	0.00	0.00	0.00					14425.22	1315.02	11612.61	1059.95	15718.48	1764.88	11 641.30	1 054.54
7	Other contingent funding obligations	15537.54	466.46	16004.55	0.00	0.00	0.00	0.00	0.00	460.26	460.26	0.00	0.00	2392.93	2392.93	0.00	0.00
3	TOTAL CASH OUTFLOWS			10004.55		17107.07	513.40	16622.63	498.87	17357.57	520.73	16021.53	480.84	17388.27	521.70	15 579.17	467.51
_	Inflows		45755.47		48840.42		50676.67		47480.02		52634.65		457/7.07			10 0/ /.1/	
)	Secured lending										32034.03		45767.97		54306.16		46 004.29
0	(e.g. reverse repos) Inflows from fully performing	7.14	0.00	527.18	0.00	34.71	0.00	22.53	0.00	298.85	27.88	0.00	0.00	484.55	44.19	89.58	0.00
1	exposures	9630.42	5407.17	6858.73	3916.95	8878.73	5171.76	7750.10	4447.50	11160.61	6014.24	8116.86	4722.21	17974.27	9152.73		
2	Other cash inflows	592.16	588.93	664.52	660.69	2168.27	2166.77	567.62	563.99	2032.99	2032.99					8 557.04	4 903.28
3	TOTAL CASH INFLOWS TOTAL HQLA	10229.72	5996.10	8050.43	4577.64	11081.71	7338.53	8340.25	5011.49	13492.44	8075.11	674.70	667.97	1029.31	678.88	638.16	631.41
4	TOTAL NET CASH OUTFLOWS		65135.35		74671.80		6634.58		71853.08	10472,44	62640.51	8791.56	5390.18	19488.13	9875.80	9 284.78	5 534.69
_			39759.37		44262.78		43338.14		42468.53		44559.54		69630.48		61725.29		69 269.29
5	LIQUIDITY COVERAGE RATIO (%)		163.82%		168.70%		153.06%		169.19%		140.58		40377.79		44430.36		40 469.60
									10/.1//0		, ,,,,,,		170 / 507		Telefal a State		

Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the Circular and LCR template.

1. Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

2. Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows).

171.16%

138.93%

172.45%

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### c) Net Stable Funding ratio (NSFR)

Reserve Bank of India introduced the Net Stable Funding Ratio (NSFR) in order to promote resilience of Banks over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The minimum NSFR requirement set out in the Reserve Bank of India guidelines effective from October 1, 2021 is 100%

Definition of NSFR:

Available Stable Fund (ASF)

Required Stable Fund (RSF)

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of required stable funding (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

## Details of NSFR for the quarter ended Dec'2023 & Mar'2024:

(Rs. In Crore)

Details	Mar 2024 Quarter	Dec 2023 Quarter	September 2023 Quarter	June 2023 Quarter
Available stable funding (ASF) (Weighted Value)	2 69 442.74	2 60 922.03	260154.17	2,43,569.35
Required Stable Fund (RSF) (Weighted Value)	1 83 543.59	1 84 593.75	183815.81	1,72,997.73
NSFR in %	146.80%	141.35%	141.53%	140.79%

Bank has calculated NSFR for **March 31st 2024** which stands at 146.80 which is well above the Reserve Bank of India prescribed minimum requirement of 100%. Bank's majority funding is from Retail and Small Business customers, which provide high stability with regard to stability of Funding. Bank is having enough stable sources of funding to fund their activities on an ongoing basis over a longer-term time horizon.

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# **Indian Overseas Bank**

GOOD PEOPLE TO GROW WITH

					For Quarte	er Ended Dec 2023				For Ouget	er Ended Mar 202
	tree to the state of the state				NSFR Di	isclosure Template					isclosure Templat
	12.7.20.7		Unw	eighted value by R	esidual Maturity			Unw	eighted value by Re	esidual Maturity	isclosure remplate
	( Rs.in Crore)	No maturity	< 6 months	6 months to < 1 yr	One Yr and More	Weighted value	No maturity	< 6 months	6 months to <	One Yr and More	Weighted value
1	Capital: (2+3)	02 (01 0)	0.00			ASF Item					
2	Regulatory capital	23 481.86	0.00	0.00	0.00	23 481.86	24874.50	0	0	0	24874.50
3	Other capital instruments	23 481.86	0.00	0.00	0.00	23 481.86	24874.50	0	0	0	24874.50
4	Retail deposits and deposits from small business customers: (5+6)	94 107.04	0.00 67 358.29	0.00 54 936.01	0.00 3 677.69	0.00	0				
5	Stable deposits	12 455.09	8 914.89	7 270.80	2 /77 /0	20.007.40	98973.34	76744.38	49741.56	3351.75	207768.62
6	Less stable deposits	8151.95	58 443.40		3 677.69	30 886.42	13200.47	10235.71	6634.23	3351.75	31918.63
7	Wholesale funding: (8+9)	26 847.97	26 597.85	47 665.22	0.00	1 68 984.51	85772.87	66508.68	43107.33	0.00	175849.99
8	Operational deposits	40.49		21 692.65	0.00	37 569.24	26534.96	28555.90	18508.39	0.00	36799.62
9	Other wholesale funding	26 807.47	0.00 26 597.85	0.00	0.00	20.25	0.00	0	0	0	0.00
10	Other liabilities: (11+12)			21 692.65	0.00	37 548.99	26534.96	28555.90	18508.39	0.00	36799.62
11	NSFR derivative liabilities	3 049.70	2 182.86	1 780.29	0.00	0.00	3371.98	2614.65	1694.67	0.00	C
-			0.00	0.00	0.00			0	0	0	
12	All other liabilities and equity not included in the above categories	3 049.70	2 182.86	1 780.29	0.00	0.00	3371.98	2614.65	1694.67	0.00	0.00
13	Total ASF (1+4+7+10)					2 60 922.03					269442.74
14	Total NSFR high-quality liquid assets (HQLA)					3 508.12					3824.87
15	Deposits held at other financial institutions for operational purposes	369.22	0.00	0.00	0.00	184.61	2/0.00	0.00			
16	Performing loans and securities: (17+18+19+21+23)	42 972.82	35 048.28	31 604.00	1 05 720.97	1 53 228.39	362.20	0.00	0.00	0.00	181.10
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00	40900.01	42365.43	30875.02	102887.98	152715.15
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	255.89	642.96	5 991.25	6351.11	0.00	0.00	0.00	0.00	0.00
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	42 972.82	34 792.39	30 961.04	50 292.95	1 08 487.42	40900.01	202.04	796.02	4316.64	4744.95
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	8 443.83	0.00	0.00	9 882.18	11 911.91	5668.05	42163.39 0.00	30079.00	49613.80	110549.19
21	Performing residential mortgages, of which:	0.00	0.00	0.00	22 570.94	15 553.90	0.00	0.00	0.00	6875.63	8153.39
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	18 156.99	11 802.05	0.00		0.00	22469.70	14906.33
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	26 865.83	22 835.96		0.00	0.00	20964.55	13626.96
24	Other assets: (sum of rows 25 to 29)	12 136.94	143.51	127.71	14 595.27	26 904.12	0.00	0.00	0.00	26487.84	22514.67
25	Physical traded commodities, including gold	0.00	1 10.01	127.71	14 373.27	0.00	11486.34	188.18	129.54	14284.50	25989.24
24	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.00	0.00	0.00	662.10	562.79	0.00				0.00
	NSFR derivative assets	0.00	0.00	200	0.00			0.00	0.00	662.10	562.79
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	0.00	0.00	0.00	0.00		6.28	0.00	0.00	6.28
29	All other assets not included in the above categories	12 136.94	143.51	127.71	13 933.17	26 341.34	11.0.0.	0.31	0.00	0.00	0.31
	Off-balance sheet items	0.00	1 205.82	1 073.04	15 363.54	768.52	11486.34	181.58	129.54	13622.40	25419.86



# **Indian Overseas Bank**

GOOD PEOPLE TO GROW WITH

31	Total RSF (14+15+16+24+30)				ror Quarte	er Ended Dec 2023				For Quarte	er Ended Mar 202
32	Net Stable Funding Ratio (%)					1 84 593.75				. or gound	183543
- 02	reasonable rollaring Railo (%)					141.35%					146.80
						arter Ended Jun 2023				For Qua	rter Ended Sep 202
				Harristani - I	NSFR	Disclosure Template					Disclosure Templa
Rs.in C	Crore)			Unweighted value b		Weighted value			Unweighted value b	by Residual Maturity	
		No maturity	< 6 months	6 months to < 1yr	One Yr and More	Troigined value	No maturity	< 6 months	6 months to < 1yr	One Yr and More	Weighted valu
SF Iten	n										
1	Capital: (2+3)	21 558.72	0.00	0.00	0.00	01.550.70					
2	Regulatory capital	21 558.72	0.00	0.00	0.00	21 558.72	22325.85	0.00	0.00	0.00	22325.
3	Other capital instruments	0.00	0.00	0.00	0.00	21 558.72	22325.85	0.00	0.00	0.00	22325.
4	Retail deposits and deposits from small business customers:	91 964.96	59 572.87			0.00	0.00	0.00	0.00	0.00	0.
5	(5+6) Stable deposits		1	56 832.92	2 350.06	1 91 263.29	93463.91	56569.56	64085.44	8582.86	202707.
6	Less stable deposits	12 177.40	7 888.25	7 525.45	2 350.06	28 561.61	12374.44	7489.70	8484.79	8582.86	35514.
7	Wholesale funding: (8+9)	79 787.55	51 684.62	49 307.47	0.00	1 62 701.68	81089.47	49079.86	55600.65	0	167192.
-	Thousand forfairing, (017)	24 729.15	18 815.46	17 950.07	0.00	30 747.34	25742.42	16762.58	18989.67	0.00	35120.
8	Operational deposits	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00	0.
9	Other wholesale funding	24 729.15	18 815.46	17 950.07	0.00	30 747.34	25742.42	1/7/0.50			
10	Other liabilities: (11+12)	2 983.29	1 932.51	1 898.34	0.00	0.00	3232.56	16762.58	18989.67	0.00	35120.
11	NSFR derivative liabilities	0.00	0.00	54.71	0.000	0.00	3232.36	1956.53	2216.47	0.00	
12	All other liabilities and equity not included in the above categories	2 983.29	1 932.51	1 843.63				0	0.00	0.00	
13	Total ASF (1+4+7+10)	2 700.27	1 732.31	1 643.63	0.00	0.00	3232.56	1956.53	2216.47	0.00	0.0
						24 356.35				0.0	260154.
14	Total NSFR high-quality liquid assets (HQLA)										
	Deposits held at other financial institutions for operational					3 505.29					3523.9
15	purposes  Performing loans and securities: (17+18+19+21+23)	409.87	0.00	0.00	0.00	204.94	1102.73	0.00	0.00		551.3
	Performing loans to financial institutions secured by Level 1	43 115.77	29 990.70	25 285.55	94 562.00.	1 39 655.63	43806.31	34070.99	26741.67	106378.71	151392.6
	HQLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.0
18	Performing loans to financial institutions secured by non- Level 1 HQLA and unsecured performing loans to financial institutions	0.00	281.06	1 653.97	9 556.07	10 425.21	0.00	219.65	839.37	6164.41	6617.0
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	43 115.77	29 709.64	23 631.58	50 856.92	1 02 818.01	43806.31	33851.34	25902.30	51826.04	107180.2
	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	8 555.41	0.00	0.00	10 091.48	12 120.48	9790.72	0.00	0.00	11583.13	13945.4
	Performing residential mortgages, of which:	0.00	0.00	0.00	8599.68	3929.70	0.00	0.00			
	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	16 900.13	10 985.09	0.00	0.00	0.00	21825.75 17673.51	15017.1 11487.7
	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	26 450.24	22 482.70	0.00	0.00	0.00	26562.51	22578.1
	Other assets: (sum of rows 25 to 29)	12 537.83	175.76	139.80	16 335.45	28 909.53	11999.97	175.92	120.43	15001.10	
	Physical traded commodities, including gold	0.00				0.00	0.00	170.72	120.45	15081.10	27301.9
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	1 862.10	1 582.79	0	0.00	222	0	0.0
200	NSFR derivative assets		0.00	0.00				0.00	0.00	1162.10	987.79
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00	0	17.64	0.00	0	17.6
29	All other assets not included in the above categories	12 537.83	175.76					0.88	0.00	0	0.8
	Off-balance sheet items	12 337.03	1 125.84	139.80	14 473.35	27 326.75	11999.97	157.39	120.43	013919.00	26295.68
	Total RSF (14+15+16+24+30)		1 123.84	895.51	14 086.07	722.34		1122.59	858.98	14125.84	1045.87
	Net Stable Funding Ratio (%)					1 72 997.73			1	1	183815.8
	J (///					140.79%	1	/ A		/	/ 141.539



3. Investments

a) Composition of Investment Portfolio As at March 31st 2024

Composition of investm	CITI TOTALONO AS (	ai Maich of									(Amount	in Rs. crore)
	0			estments in In					nvestments out	side India		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	81230.16	1.01	0	0	606.9	22.07	81860.14	3549.11	199.57	100.69	3849.37	95700 51
Less: Provision for non- performing investments (NPI)	0	0.02	0	0	0	0.05	0.07	0	6.13	0	6.13	85709.51 6.2
Net	81230.16	0.99	0	0	606.9	22.02	81860.21	3549.11	193.44	100.69	2042.04	0.5700 45
Available for Sale						22.02	01000.21	3347.11	173.44	100.69	3843.24	85703.45
Gross	10478.08	0	1950.51	3067.53	0	487.95	15984.07	285.37	0	20.72	215.1	1,000,17
Less: Provision for depreciation and NPI	56.11	0	1347.83	524.58	0	438.96	2367.48	0	0	29.73 2.92	315.1 2.92	16299.17 2370.4
Net	10421.97	0	602.68	2542.95	0	48.99	13616.59	285.37	0	26.81	210.10	
Held for Trading						40.77	0	203.37	0	20.01	312.18	18663.73
Gross	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	•	0
Total Investments	91708.24	1.01	1950.51	3067.53	606.9	510.02	97844.21	3834.48	199.57	130.42	0	100000 (0
Less: Provision for non- performing investments	0	0	0	0	0	0	0	0	6.13	2.92	<b>4164.47</b> 9.05	102008.68
Less: Provision for depreciation and NPI #	56.11	0.02	1347.83	524.58	0	439.01	2367.55	0	0	0	0	2367.55
Net	91652.13	0.99	602.68	2542.95	606.9	71.01	95476.66	3834.48	193.44	127.5	4155.42	99632.08

# The Bank is holding equity and NCDs issued by M/s. TCI Sanmar Chemicals SAE under NPI investments of Hong Kong Branch as shown under Schedule -8 Investment Overseas) as certified by the SCAs. Since the account is under substandard category, the Bank is holding provision against the said investment exposure as under:

Type of Investment	Amount of provision as on 31.03.2024 (INR)
TCI SANMAR CHEM.SAE – EQUITY	46 50 24 053.40
TCI SANMAR CHEM.SAE – NCD	30 48 92 801.68
TOTAL	769916855.08

The above mentioned provision is held in C.O. books.

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Composition of Investment Portfolio As at March 31st 2023.

				estments in In	dia			li li	nvestments ou	side India		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity								a.c.m.cmiosj				
Gross	77 120.52	1.01	606.90	0.00	0.00	13.86	77 742.29	3 710.18	199.58	150.28	10/000	01 000 00
Less: Provision for non-					0.00	10.00	// / 42.2/	3710.10	177.30	150.28	4 060.03	81 802.32
performing investments (NPI)	0.00	0.02	0.00	0.00	0.00	0.00	0.02	0.00	6.13	0.00	6.13	6.15
Net	77 120.52	0.99	606.89	0.00	0.00	13.86	77 742.27	3 710.18	102 45	150.00	4.050.00	
Available for Sale					0.00	10.00	11 142.21	3 / 10.16	193.45	150.28	4 053.90	81 796.17
Gross	9 749.10	0.00	1 896.07	2 535.49	0.00	604.33	14 784.99	0.00	0.00	77.70	77.70	1 / 0 / 0 = 1
Less: Provision for depreciation and NPI	266.61	0.00	1 367.68	321.26	0.00	529.35	2 484.90	0.00	0.00	77.72 3.57	77.72 3.57	14 862.71 2 488.47
Net	9 482.49	0.00	528.39	2 214.23	0.00	74.98	12 300.09	0.00				
Held for Trading					0.00	74.70	12 300.07	0.00	0.00	74.15	74.15	12 374.24
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Total Investments	86 869.62	1.01	2 502.97	2 535.49	0.00	618.19	92 527.28		0.00	0.00	0.00	0.00
Less: Provision for non- performing investments #	0.00	0.02	0.00	0.00	0.00	0.00	0.02	<b>3 710.18</b>	199.58 0.00	<b>228.00</b>	<b>4 137.76</b>	<b>96 665.03</b>
Less: Provision for depreciation and NPI	266.61	0.00	1 367.68	321.26	0.00	529.35	2 484.90	0.00	6.13	3.57	9.70	2 494.60
Net	86 603.01	0.99	1 135.28	2 214.23	0.00	88.84	90 042.35	3 710.18	193.45	224.43	4 128.05	94 170.41

# The Bank is holding equity and NCDs issued by M/s. TCI Sanmar Chemicals SAE under NPI investments of Hong Kong Branch as shown under Schedule -8 Investment Overseas) as certified by the SCAs. Since the account is under substandard category, the Bank is holding provision against the said investment exposure as under:

Type of Investment	Amount of provision as on 31.03.2023 (INR)
TCI SANMAR CHEM.SAE – EQUITY	45 80 79 776.52
TCI SANMAR CHEM.SAE – NCD	30 04 90 999.26
TOTAL	<b>75 8</b> 5 70 <b>775.78</b>

The above mentioned provision is held in C.O. books.

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b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve (Amount in Rs. crore)

(Alloon in Rs. clole)		
Particulars	2023-24	2022-23
i) Movement of provisions held towards depreciation on investments		
a. Opening Balance	2094.84	2 436.23
b. Add: Provisions made during the year	2573.57	769.51
<ul> <li>c. Less: Write off/write back of excess provisions during the year</li> </ul>	3389.86	1 104.77
d. Closing Balance	1275.63	2 100.97
ii) Movement of Investment Fluctuation Reserve		
a. Opening Balance	390.00	390.00
b. Add: Amount transferred during the year	0.00	0.00
c. Less: Drawdown	0.00	0.00
d. Closing balance	390.00	390.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category (Book value)	2.62%	2.71%

# c) Sale and transfers to/from HTM category/Permanent Category

During the year ended March 31, 2024 and March 31, 2023, Sale from Held To Maturity category (above the prescribed limit of 5%) during the current year: Nil [Previous Year: Nil]. Transfer To/From Held To Maturity Category other than the Category Transfer allowed by Reserve Bank of India at the beginning of the Year: NIL

As per Master Circular-Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2021d 25.08.2021 issued by Reserve Bank of India (updated as on March 23, 2022), Banks are permitted to shift Investments to/ from Held To Maturity once in a year, normally at the beginning of the accounting year. No further shifting will be allowed during remaining part of that accounting year, except when explicitly permitted by Reserve Bank of India.

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### d) Non-SLR Investment Portfolio

	rforming non-SLR investments	(Amount in	Rs. crore)	
Sr.No.	Particulars	2023-24	2022-23	
a)	Opening balance as on 1st April	2 305.16	2 541.11	
b)	Additions during the year since 1st April	288.77	1 181.76	
c)	Reductions during the above period	40.44	1 417.71	
d)	Closing balance as on 31st March	2 553.49	2 305.17	
e)	Total provisions held	2 553.49	2 277.38	

### ii) Issuer composition of non-SLR investments

C.,	Teacher.			1				Amour		ciole	
Sr. No.	The state of the s	uer Amount		100000000000000000000000000000000000000	Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		nt of ted' ities
(1)	(2)	(;	3)	(	4)	(5)		(6)		(7)	
		23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24	22-23
a)	PSUs	23653.69	23478.76	23605.05	23415.10	0	0	0	0	0	0
b)	Fls	380.5	380.50	364.4	364.40	0	0	0	0	0	0
c)	Banks	1208.96	1258.27	1136.76	1135.25	8.75	8.75	8.75	8.75	8.75	8.75
d)	Private Corporates	2341.39	3179.12	2018.38	2874.32	18.75	110.74	65.25	77.92	65.19	19.27
e)	Subsidiaries/ Joint Ventures	806.48	199.58	0	0	0	0	0	0	0	0
f)	Others	3835.4	3710.18	0	0	0	0	0	0	0	0
g)	Provision held towards depreciation	(1284.67)	(2227.99)	(770.53)	(2032.44)	0	0	0	0	0	0
	Total *	30941.75	29978.42	26354.06	25756.63	27.5	119.49	74	86.67	73.94	

Note:

- 1. Investment in equity, equity oriented mutual funds, venture capital, central and state government securities are not segregated under these categories as these are exempt from rating guidelines.
- 2. Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.



#### e) Repo transactions (in face value terms)\*

(Amount in Rs. crore)

	Minimum outstanding during the year 2023-24	Maximum outstanding during the year 2023-24	Daily average outstanding during the year 2023-24	Outstanding as on March 31, 2024
<ul> <li>i) Securities sold under repo</li> <li>a) Government securities</li> <li>b) Corporate debt securities</li> <li>c) Any other securities</li> </ul>	1 006.86	7 685.05	217.87	7 000.00
ii) Securities purchased under reverse repo a) Government securities b) Corporate debt securities c) Any other securities	360.53	360.53	0.99	0.00

• The disclosure shall be as specified in Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 as amended from time to time.

# f) Government Security Lending (GSL) transactions (in market value terms) as at March 31,2024

Securities Lent through GSL transactions	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31 2024
TREPS	200.00	11200.00	3327.05	1217701.15	400.00
IB REPO	5.21	304.68	25.84	9430.83	0.00

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### 4. Asset quality

# a) Classification of advances and provisions held

		Standard		Non-Perf	orming		mount Rs. In C
	To	otal Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances	
Gross Standard Advances and NPAs						Advances	
Opening Balance		174936.97	2558.23	8704.16	2809.16	14071.55	100000 50
Add: Additions during the year				0,04.10	2007.10	1648.51	189008.52
Less: Reductions during the year					-		
Closing balance		212224.06	1204.39	4480.05	1109.99	8925.63	010010 40
Reductions in Gross NPAs due to:		2,222,100	1204.07	4400.03	1107.77	6794.43	219018.49
i) Upgradation					_	577.07	
ii) Recoveries (excluding recoveries from upgraded accounts	(				_	577.07	577.07
iii) Technical/ Prudential Write-offs	,					1134.73	1134.73
iv) Write-offs other than those under (iii) above					_	6690.91	6690.91
						522.92	522.92
Provisions (excluding Floating Provisions)							
Opening balance of provisions held		1593.71	1078.72	1750 17	0.407.07		
Add: Fresh provisions made during the year		13/3./1	10/0./2	6752.67	2687.37	10518.76	12112.47
ess: Excess provision reversed/ Write-off loans						2706.49	2706.49
Closing balance of provisions held		1488.76	702.00	0070.00		7897.19	7897.19
		1400.76	723.02	3879.89	942.40	5305.10	6793.86
Net NPAs							
Opening Balance			1469.50	1753.01	40.70	00//01	
Add: Fresh additions during the year		-	1407.00	1733.01	43.62	3266.01	
ess: Reductions during the year					_	677.67	
Closing Balance			442.84	710.40	54.50	2726.83	
			442.04	719.42	54.59	1216.85	1216.85
loating Provisions							
Opening Balance						_	
Add: Additional provisions made during the year							0.00
ess: Amount drawn down 18 during the year							0.00
Closing balance of floating provisions							0.00
							0.00
echnical write-offs and the recoveries made thereon							
Opening balance of Technical/ Prudential written-off accounts							
Add: Technical/ Prudential write-offs during the year						1	30244.10
ess: Recoveries made from previously technical/ prudential writt	en-off						6461.43
accounts during the year							4869.33
Closing balance							
Ratios (in Percent)	2023-24	2022-23					31836.20

Ratios (in Percent) Gross NPA to Gross Advances 3.10% 7.44% Net NPA to Net Advances 0.57% 1.83% Provision coverage ratio 96.85% 92.63%

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#### b) Sector-wise Advances and Gross NPAs

(Amounts in Rs. crore)

			2023-24		2022-23			
Sr. No.	Sector*	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	
i)	Priority Sector						in mar sector	
a)	Agriculture and allied activities	52699.17	2064.73	3.92%	42819.21	2880.74	6.73%	
b)	Advances to industries sector eligible as priority sector lending Services	14371.32	1084.45	7.55%	13231.33	1433.44	10.83%	
c)	Services	20915.24	1018.25	4.87%	17368.86	1318.10	7.59%	
d)	Personal loans	13536.68	487.76	3.06%	13344.53	1177.51	8.82%	
	Sub-total (i)	101522.42	4655.19	4.59%	86763.93	6809.79	7.84%	
ii)	Non-priority Sector							
a)	Agriculture and allied activities	2935.68	33.19	1.13%	1168.96	93.14	7.97%	
b)	Industry	18192.07	1725.64	9.49%	31343.78	5679.66	18.12%	
c)	Services	46718.68	33.92	0.07%	25104.98	864.77	3.44%	
d)	Personal loans	49050.64	346.49	0.71%	44039.67	624.19	1.42%	
	Food Credit	599.00	0.00	0.00%	587.18	0.00	0.00%	
	Sub-total (ii)	117496.08	2139.24	1.82%	102244.6	7261.76	7.10%	
	Total (I + ii)	219018.49	6794.43	3.10%	189008.51	14071.6	7.10%	

<sup>\*</sup>Banks shall also disclose in the format above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

### c) Overseas assets, NPAs and revenue

(Amount in Rs. crore)

	1/11	noon in its. cron	
Particulars	2023-24	2022-23	
Total Assets	30 020.73	20 193.55	
Total NPAs	1 356.83	1 559.87	
Total Revenue	855.20	562.61	

### d) Particulars of resolution plan and restructuring

i) Particulars of Resolution Plan

The Reserve Bank of India Circular No. RBI/2018-19/2013 DBR No. BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets, where viable resolution plan has not been implemented within 180 days/365 days of review period - Prudential framework:

Amount of loans impacted by RBI Circular	Amount of loans to be classified as NPA	Amount of Loans as on 31.03.2024, out of (b) classified as NPA	Provision held as on 31.03.2024	Addl. Provision made during quarter ended 31.03.2024	Provision out of (d) already made by 31.03.2024
228.22	228.22	228.22	72.90	0.00	1 72.90



#### e) Divergence in asset classification and provisioning

RBI vide its notification no. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/ 21.04.018/2021-22 dated 30.08.2021 (updated as on 01.04.2024) has made disclosure requirement by the banks where divergences from prudential norms on income recognition, asset classification and provisioning exceed certain thresholds in their Annual report.

For the FY ending 31.03.2023, the Banks should disclose divergences, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 5 per cent of the reported profit before provisions and contingencies for the reference period, and

(b) the additional Gross NPAs identified by RBI exceed 5 per cent of the published incremental Gross NPAs for the reference period

Sr. No.	Particulars	Amount
1.	Gross NPAs as on March 31, 2023* as reported by the bank	14,072
2.	Gross NPAs as on March 31, 2023, as assessed by Reserve Bank of India	14,127
3.	Divergence in Gross NPAs (2-1)	55
4.	Net NPAs as on March 31, 2023, as reported by the bank	3,266
5.	Net NPAs as on March 31, 2023, as assessed by Reserve Bank of India	3,320
6.	Divergence in Net NPAs (5-4)	54
7.	Provisions for NPAs as on March 31, 2023, as reported by the bank	2,858
8.	Provisions for NPAs as on March 31, 2023, as assessed by Reserve Bank of India	2,906
9.	Divergence in provisioning (8-7)	48
10	Reported Profit before Provisions and Contingencies for the year ended March 31, 2023	6,030
11.	Reported Net Profit after Tax (PAT) for the year ended March 31,2023	2,099
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	2,043*

\*After taking into consideration of divergence under various provisions viz.,

- o Additional provisions for valuation of investments—Rs. 8 crores,
- o Additional provisions for understatement of NPAs—Rs 48 crores

If any of the parameter (a) and / or (b) triggers, the information to be reported to the Stock Exchanges.

Present Status: The RBI has submitted the divergence report for the year ended 31.03.2023 and assessment of trigger points are as follows:

a) the additional provisioning for NPAs assessed by RBI exceeds 5 per cent of the reported profit before provisions and contingencies for the reference period, and

Period ended Mo	arch 31,2023		(Rs. in Crore)	
Reported profit before provisions and contingencies	10% of the reported profit before provisions and contingencies	Additional provisioning for NPA by RBI	Difference between 10% of reported figure and RBI figure	Trigger activates if B – C is negative
(A)	(B)	(C)	(B-C)	
6,030	302	48	254	No

b) the additional gross NPAs identified by RBI exceed 5 per cent of the published incremental Gross NPAs for the reference period.

Period ended March 31,2023 (Rs. in Crore) **Published** 10% of the Additional Difference Trigger incremental published gross NPAs between 10% of activates if B - C Gross NPAs incremental identified by reported figure

is negative (Additions Gross NPAs **RBI** and RBI figure during the year) (A) (B) (C) (B-C) 4472 224 55 169 No

Since there is no trigger evidenced in both of the trigger points, there is no breach by the Bank and accordingly, there is no need for making disclosure as per SEBI LODR regulations/guidelines.



### f) Disclosure of transfer of loan exposures

Disclosures as per RBI Master directions ref no RE/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 "Master Direction – Reserve Bank of India (Transfer of loan exposures) Directions, 2021" dated 24.09.2021, the details of loans transferred / acquired during quarter ended March 31,2024 are given below:

#### In respect of "Loans not in default " @ that are transferred or acquired

#### a. Co-lending:

	Corporate	Agri		Retail	MSME
Mode of Acquisition	Direct Assignment	Direct assignment - capri global capital	Direct Assignme nt-IIFL	Direct Assignment	Direct Assignment
Aggregat e Principal outstandi ng of loans acquired (In Crore)	NIL	320.02	249.98	148.40	83.51
Weighted Average Residual Maturity (in years)	NIL	NiL	NIL	1.61	1.5
Weighted Average Holding period by originator (in years)	NIL	NIL	NIL	NA	NIL
Tangible Security Coverage (%)	Nil	138.8%	140.45%	190.33%	130.98
Rating wise distributio n of loans acquired by value	NIL	Nil	NiL	Unrated	Underlyin g pool asst are unrated

b. Pool Buy out:

Corporate	Agr		Retail	MSME
Direct Assignment	Direct assignment - capri global	Direct Assignme nt-IIFL	Direct Assignment	Direct Assignme nt
	Capital	NIL		
	Direct	Direct Direct Assignment -	Direct Assignment - capri global capital  Direct Assignment - rapital  Direct Assignme nt-IIFL	Direct Assignment - capri global capital  Direct Assignme nt - lIFL  Direct Assignme nt - lIFL  Assignment Nt-IIFL

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#### ii) Details of Stressed Loan transferred during the year 2023-24

Details of stressed transfer of loan exp	loans transferred	during the year	ended 31.03	3.2024 under	RBI Master D	irection o	
nunsier of louri exp	To ARCs	77.2021	To permitted transferees			To other transferees (please specify)	
	Y.E. 31.03.2024	Y.E. 31.03.2023	Y.E. 31.03.2024	YE 31.03.2023	YE 31.03.2024	YE	
No. of accounts	7 Individual Corporate Loans+2 portfolio of 474 MSME NPA loans +2 portfolio of 25948 unsecured Education NPA loans	7 NPA Loans + a portfolio of 256 MSME NPA Loans + a portfolio of 9604 Unsecured Education loans	Nil	Nil	Nil	Nil	
Aggregate principal outstanding of loans transferred	1841.70	750.55	Nil	Nil	Nil	Nil	
Weighted average residual tenor of the loans transferred	5 Years	5 Years	Nil	Nil	Nil	Nil	
Net book value of loans transferred (at the time of transfer)	0.00	0.00	Nil	Nil	Nil	Nil	
Aggregate consideration	660.08	319.04	Nil	Nil	Nil	Nil	
Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00	Nil	Nil	Nil	Nil	
Details of loans acc							
	From SCBs, RRBs including Housir	, UCBs, StCBs, DC ng Finance Com			From ARC	S	
Aggregate principal outstanding of loans acquired	NIL						
Aggregate consideration paid		NIL			N	L	
Weighted average residual tenor of loans acquired		NIL					

- iii) The Bank has reversed the amount of Rs 161.23 Crore of excess provision to the profit & loss account on account of sale of stressed loans during year ending March 31st 2024.
- iv) Details of The Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit Rating Agencies as on March 31, 2024.

	(AIII	ounts in Rs Crore
Recovery Rating	Book Value	Book Value
	(31.03.2024)	(31.03.2023)
RR1+(More than 150%)	0.00	7.43
RR1(100%-150%)	33.97	36.55
RR2(75%-100%)	99.05	91.90
RR3(50%-75%)	16.00	16.15
RR4(25%-50%)	81.77	104.71
RR5(0%-25%)	79.29	57.26
RR6	0.00	0.00
SRs-Rating Exempted during planning period	0.00	0.00
SRs-Unrated	106.39	150.82
Total	416.47*	464.82*

<sup>\*</sup> Bank is holding 100% of provision

#### g) Fraud accounts

#### Advance related fraud:

Particulars	2023-24	2022-23
Number of frauds reported	16	48
		(Rs.in Crore
Amount involved in fraud (Rs. crore)	13.39	1 309.14
Amount of provision made for such frauds (Rs. crore)	13.39	1 309.14
Amount of Unamortized provision debited from 'other reserves' as at the end of the year (Rs. crore)	Nil	Nil

- Bank has opted to provide full provision for the liability towards frauds for the financial year ended March 31st, 2024, instead of spilling over a period of four quarters.
- 2. During the quarter ended March 31st 2024, 1 number of advance related frauds reported, having NIL amount outstanding.

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Other than Advance related frauds:

	2023-24	2022-23
Number of frauds reported	27	34
Amount involved in such Frauds - Outstanding as on March 31st (Rs. crore)	1.69	22.94
Quantum of Provision made for the outstanding amount as on 31st March (Rs. crore)	1.69	22.94
Cumulative Provision as on March 31st since beginning, including Burglary/Dacoity/Robbery and etc	493.12	491.81

- ▶ Bank has opted to provide full provision for the liability towards frauds for financial year ended March 31<sup>st</sup>, 2024, instead of spilling over a period of four quarters.
- ▶ During the quarter ended March 31st, 2024, 6 frauds under other than advances category has been reported to Reserve Bank of India, where likely loss is Rs. 0.22 crores and for which the Bank is holding 100% provision. FMR wise fraud data is being reconciled

Cyber Frauds:

Particulars	2023-24	2022-23
Number of frauds reported	8006	935
Likely loss for the frauds reported as on 31st March 2024 (Rs. crore)	0.01	0.06
Amount of Provision made for such frauds as on 31st March (Rs. crore)	0.01	0.06
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (Rs. Crore)	Nil	NIL

Bank has opted to provide full provision for the liability towards frauds for financial year ended March 31st 2024 instead of spilling over a period of four quarters.

During the quarter ended March 31st 2024, **1569** frauds under cyber frauds category has been reported to Reserve Bank of India, where the likely loss is 0.01 crores. The provision for the amount of INR 0.01 crores has been made for the likely loss.

# h) Disclosure under Resolution Framework for COVID-19-related Stress

				(An	nounts in Rs. crore
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan—Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half- year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year

	(A)				
Personal Loans**	1 865.58	83.32	0	124.66	1657.60
Corporate persons*	2032.96	59.72	0	248.48	1724.76
Of which MSMEs	1688.40	59.72	0	226.12	1402.56
Others	239.86	1.74	0	31.33	206.79
Total	4138.30	144.78	60.75	340.56	3589.15

<sup>\*</sup> As defines in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

#### 5. Exposure

#### a. Exposure to real estate sector

Category	mounts in R 2023-24	2022-23
i) Direct exposure	32499.33	28896.40
a) Residential Mortgages –	29573.39	25 659.39
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.		
Out of which, Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits	11980.45	10 801.04
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also include non-fund based (NFB) limits;	2121.02	2 180.25
c) Real estate others: Hotels, Hospitals and liquirent not under CRE	804.92	1 056.76

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<sup>\*\*</sup> Personal loan represent Retail advances

Category	2023-24	2022-23
d) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –  i. Residential  ii. Commercial Real Estate	0.00	0.00
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	3962.51	4 961.52
Total Exposure to Real Estate Sector	36461.84	33 857.92

#### b. Exposure to capital market

	Particulars	2023-24	2022-23
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;	458.86	444.89
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;	0	0.18
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;	0	0.36
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;	453.78	1 008.64
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.00	0.20
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
∨ii)	Bridge loans to companies against expected equity	0.00	0.00

flows/issues;		
<ul> <li>viii) Underwriting commitments taken up by the respect of primary issue of shares or convertible convertible debentures or units of equity orient funds;</li> </ul>	ole bonds or	0.00
<ul> <li>ix) Financing to stockbrokers for margin trading; guarantee issued to stock exchange on beha</li> </ul>	or Financial 0.00	0.41
<ul> <li>All exposures to Venture Capital Funds (both and unregistered)</li> </ul>	n registered 140.71	114.52
Xi) Other financial guarantee	0.00	0.00
Total exposure to capital market	1 053.35	1 569.20

#### c. Risk category-wise country exposure

(Amounts in Rs crore)

Risk Category*	Exposure (net) as at 31.03.2024	Provision held as at 31.03.2024	Exposure (net) as at 31.03.2023	Provision held as at 31.03.2023
Insignificant	14 898.81	7.62	10 276.51	4.65
Low	4 590.90	0.00	5 785.86	0.00
Moderately Low	2 958.99	0.00	1 468.35	0.00
Moderate	9.79	0.00	12.04	0.00
Moderately High	491.25	0.00	338.13	0.00
High	0.67	0.00	412.17	0.00
Very High	547.57	0.00	4.03	0.00
Total	23 497.98	7.62	18 297.09	4.65

\*Till such time, as banks move over to internal rating systems, banks shall use the sevencategory classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

#### d. Unsecured advances

Banks shall disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as also the estimated value of such intangible collateral as per the following format:

(Amounts in Rs. cr			
Particulars	2023-24	2022-23	
Total unsecured advances of the bank	48531.80	49 549.61	
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	6570.39	7 031.50	
Estimated value of such intangible collateral	6570.39	7 031.50	

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#### e. Factoring exposures

	(Amounts i	n Rs. crore)
Particulars	2023-24	2022-23
Exposure of our Bank under Factoring	6377.11	2489.62

#### f. Intra-group exposures

With the developments of financial markets in India, banks have increasingly expanded their presence in permitted financial activities through entities that are owned by them fully or partly. As a result, banks' exposure to the group entities has increased and may rise further going forward. In order to ensure transparency in their dealings with group entities, banks should make the following disclosures for the current year with comparatives for the previous year:

	(Amounts	in Rs. crore
Particulars	2023-24	2022-23
i. Total amount of intra-group exposures	Nil	Nil
ii. Total amount of top 20 intra-group exposures	Nil	Nil
iii. % of intra-group exposures to total exposure of the bank on borrowers/ customers	Nil	Nil
iv. Details of breach of limits on intra-group exposures and regulatory action thereon, if any	Nil	Nil

### g. Unhedged foreign currency exposures

Based on the available financial results and the declaration from the borrowers, the Bank has estimated the liability towards unhedged foreign currency Exposure to their constituents in terms of RBI/2022-23/131 DOR .MRG.REC.76/00-00-007/2022-23 dated October 11,2022 and the Bank holds provision of Rs.12.86 Cr as on March 31, 2024.

# 6. Concentration of deposits, advances, exposures and NPA

#### a. Concentration of Deposits

	(Amount:	s in Rs. crore
Particulars	2023-24	2022-23
Total Deposits of twenty largest depositors	12738.79	13701.36
Percentage of Deposits of twenty largest deposits to Total Deposits of the Bank	4.48%	5.25%





	(Amount	s in Rs. crore
Particulars	2023-24	2022-23
Total Advances to the twenty largest borrowers	40254.52	32027.55
Percentage of advances to twenty largest borrowers to total advances of the bank	18.38%	16.95%

C. Concentration of exposures (Credit and Investment Exposure) (Amounts in Rs. crore)

Particulars

Total exposure to the twenty largest borrowers/customers 49718.03 35588.43

Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/customers

#### d. Concentration of NPAs

	(Amount	s in Rs. cror
Particulars	2023-24	2022-23
Total Exposure to the top twenty NPA accounts	698.69	3761.29
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	10.28%	26.73%

Concentration of NPAs FY 2023-24 (Top Twenty Accounts excludes Technical write off accounts)

Concentration of NPAs FY 2023-24 (Top Twenty Accounts excludes Technical write off accounts)

S No	BORNAME	Gross NPA o/s in Crore
1	Saalim Shoes Pvt Ltd	93.56
2	Rukmini Iron Private Limited	47.80
3	Brahmaputra Infrastructure Limited	45.08
4	P and G Enterprises Pvt Itd	44.89
5	Textrade International Private Limited	44.24
6	LMJ International Limited	39.71
7	Empee Sugars and Chemicals Ltd	39.17
8	Naolin Infrastructure Private Limited	33.68
9	M/s Jadia Pipes India Ltd	32.92
10	M/s Chartered Hotels Pvt Ltd	31.77
11	Lokshakti Sugar and Allied Industries Ltd	31.36
12	Sona Alloys Private Limited	30.46
13	J R Solvent Industries Pvt Ltd	25.75
14	Simoco Tele communications	24.64
15	North Point Education Trust	23.91
16	MNT Buildcon Private Limited	23.68

<sup>\*\*</sup>Exposures shall be computed as per applicable Reserve Bank of India regulation



	Total	698.69
20	Infutec Healthcare Limited	19.16
19	The Indure Private Limited	21.53
18	Priyadarshini Education Society	22.37
17	Shingar Limited	23.02

Concentration of NPAs FY 2022-23 (Top Twenty Accounts excludes Technical write off accounts )

S No	BORNAME	Gross NPA o/s in Crore
1	Agson Global Private Limited	717.13
2	Lanco Resources International Pte Ltd	413.48
3	AMW Motors Limited	390.70
4	Gayatri Projects Limited	271.58
5	Rabirun Vinimay Private Limited	243.74
6	Pioneer Gas Power limited	191.01
7	PC Jeweller Limited	181.51
8	Jet Airways india Limited	154.47
9	Punj loyyd Itd	151.85
10	Nagai Power Pvt Ltd	134.71
11	SEL Textiles limited	118.11
12	Varahi Diamonds and Finance Limited	116.29
13	Future Enterprises limited	104.07
14	Panipat Jalandhar NH-1 tollway private limited	101.04
15	Saalim shoes private limited	93.49
16	Dra Industries limited	79.07
17	GBJ hotels private limited	79.05
18	S K M Real Infra Limited	77.80
19	Road Infra Structure Development company of Rajasthan limited	72.58
20	Brahma putra Infrastructure Limited	69.61
	Total	3761.29

#### 7. Derivatives

### a. Forward rate agreement/Interest rate swap

		(Amounts i	n Rs. crore
Part	culars	2023-24	2022-23
i)	The notional principal of swap agreements		
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps\$		
V)	The fair value of the swap book@		

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

\$ Examples of concentration could exposures to particular industries or swaps with highly geared companies.

@ if the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the Bank would receive or pay to terminate the swap agreements as on the balance sheet date, for a trading swap the fair value would be its mark to market value.

#### b. Exchange traded interest rate derivatives

(Amounts in Rs. crore)

Sr. No.	Particulars	2023-24	2022-23
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Nil	Nil
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument wise)	Nil	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil

#### c. Disclosures on risk exposure in derivatives

#### i) Qualitative disclosures

The Bank uses Interest Rate Swaps (IRS), Currency Swaps and Options for hedging purpose to mitigate interest rate risk and currency risk in banking book. Such transactions are entered only with Clients and Banks having agreements in place.

- a) The Risk Management Policy of the Bank allows using of derivative products to hedge the risk in Interest/Exchange rates that arise on account of overseas borrowing/FCNR(B) portfolio/the asset liability mismatch, for funding overseas branches etc.
- b) The Bank has a system of evaluating the derivatives exposure separately and placing appropriate credit lines for execution of derivative transactions duly reckoning the Net Worth and security backing of individual clients.
- c) The Bank has set in place appropriate control systems to assess the risks associated in using derivatives as hedge instruments and proper risk reporting systems are in place to monitor all aspects relating to derivative transactions. The Derivative transactions were undertaken only with the Banks and counterparties well within their respective exposure limit approved by appropriate credit sanctioning authorities for each counter party.
- d) The Bank has set necessary limits in place for using derivatives and its position is continuously monitored.

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- e) The Bank has a system of continuous monitoring appraisal of resultant exposures across the administrative hierarchy for initiation of necessary follow up actions.
- f) Derivatives are used by the Bank to hedge the Bank's Balance sheet exposures.
- g) The income from such derivatives are amortized and taken to profit and loss account on accrual basis over the life of the contract. In case of early termination of swaps undertaken for Balance Sheet Management, income on account of such gains would be recognized over the remaining contractual life of the swap or life of the assets/liabilities whichever is lower.
- h) All the hedge transactions are accounted on accrual basis. Valuations of the outstanding contracts are done on Mark to Market basis. The Bank has duly approved Risk Management and Accounting procedures for dealing in Derivatives.
- i) The derivative transactions are conducted in accordance with the extant guidelines of Reserve Bank of India.

The Bank uses Rupee Interest Rate Swaps (IRS) for hedging purpose to mitigate interest rate risk in Government Securities and to reduce the cost of Subordinated Debt. In addition, the bank also enters into rupee interest rate swaps for trading purposes as per the policy duly approved by the Board. Swap transactions are entered only with Banks having ISDA agreements in place.

- a) The bank has put in place an appropriate structure and organization for management of risk, which includes Treasury Department, Asset Liability Management Committee and Risk Management Committee of the Board.
- b) Derivative transactions carry Market Risk (arising from adverse movement in interest rates), Credit risk (arising from probable counter party failure), Liquidity risk (arising from failure to meet funding requirements or execute the transaction at a reasonable price), Operational risk, Regulatory risk and Reputation risk. The Bank has laid down policies, set in place appropriate control systems to assess the risks associated in using derivatives and proper risk reporting and mitigation systems are in place to monitor all risks relating to derivative transactions. The IRS transactions were undertaken with only Banks as counter party and well within the exposure limit approved by the Board of Bank for each counter party.
- Derivatives are used by the bank for trading and hedging. The bank has an approved policy in force for derivatives and has set necessary limits for the use of derivatives and the position is continuously monitored. The value and maturity of the hedges which are used only as back to back or to hedge bank's Balance Sheet has not exceeded that of the underlying exposure.
- The accounting policy for derivatives has been drawn up in accordance with Reserve Bank of India guidelines, as disclosed in Schedule 17 - Significant Accounting Policies (Policy No.6).

Risk Management policies pertaining to derivatives with articular reference to the extent to which derivatives are used, the associated risks and business purposes served. Also include

- a) The Structure and Organization for management of risk in derivatives trading.
- b) The Scope and nature of risk measurement, risk reporting and risk monitoring systems

- c) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants; and
- d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

#### ii) Quantitative disclosures

(Amounts in Rs. crore)

SNo		202	3-24	202	2-23
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)				uoni uni co
	i) For hedging ii) For trading	Nil	Nil	Nil	Nil
b)	Marked to Market Positions@				
	i) Asset (+) ii) Liability (-)	Nil	Nil	Nil	Nil
c)	Credit Exposure\$	Nil	Nil	Nil	Nil
d)	Likely impact of one percentage change in interest rate (100*PV01)	Nil	Nil		
	<ul><li>i) on hedging derivatives</li><li>ii) on trading derivatives</li></ul>	Nil	Nil	Nil	Nil
e)	Maximum and Minimum of 100*PV01 observed during the year	Nil	Nil	Nil	Nil
	i) on hedging	a) Max: Min:	Nil	a)Max: 9.04 Min: 0.00	NIII
	ii) on trading	b) Max: Min:	INII	b)Max: 0.00 Min: 0.00	NIL

- @ The net position shall be shown either under Asset or Liability, as the case may be for each type of derivatives.
- \$ Banks may adopt the current exposure method on Measurement of Credit Exposure of Derivative Products as per extant RBI Instructions.

#### d. Credit default swaps

Bank using a proprietary model for valuation of Credit Default Swaps (CDS) positions, shall disclose the valuation as per the proprietary model, including the rationale for using that model and an explanation of the valuation methodology in the Notes to Accounts in their financial statements. The disclosure shall also include the valuation as per the CDS curve published by Fixed Income Money Market, and Derivatives Association of India (FIMMDA) or a benchmark recommended by FIMMDA\*.

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\*The requirement to disclose valuation as per the CDS curve published by FIMMDA or a benchmark recommended by FIMMDA shall be effective once FIMMDA starts publishing the CDS curve or recommends a valuation benchmark.

SI. No.	Particulars	Mar 31 2024	
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	Nil	Nil
2.	Total amount of securitised assets as per books of the SPEs	Nil	Nil
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures • First loss • Others	Nil	Nil
	<ul><li>b) On-balance sheet exposures</li><li>First loss</li><li>Others</li></ul>	Nil	Nil
4.	Amount of exposures to securitization transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	Nil	Nil
· .	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.  (a) Amount paid  (b) Repayment received  (c) Outstanding amount	Nil	Nil

8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	Nil	Nil
10.	Investor complaints (a) Directly/Indirectly received and. (b) Complaints outstanding	Nil	Nil

### 9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV	sponsored sponsored
Domestic	Overseas
Nil	Nil

# 10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amounts in Rs. cror				
Particulars	2023-24	2022-23		
Opening Balance of Amounts transferred to DEAF	1822.20	1 595.20		
Add: Amounts transferred to DEAF during the year	303.77	256.98		
Less: Amounts reimbursed by DEAF towards claims	122.47	29.98		
Closing Balance of Amounts transferred to DEAF	2003.50	1 822.20		

#### 11. Disclosure of complaints

#### a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S No.	Particulars	2023-24	2022-23
Con	plaints received by the Bank from its customers		
1	Number of complaints pending at beginning of the year	1 950	2 850
2	Number of complaints received during the year	2 57 420	198 307
3	Number of complaints disposed during the year	2 57 353	199 207
3.1	Of which, number of complaints rejected by the Bank	1 890	6 071
4	Number of complaints Pending at the end of the year	2017	1 950
Mair	ntainable complaints received by the Bank from OFFICE OF C		
5	Number of Maintainable complaints received by the Bank from Office Of Ombudsman	1 451	1 432
5.1	Of 5, number of complaints resolved in favour of the Bank by Office of Ombudsman	512	627
5.2	Of 5, Number of complaints resolved through conciliation/mediation/advisories issued by Office O	939	804
0		11	min

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	of Ombudsman		
5.3	Of 5, Number of complaints resolved after passing of Awards by Office of Ombudsman against the Bank	0	1#
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 Integrated Ombudsman scheme 2021 (previously banking Ombudsman Scheme 2006) and covered within the ambit of the scheme.

# The Award is lapsed as per RBIO Scheme as the customer has given letter stating that he is not accepting the Award.

# b. 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	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
Indexes at the fall of	Current Ye	ear (FY 2023-2	4)		
Internet/Mobile/ Electronic Banking	793	118199	(+)6.21%	427	0
ATM/Debit cards	595	72708	(+)2.74%	464	0
Credit Cards	262	1686	(-)12.46%	298	0
Loans and advances	23	883	(-)15.50%	14	0
Cheques/Draft/bills	10	2744	(+)0.44%	5	0
others	267	61200	(+)480.20%	809	0
Total	1950	257420	(+)29.81%	2017	0
	Previous Ye	ear (FY 2022-2			
Internet/Mobile/ Electronic Banking	1 006	111 287	(+)32.25%	793	0
ATM/Debit cards	1 134	70 769	(-)2.39%	595	0
Credit Cards	307	1 926	(-)12.69	262	0
Loans and advances	112	1 045	(-)32.36	23	1
Cheques/Draft/bills	7	2 732	(+)83.60	10	1
others	284	10 548	(+)36.77	267	0
Total	2 850	198 307	(+)16.93	1 950	2

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# 12. Disclosure of penalties imposed by the Reserve Bank of India (A

	(Amounts in Cro	(Amounts in Crore)		
Particulars	2023-24	2022-23		
Penalties imposed by Reserve Bank of India	3.20	0.57		

#### 13. Disclosure on remuneration

SI. No.	Name	Designation	Remuneration* Amount (Rs.) (2023-24)	Remuneration* Amount (Rs.) (2022-23)
1.	Shri. Ajay Kumar Srivastava	Managing Director & Chief Executive Officer (MD & CEO) From 01.01.2023	4080132	4413566
2	Smt. S Srimathy	Executive Director	3857030.33	3904720.09
3.	Shri. Sanjay Vinayak Mudaliar	Executive Director	3181709.89	1058964.00
4.	Shri. Joydeep Dutta Roy	Executive Director From 31.01.2024	747253.16	NA
5.	Shri. Dhanaraj T	Executive Director From 10.03.2024	253295.23	NA

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

#### 14. Other Disclosures

#### a. Business ratios

	Particulars	2023-24	2022-23
i)	Interest Income as a percentage to Working Funds	2.92%	2.66%
ii)	Non-interest income as a percentage to Working Funds	1.68%	1.32%
iii)	Cost of Deposits	4.70%	4.13%
iv)	Net Interest Margin	3.28%	2.93%
v)	Operating Profit as a percentage to Working Funds	2.01%	1.91%
	Return on Assets	0.81%	0.76%
vii)	Business (deposits plus advances) per employee (in Rs. crore)	23.54%	20.21
viii	Profit per employee (in Rs. crore)	0.12%	0.09

#### b. Bancassurance business

The details of fees /Brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by them should be disclosed in the notes on accounts to their Balance Sheet, Disclosures should be made for both the current year and previous year.

<sup>\*\*</sup>Part of the year



(Amounts in Re crore)

S. No.	Nature of income*	2023-24	2022-23
(a)	For selling Life Insurance Policies	2.39	3.24
(b)	For selling Non-Life Insurance Policies	27.09	26.31
(c)	For Selling Mutual Fund products	0.51	0.44
(d)	Others – Related to previous years accounted during the year	1.61	Nil
	Total	31.60	29.99

<sup>\*</sup> Fees /renumeration earned in respect of the Bancassurance Business undertaken by the bank.

#### c. Marketing and Distribution

Banks shall disclose the details of fees / remuneration received in respect of the marketing and distribution function(excluding bancassurance business) undertaken by them

Nature of income	2023-24	2022-23
Marketing & Distribution Business	NIL	NIL

### d. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

(Amounts in Rs. crore)

S. No.	Particulars	2023-24		2022-23	
	ranicolais	Purchase	Sales	Purchase	Sales
1	PSLC - Agriculture	NIL	NIL	Nil	Nil
2	PSLC - SF/MF	NIL	12985.50	Nil	Nil
3	PSLC - Micro Enterprises	3000.00	NIL	Nil	Nil
4	PSLC - General	NIL	NII	Nil	Nil

### e. Provisions and contingencies

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	(Amounts	in Rs. crore
Particulars	2023-24	2022-23
Provisions for depreciation on Investment / Written back	(0.49)	1.35
Provision towards NPA	2706.49	2857.74
Provision towards Standard Assets	(112.22)	(462.45)
Provision for Restructured accounts	(7.37)	(12.85)
Provision made towards Income Tax (including Deferred Tax)	756.92	249.46
Other Provision and Contingencies	764.71	1210.12
Total	4108.14	3843.38

### f. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

As per RBI guidelines, Bank is in the process of implementing Ind AS (Indian Accounting Standards). RBI vide Circular DBR.BP.BC.No.29/21.07.001 / 2018-19 dated 22nd March 2019 has deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS Financial Statements every half-year. A project Steering Committee headed by Executive Director has been formed for monitoring of Implementation of Ind AS in the Bank as per RBI directive. Bank is submitting Proforma Ind AS Financial Statements to RBI on half yearly basis after approval of Project Steering Committee

#### g. Payment of DICGC Insurance Premium

(Amounts in Rs crore)

Sr. No.	Particulars	2023-24	2022-23
i)	Payment of DICGC Insurance Premium	331.48	353.02
ii)	Arrears in payment of DICGC premium	Nil	Nil

### h. Disclosure on unamortised Pension and Gratuity Liabilities and amortization of expenditure on account of enhancement in family pension of employees of Banks

#### 1. Pension:

In accordance the RBI circular/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, the Bank had opted to amortize additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020 over a period of not exceeding 5 (five) years, beginning with financial year 2021-22, subject to a minimum of 1/5 of the total amount being expensed every year and has been carrying amortized portion amounting to Rs.255.51 Crores as at March 31, 2023.

During the year, the Bank has charged entire carried forward amount to the Profit & Loss Account and the carried forward amount now is NIL.

#### 2. Gratuity:

Unamortised gratuity liabilities as on March 31st 2024 is NIL

Provision for the employee benefits pertaining to Pension, Gratuity & Leave encashment have been made on the basis of Actuarial Valuation.

### i. Letters of Comfort (LoC)

Banks should disclose the full particulars of all the letters of comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the "Notes to Accounts"



Particulars	FY 2023-24
Letters of Comfort issued during the year	NIL
Letters of Comfort outstanding as on 31.3.2024	3
Assessed Financial impact	NIL
Cumulative Assessed Financial Obligation	NIL

Cumulative position of LOC's outstanding as on March 31,2024:

2. During the year 2009-10, the Bank has issued a Letter of Comfort (LoC) undertaking to maintain a minimum CRAR of 12% in respect of Bangkok branch and to arrange to convert retained earnings to capital funds and/or infuse further capital in order to restore the CRAR to a minimum of 12%, subject to approval from Reserve Bank of India. The assigned capital of Bangkok Branch stands at THB 2199 Mio(25.97%) as on March 31st 2024.

In the worst case scenario of the entire textile exposure of the branch becoming NPA. We may have to make additional provision to the extent of THB 92.854 Mio being unsecured portion of standard textile advances. If this contingency arises, there would be no additional capital to be remitted as existing reserves are adequate to cover the unsecured amount.

During the year 2010-11 has issued a letter of Comfort favoring Bank Negara Malaysia. The Bank in association with other Joint Venture partners will provide support to India International Bank (Malaysia) Berhad in funding, business and other matters as and when required and ensure that it complies with the requirements of the Malaysian laws, regulations and policies in the conduct of its business operations and management. The financial impact of the letter of Comport issued to bank Negara Malaysia is to the tune of our share of 35% of the paid-up capital of MYR 330 Mio i.e., MYR 115.500 Mio. Based on the host country regulator's guidelines, Bank has issued letter of Comfort favoring CBSL at its meeting held on 12.09.2019 for meeting all obligations and liabilities arising out of business carried on by IOB Srilanka Branch.

# j. Portfolio -level information on the use of funds raised from green deposits.

Particulars	2023-24	2022-23	Cumulative*
Total green deposits raised (A)	0.26	Nil	0.26
Use of green deposit funds **			0.20
(1) Renewable Energy	1.51	0.72	3.04
(2) Energy Efficiency	0	0	0
(3) Clean Transportation	5.22	Nil	5.22
(4) Climate Change Adaptation	0	0	0
(5) Sustainable water and waste management	0	0	0
(6) Pollution Prevention and control	0	0	0
(7) Green Buildings	0	0	0

(8) Sustainable Management of Living Natural Resources and Land Use	0	0	0
(9) Terrestrial and Aquatic Biodiversity Conservation	0	0	0
Total Green deposit funds allocated (B=sum of 1 to 9)	6.73	0.72	8.26
Amount of Green Deposit funds not allocated (C=A-B)			
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green			
activities/projects			

\* Note: Green Deposits scheme introduced w.e.f 10.02.2024 and our various credit schemes like Surya under renewable energy and Electronic Vehicle under clean transport are in existence before the introduction of Green Deposits.

15. In accordance with the Reserve Bank of India Circular No DBR No. BP. BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated 11.02.2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated 06.08.2020, on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)", the details of MSME restructured accounts from 01.04.2019 to 31.03.2024 are as under:

No. of Accounts
Aggregate exposure as on 31st March 2024 (Rs. in crore)
217.72

16. COVID-19 pandemic has adversely impacted the economic activity across the globe including the Indian economy for more than two years. However, the bank's results, operations and asset quality have not been affected much because of the pandemic. Further, bank has made necessary provisions for all COVID related restructured loans. The Bank is however keeping a close watch on developments on an ongoing basis and taking proactive measures continuously to maintain and improve asset quality. The bank, therefore, believes that there may not be any significant impact on Bank's future financial results

# 17. Amount of provisions made for Income Tax during the year:

	Amour	nt in Rs. Crore
Particulars	2023-24	2022-23
Provision for Income Tax	22.67	20.60
Provision for Deferred Tax	734.24	228.85
Net Provision	756.91	249.45

### 18. Comparative Figures

Previous year's figures have been regrouped / rearranged / reglassified wherever necessary.

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19. As per RBI guidelines, RBI/DOR/2021-22/83DOR. ACC.REC. No.45 / 21.04.018/2021-22 dated October 25, 2023, the details of Miscellaneous Income under the head "Other Income" exceeding 1% of the Total Income is as under:-

Period	Item under the Subhead /Head	Amount in Lakhs	Amount in Percent
For the quarter ended 31.03.2024	Recovery in Write Off	908.33	9.97%
For the year ended 31.03.2024	Recovery in Write Off	2372.45	7.99%

#### **DISCLOSURES UNDER ACCOUNTING STANDARDS**

1. Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared following the same accounting policies and practices as those followed for the year ended March 31, 2023.

During the year, there were no material prior period income / expenditure items.

2. Accounting Standard 9 – Revenue Recognition

Revenue has been recognized as described in item No. 2 of Significant Accounting Policies - Schedule 17.

3. Accounting Standard 11 – The Effects of Changes In Foreign Exchange Rates

Particulars	2023-24	2022-23
Opening Balance	965.71	841.66
Credited during the year	111.80	126.64
Withdrawn during the year	93.61	2.59
Closing Balance	983.90	965.71

4. Accounting Standard 15 - Employee Benefits

The Bank had adopted Accounting Standard 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India.

1. Short-Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

2. Long-Term Employee Benefits:

The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:-

Defined Benefit Plans (Pension and Gratuity)

(a) Changes in the present value of the obligations:

(Rs. In Crores)	
GRATUITY	

			(RS. In C	rores)	
Particulars	PENSIO (Funde		GRATUITY (Funded)		
	2024	2023	2024	2023	
Present Value of obligation as at the beginning of the year	11314.24	10363.22	1302.17	1200.55	
Add: Acquisition Adjustment	-	-	-	2	
Add: Interest Cost	776.97	735.23	94.94	85.31	
Add: Past Service Cost	-	-	-	-	
Add: Current Service Cost	332.67	279.52	88.82	78.70	
Less; Benefits Paid	(1135.44)	(1067.96)	(92.59)	(120.21)	
Add: Actuarial loss/(gain) on Obligations	2177.19	1004.24	101.03	57.83	
Present Value of Obligation at year end	13465.63	11314.25	1494.38	1302.17	

### (b) Change in Fair Value of Plan Asset:

**Particulars** Fair Value of Plan Assets at the

(Rs. In Crores) GRATUITY (Funded)

2023

1225.20

2024

1326.82

beginning of the year			1020.02	1220.20
Add: Acquisition Adjustment	_	_	_	-
Add: Expected return on Plan Assets	896.50	782.28	101.62	91.81
Add: Employer's contribution	2348.23	1202.74	127.30	124.65
Less: Benefit Paid	(1135.44)	(1067.96)	(92.59)	(120.21)
Add: Actuarial gain/(loss) on Obligations	42.09	33.96	31.23	5.37
Fair Value of Plan Asset at the end of the year	13465.63	11314.25	1494.38	1326.82
Unfunded Transitional Liability				-
end of the year				/\.

2023

10363.23

PENSION (Funded)

2024

11314.25



### c) Amount recognized in Balance Sheet:

(Rs. In Crores)

[KS. III Cloles]						
Particulars	PENSION (F	Funded)	GRATUITY (	Funded)		
	2024	2023	2024	2023		
i) Present value of obligations as at the end of the year	13465.63	11569.76	1494.38	1302.17		
ii) Fair value of Plan Assets as at the end of the year	13465.63	11314.25	1494.38	1326.82		
iii) Difference	0.00	255.51	0.00	(24.65)		
iii) Unfunded Net Liability recognized in Balance Sheet	*(0.00)	*(255.51)	0.00	0.00		
iv) Funded Net Assets to be recognized in Balance Sheet	0.00	0.00	0.00	24.65		

\* In accordance the RBI circular; RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, the Bank had opted to amortize additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020 over a period of not exceeding 5 (five) years, beginning with financial year 2021-22, subject to a minimum of 1/5th of the total amount being expensed every year and has been carrying amortized portion amounting to ₹255,51,49,935.00 as at March 31,2023. During the year, the Bank has charged entire carried forward amount to the Profit & Loss Account and the carried forward amount now is ₹NIL.

### (d) Expenses Recognized in Profit & Loss:

(Rs. in Crores)

			(17.11)	Crores
Particulars	PENSION (	Funded)	GRATUITY (Funded)	
	2024	2024	2024	2023
i) Current Service Cost	332.67	279.52	88.82	78.70
ii) Past Service Cost	-	-	-	-
iii) Interest Cost	776.97	735.23	94.94	85.31
iv) Expected return on Plan Asset	(896.50)	(782.28)	(101.62)	(91.81)
v) Net Actuarial (Gain)/Loss recognized in the year	2135.09	970.28	69.80	52.46
vi) Transitional liability recognized in the year	0.00	0.00	0.00	0.00
Expenses Recognized in P&L (i+ii+iii+iv+v+vi)	2348.24	1202.74	151.95	124.65

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(e) Investment percentage maintained by Pension & Gratuity Trust:

(Fig

(Figures in %)

			(rigures	111 /0/
	Pension T	rust	Gratuity Trust	
Particulars	2024	2023	2024	2023
a)Debt instruments/Central Govt Securities	4.09	3.41	9.13	8.67
b)State Govt Securities	3.89	2.58	11.97	17.32
c)Investments in PSU/ PFI/ Corporate bonds	6.91	4.50	13.57	12.75
d) Equity Investments	0.77	0.68	1.29	2.31
e) Other Investments	84.34	88.83	64.04	58.95
Total	100.00	100.00	100.00	100.00

(f) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):

Particulars	PENSION (Funded)		GRATUITY (Funded)		
	2024	2023	2024	2023	
Discount Rate	7.23%	7.48%	7.23%	7.56%	
Expected Rate of Salary increase	5.00%	5.00%	5.00%	5.00%	
Attrition Rate	1.00%	1.00%	3.00%	3.00%	
Pension Increase	4.00%	4.00%	-	-	
Expected rate of return on Plan Assets	7.50%	7.50%	7.56%	7.48%	
Mortality	2012-14 Modified Ultimate	2012-14 Modified Ultimate	2012-14 Ultimate	2012-14 Ultimate	
Method used				unit Credit	

### (g) Five year's disclosure for Pension

### i) Surplus/ Deficit in the plan

	Amount recognized in the Balance Sheet	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on March 31, 2024
i.	Present value of obligations as at the end of the year	9108.28	9856.98	10703.91	11569.76	13465.63

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ii.	Fair value of Plan Assets as at the end of the year	9108.28	9856.98	10363.23	11314.25	13465.63
iii.	Difference (ii-i)	0.00	0.000	(340.68)	(255.51)	0.00
iv.	Unrecognised Past Service Cost	0.00	0.00	0.00	0.00	0.00
٧.	Unrecognised Transition Liability	-	-	-	-	
vi.	Amount Recognized in the Balance Sheet (iii- iv-v)	0.00	0.000	(340.68)	(255.51)	0.00

#### h) Five year's disclosure for Gratuity

#### Surplus/ Deficit in the plan

	Amount recognized in the Balance Sheet	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on March 31, 2024
vii.	Present value of obligations as at the end of the year	1018.68	913.11	1200.55	1302.17	1494.38
∨iii	Fair value of Plan Assets as at the end of the year	1400.86	1295.29	1225.20	1326.82	1494.38
ix.	Difference (ii-i)	382.18	382.18	24.65	24.65	0.00
X.	Unrecognised Past Service Cost	0.00	0.00	0.00	0.00	0.00
xi.	Unrecognised Transition Liability	-	-	-	-	-
xii.	Amount Recognized in the Balance Sheet (iii- iv-v)	382.18	382.18	24.65	24.65	0.00

(i) The financial assumptions considered for the calculations are as under:-

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated 31.03.2024).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs. 93.40 crores.

#### II) Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after 1st April 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During FY 2023-24, the Bank has contributed Rs.165.26 Crore (Previous Year Rs.145.51 Crore).

- III) Long Term Employee Benefits (Unfunded Obligation): Retired Leave Encashment Benefit
- a) Reconciliation of opening and closing balance of liability

(Rs In Crores)

IFAVE		
LEAVE ENCASHMENT (Un Funded)		
)24	2023	
.27	516.13	
.78	36.33	
-	-	
.24	56.88	
	(60.75)	
.97	27.68	
	576.27	
	11) .97 .15	

(b) Amount recognized in the Profit & Loss Account

(Rs. In Crores)

	LEAVE ENCASHMENT (Un Funded)			
Particulars	2024	2023		
i) Current Service Cost	74.24	56.88		
ii) Past Service Cost		-		
iii) Interest Cost	41.78	36.33		
iv) Expected return on Plan Asset	0.00	0.00		
v) Net Actuarial (Gain)/Loss recognized in the year	106.97	27.68		
Expenses Recognized in P&L	223.00	120.89		



(c) Reconciliation of opening and closing liability/(assets) recognized in the Balance Sheet

	10		_	
- 1	1Kc	In	Crore	20
- 1	113.	11 1	CIOI	-3

	(13: 111 010103)		
Particulars	LEAVE ENCASHMENT (Un Funded)		
	2024	2023	
i) Opening Defined Benefit Obligation	576.26	516.13	
ii) Net Acquisition Cost	-	_	
iii) Expenses Recognized in P&L	223.00	120.89	
iv) Benefits paid	(47.11)	(60.75)	
v) Net Liability Recognized in the Balance Sheet	752.15	576.27	
Add: Actuarial loss/(gain) on Obligations	106.97	27.68	
Closing Defined Benefit Obligation	752.15	576.26	

# (d) Principal Actuarial Assumptions [Expressed as Weighted Average]

Particulars	ENCASHMENT (Un Funded)		
	2024	2023	
Discount Rate	7.23%	7.56%	
Expected Rate of Salary increase	5.00%	5.00%	
Attrition Rate	3.00%	3.00%	
Mortality	2012-14	2012-14	
	Ultimate	Ultimate	
Method used	Projected Unit Credit		

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market. Such estimates are very long-term and are not based on limited past experience/immediate future. Empirical evidence also suggests that in very long-term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

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5. Accounting Standard 17 - Segment Reporting

The Bank has adopted Reserve Bank of India's revised guidelines issued in April 2007 on Segment Reporting in terms of which the reportable segments have been divided into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

#### Part A: Business Segments

IRs In Crores

Business Segments	nents Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		TOTAL	
Particulars	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	7252.48	6 666.61	9630.17	6645.75	11838.91	9619.76	682.60	575.37	29404.16	23507.49
Result	546.89	888.61	1364.30	742.14	4124.77	3909.84	426.46	400.07	6462.42	5940.66
Unallocated Income									301.82	1.58
Unallocated Expenses				With Sales			MILE HELDER		301.35	1.51
Operating Profit/Loss				Halle Line	BURNESS S				6763.77	5 942.17
Income Taxes						FRENCHA	A CHARLES		756.92	0
Provisions & Contingencies					MANUFACTURE A				3351.23	3 593.95
Extraordinary profit / loss				Nath and					0.00	0.00
Net Profit							MEZHROLE D	Errate (3)	2655.63	2348.22
Segment Assets	107506.41	103211.70	11437.56	98471.30	1119316.38	101371.87	85.56	131.15	341279.81	303 185.45
Unallocated Assets									10753.81	10 559.80
Total assets									352033.62	313 745.82
Segment Liabilities	97723.41	102119.91	110441.19	91562.64	115594.36	94590.37	272.64	151.16	324031.60	288 424.08
Unallocated Liabilities							ILOUE BLANK DE		59.72	58.81
Total Liabilities									324091.32	288 482.89

Note No.1 – The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs. 103211.70 crores regarding Treasury Operations (Assets) of Standalone has been retained in the Consolidated Segment Result.

Note No.2 - The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs. 102119.91 crores regarding Treasury Operations (Liabilities) of Standalone has been retained in the Consolidated Segment Result.

#### Part B - Geographic segments

(Rs. In Crores) **Domestic** International Total **Particulars** 2023-24 2022-23 2023-24 2022-23 2023-24 2022-23 28 850.80 Revenue 22 946.46 855.19 562.61 29 705.99 23 509.07 Assets 3 38 332.37 3 031 32.95 13 701.25 10 612.87 3 52 033.62 3 13 745.82

#### 6. Accounting Standard 18 – Related Party Disclosures

The details are as follows:

(A) Name of the Related Parties and their relationship:

- (a) Associates Regional Rural Bank: Odisha Gramya Bank
- (b) Joint Venture: India International Bank (Malaysia) Berhad Ltd.
- (c) Key Management Personnel:
  - (i) Shri Ajay Kumar Srivastava, Managing Director and CEO (w.e.f 01.01.2023)
  - (ii) Smt. S Srimathy, Executive Director (Superannuated on 09.03.2024)



(iii) Shri Sanjay Vinayak Mudaliar, Executive Director (Upto 30.01.2024)

(iv) Shri Joydeep Dutta Roy, Executive Director (w.e.f 31.01.2024)

(v) Shri Dhanaraj T, Executive Director (w.e.f 10.03.2024)

(B) Transaction with Related parties:

Details of Salary and Performance Incentive paid to Whole Time Directors during the year 2023-24 and 2022-23:

		(Amount in Rs.)
NAME OF THE WHOLE TIME DIRECTOR	REMUNERATION * (2023-24)	REMUNERATION * (2022-23)
Shri Ajay Kumar Srivastava (MD & CEO)		
01.04.2023 to 30.09.2023	19,27,968.00	19,64,990.00
01.10.2023 to 31.03.2024	21,52,164.00	24,48,576.00
Total	40,80,132.00	44,13,566.00
Ms S Srimathy (ED)		
01.04.2023 to 30.09.2023	20,11,500.00	15,91,533.00
01.10.2023 to 31.03.2024	18,45,530.33	23,13,187.09
Total	38,57,030.33	39,04,720.09
Shri Sanjay Vinayak Mudaliar (ED)		
01.04.2023 to 31.03.2023	19,60,866.67	NA
01.10.2023 to 30.01.2024	12,20,843.22	10,58,964.00
Total	31,81,709.89	10,58,964.00
Shri Joydeep Dutta Roy		
31.01.2024 to 31.03.2024	7,47,253.16	
Total	7,47,253.16	NA
Shri Dhanaraj T		
10.03.2024 to 31.03.2024	2,53,295.23	
Total	2,53,295.23	NA

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

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Items/Related Party	Parent (as per ownership or	Subsidiaries	Associates/ Joint ventures		Key Management Personnel®		Relatives of Key Management Personnel		Total	
	control)		Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding	Maximum during the year
Borrowings#	N.A.	N.A.	0.00	187.38	0.00	0.00	0.00	0.00	0.00	187.38
Deposits#	N.A.	N.A.	772.24	772.24	2.25	2.38	0.74	0.75	775.23	775.37
Placement of deposits#	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances#	N.A.	N.A.	0.00	0.00	0.61	0.63	0.00	0.21	0.61	0.84
Investments#	N.A.	N.A.	193.44	193.44	0.00	0.00	0.00	0.00	193.44	
Non-funded commitments#	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00		193.44
Leasing/HP arrangements availed#	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasing/HP arrangements provided#	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of fixed assets	N.A.	N.A.	0.	.00	0.0	0	0	.00	0.0	20
Sale of fixed assets	N.A.	N.A.	0.	00	0.00			0.00		
Interest paid	N.A.	N.A.		82	0.0	0.00			0.00	
Interest received	N.A.	N.A.		48.53		5		.00	2.8	
Rendering of services*	N.A.	N.A.		0.00		0			48.	
Receiving of services*	N.A.	N.A.		0.00				.00	0.0	
Management contracts*	N.A.	N.A.		00	0.0			.00	0.0	

# 7. Accounting Standard 20 – Earnings per Share

Particulars	2023-24	2022-23
Net Profit after Tax available for Equity Shareholders (Rs. in Crore)	2655.621	2098.78
Weighted Average Number of Equity Shares	18,90,24,12,256-	18,90,24,12,256
Basic & Diluted Earnings Per Share	Rs. 1.40	Rs .0.34
Nominal value per Equity Share	Rs. 10.00	Rs.10.00



N.A. (Not Applicable)
# The outstanding at the year end and the maximum during the year are to be disclosed.
\* Contract services etc. and not services like remittance facilities, locker facilities etc.



8. Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard-23 - Accounting for Investments in Associates in Consolidated Financial Statements

1. The Consolidated Financial Statements comprise the financial statements of Indian Overseas Bank (The Bank) and the following Associate and Joint Venture of the Bank:

S No	Name of the Company	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank	Associate	India	35%
2	India International Bank Malaysia Berhad as on 31,12,2023	Joint venture	Malaysia	35%

2. The Bank is holding 18.06% in Universal Sompo General Insurance Company Ltd. Since the shareholding in the Company is less than 25%, the same has not been considered as Joint Venture for preparation of Consolidated Financial Statements as per extant RBI guidelines.

3. The consolidated financial statements include the interest in JV which has been accounted in proportionate consolidation method as per AS 27 (Financial Reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of Rs.15.86 Crore in JV representing FCTR is reported under reserves and surplus, this represents the translation difference.

4. In respect of investment in Associate, which has been accounted under equity method as per AS 23 (Accounting for investment in Associates), the carrying amount of investment in equity shares of Rs.606.90 Crore is adjusted against IOB's share of net assets of Rs.214.83 Crore and the balance of Rs.392.07 Crore is adjusted against balance in Reserves and Surplus to recognize the decline in the value.

### 9. Accounting Standard 22: Accounting for Taxes on Income

10-	•	_	
(Rs.	ın	( r/	ra
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			11/3.111	
Particulars	31.03.202	24	31.03.	2023
ranicolais	DTA	DTL	DTA	DTL
Provision for Employee Benefits	1021.64		202.90	
Provision for Frauds	68.98		190.97	
Provision for Other Assets	126.41		28.79	
Provision for Restructured Advances	11.01		13.59	
Reserve for Severance Pay	1.10		0.93	
Provision for NPA	1861.70		3 675.34	
Foreign Currency Translation Reserve	348.27		337.42	
Others	1860.83		1583.89	
Total	5299.94		6033.83	
Net DTA	5299.94		6033.83	

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### 10. Accounting Standard 24 – Discontinuing Operations

This Standard establishes principles for reporting information about discontinuing operations. Merger/ closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by shedding of liability and realisation of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalised by the bank and (ii) the

# 11. Accounting Standard 26 – Intangible Assets

Impairment of Asset in our Bank is Nil.

# 12. Accounting Standard 27 – Financial Reporting of Interest in Joint Venture

The bank has an investment of 35% in the JV, India International Bank (Malaysia) Berhad (IIBMB) with 1,15,50,000 no. of shares of MYR 10 each valuing Rs 199,57,52,186 as at the year-end (BNM) for voluntary winding up. The BNM in letter dated 09.02.2024 has given no objection to the winding up operation and subsequently surrender the business licence subject to upon final winding up.

# 13. Accounting Standard 28 – Impairment of Assets

The Software acquired by the Bank for core Banking Systems and other services relating to information technology departments are being capitalized under intangible assets and are amortized over 3 years.

# 14. Accounting Standard 29 – Provision for Contingent Liabilities and Contingent Assets:

The guidelines issued by the Institute of Chartered Accountant of India in this respect have been incorporated at the appropriate places.

SI No	Particulars	Brief Description
1		The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material advise effect on the Banks financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending.
2		This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3		amounts are recorded as Contingent liabilities. with respect to the transactions entered into with its customers, the Bank generally enters into off setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio while the not results in the contracted rate. The notional and are recorded as Contingent liabilities. While the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the formal principal of the portfolio while the not record to the principal of the portfolio while the not record to the principal of the portfolio while the not record to the principal of the portfolio while the not record to the principal of the portfolio while the portfolio while the portfolio while the principal of the portfolio while the principal of the portfolio while the principal of the portfolio while the portfolio while the portfolio while the portf
4	constituents, acceptances,	As a part of its commercial banking activities, the Bank issues documentary credits and guarantees on behalf on its customer. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurance that the bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
		/ Indicial or performance obligations

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	endorsements and other obligations	
5	comingeriny liable	The banks enter into currency options, forward rate agreements, currency swaps and interest rate swaps with inter bank participants of its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the bank on behalf of associates & subsidiaries, banks liability under Depositor Education and Awareness Fund a/c and other sundry contingent liabilities.

2023-24

#### 15. Particulars of Accounts Restructured

(Amount in Rs. Crore)

-	Type of Restructuring			Under (	CDR Me	chani	sm		Under SME Deb	t Restructurin	g Mechanis	im		Others In	cluding Corp	orate		J-==		Total		
SIN	Asset Classification  Details			Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubiful	SS	Total	Standard	ndard	Doubfful	s	-
+			Standard							۵	2	2	ž	S of s	ă	Loss	5	Sto	Sub- stanc	Do	Loss	Total
	Restructured	No. of Borrowers	3	0	0	0	3	22,668	9,508	5,358	47	37,581	60,182	25,646	3,220	34	89,066	82,853	35,154	8,578	81	1,26,6
	Accounts as on April 1, 2023	Amount Outstanding	158	0	0	0	158	2,495	371	146	12	3,023	2,372	673	137	2	2,816	5,025	1,043	283	14	5,99
		Provision Thereon	11	0	0	0	11	234	56	146	12	447	194	167	56	36	385	439	222	202	48	84
	Fresh Restructuring	No. of Borrowers	0	0	0	0	0	213	(7,701.00)	7,582	119	213	4,133	(4,794.00)	5,789	0	5,128	4,346	(12,495.00)	13,371	119	5,34
2	during 01.04.2023 to 31.03.2024 including increase in exposure	Amount Outstanding	0	0	0	0	0	10	(261.98)	256	6	10	56	(10.95)	178	0	224	66	(272.93)	434	6	234
1	for existing accounts	Provision Thereon	0	0	0	0	0	1	(39.29)	151	6	118	2	(15.79)	174	0	160	3	(55.08)	325	6	278
	pgradation of	No. of Borrowers	0	0	0	0	0	743	(704.00)	(37.00)	(2.00)	0	(542.00)	518	50	1	27	201	(136.00)	13	(1.00)	27
3   5	restructured standard category during 01.04.2023 to	Amount Outstanding	0	0	0	0	0	32	(30.64)	(1.20)	0	(0.00)	(24.75)	23	2	0	0	7	(7.95)	1	0	0
3	31.03.2024	Provision Thereon	0	0	0	0	0	3	(7.66)	(1.20)	0	(5.73)	(6.21)	6	1	0	0	(3.08)	(1.94)	(0.62)	0	(5.61)
S V	Restructured tandard advances which cease to	No. of Borrowers	0	0	0	0	0	(4.00)	0	0	0	(4.00)	0	0	0	0	0	(4.00)	. 0	0	0	(4.00)
4 V	attract higher provisioning and /or additional risk eveight at the end of Y and hence need not be shows as estructured	Amount Outstanding	0	0	0	0	0	(23.57)	0	0	0	(23.57)	0	0	0	0	0	(23.57)	0	0	0	(23.57)
re s		Provision Thereon	0	0	0	0	0	(2.34)	0	0	0	(2.34)	0	0	0	0	0	(2.34)	0	0	0	(2.34)



SI No.	Туре	of Restructuring		Und	er CDR	Mec	hanism		Under SA	AE Debt Re	structuring	Mechanism					Others					Total
S		et Classification	Standard	Sub-standard	Doubiful	Loss	Total	Standard	o-standard	Doubfful	Loss	Total	Standard	-standard	Doubfful	Loss	Total	Standard	standard	Doubfful	Loss	Total
		Details		Su					Sub					Sub					Sub-			
	Downgradation of the	No. of Borrowers	0	0	0	0	0	(2,428.00)	2,419	6	3	0	(8,017.00)	8,937	1	0	921	(10,445.00)	11,356	7	3	92
5	restructured accounts during 01.04.2023 to	Amount Outstanding	0	0	0	0	0	(204.44)	198	6	0	0	(110.92)	250	0	0	139	(315.36)	449	6	0	139
	31.03.2024	Provision Thereon	0	0	0	0	0	(20.40)	122	6	0	107	33	211	0	0	243	12	332	6	0	35
	Write off/ sale/ closure/ exit from CDR/ recovery	No. of Borrowers	0	0	0	0	0	(5,245.00)	(1,014.00)	(633.00)	(2.00)	(6,894.00)	8,044	20,460	702	15	29,221	2,799	19,446	69	13	22,327
6	action initiated in restructured accounts during	Amount Outstanding	0	0	0	0	0	(572.83)	(75.06)	(30.87)	(9.92)	(688.68)	168	662	24	0	855	(404.47)	587	(6.52)	(9.65)	166
	01.04.2023 to 31.03.2024	Provision Thereon	0	0	0	0	0	(53.38)	(35.55)	(28.98)	(9.92)	(127.83)	54	152	6	0	212	0	117	(22.74)	(9.68)	84
	Restructured	No. of Borrowers	3	0	0	0	3	15,947	2,508	12,276	165	30,896	45,870	9,791	8,352	12	64,025	61,817	12,299	20,628	177	94,921
- 1	Accounts as on March 31 of the 2024 (closing	Amount Outstanding	158	0	0	0	158	1,736	201	376	8	2,321	1,478	272	293	2	2,045	3,214	473	669	10	4,366
	Figures)	Provision Thereon	11	0	0	0	11	162	95	272	8	537	107	215	225	2	548	269	309	497	10	1,085



	Type of Restruct	uring	U	nder CE	OR Med	chanis	m	Under	SME Deb	t Restructu	ring Me	2022-23		011								
No.	Asset Classificat	ion	ъ	70				1			ing med	Indriisiii		Others In	cluding Co	orporate				Total		
SIP	Details		Standard	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubiful	Loss	Total	Standard	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubiful	SS	Total
	Restructured	No. of Borrowers	-	-	-	-		36 994.00	3 550.00	2 984.00	16.00	43 544.00	94 827.00	8 858.00		2.00	111 641.00				Loss	
1	Accounts as on April 1, 2022	Amount Outstanding	-	-		-	-	3 014.42	121.03	85.96	11.86	3 233.27	3 080.70	332.12	194.67	0.02		131 821.00	12 408.00	10 938.00	18.00	155 18
	April 1, 2022	Provision Thereon	-		-	-		273.78	30.26	85.96	11.86	401.86	263.86	66.30			3 607.51	6 095.12	453.15	280.63	11.88	6 840
	Fresh Restructuring	No. of Borrowers	-			-		2 266.00	0.00	0.00	0.00	2 266.00	9 463.00		60.22	0.02	390.40	537.64	96.56	146.18	11.88	792
	during	Amount Outstanding	-					373.28	0.00	0.00				14.00	772.00	2.00	10 251.00	11 729.00	14.00	772.00	2.00	12 517
		Constantialing						07 0.20	0.00	0.00	0.00	373.28	279.43	0.96	102.25	0.54	383.18	652.71	0.96	102.25	0.54	756
	increase in exposure for existing accounts	Provision Thereon	-	-	-	-	-	37.33	0.00	0.00	0.00	37.33	17.43	0.27	41.49	0.54	59.73	54.76	0.27	41.49	0.54	97
- 1	Upgradation of restructured	No. of Borrowers		-	-	-	-	74.00	(63.00)	(11.00)	0.00	0.00	283.00	(226.00)	(15.00)	0.00	40.00					
	standard category during	Amount Outstanding	-	-	-	-		3.26	(3.19)	(0.07)	0.00	(0.00)	8.14	(2.25)	(1.20)		42.00	357.00	(289.00)	(26.00)	0.00	42
- 1	01.04.2022 to 31.03.2023	Provision Thereon	-	-	-	-		0.33	(0.46)	(0.07)	0.00	(0.20)	0.51			0.00	4.69	11.40	(5.44)	(1.27)	0.00	4.
	Restructured	No. of				1		/1 17/ 001					0.51	(1.32)	(0.34)	0.00	(1.15)	0.84	(1.78)	(0.41)	0.00	( 1.3
(	standard advances	Borrowers			-			(1 176.00)	(172.00)	(28.00)	0.00	(1 376.00)	42.00	0.00	0.00	0.00	42.00	(1 134.00)	(172.00)	(28.00)	0.00	(1 334.0
	which cease to attract higher	Amount Outstanding	-				-	(51.15)	(9.26)	(2.26)	0.00	(62.67)	4.69	0.00	0.00	0.00	4.69	(46.46)	(9.26)	(2.26)	0.00	( 57.



provisioning and /or additional risk weight at the end of FY and hence need not be shows as restructured standard advances at the beginning of the next FY	Provision Thereon			-	(5.11)	(1.39)	(2.26)	31.00	22.24	0.74	0.00	0.00	0.00	0.74	(4.37)	(1.39)	(2.26)	31.00	22.9
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	Type of Restructu	uring		Under C	DR Mec	hanism		Under	SME Debt	Restructu	ring Med	hanism			Others					Total		
N		ion	70	dard				_	dard					andard					ard			
	Details		Standard	Sub-standard	Doubfful	Loss	Total	Standard	Sub-standard	Doubiful	Loss	Total	Standard	Sub-stanc	Doubfful	ross	Total	Standard	Sub-standard	Doubiful	Loss	Total
	Down gradation of the	No. of Borrowers	-	-	-	-	-	(9 459.00)	6 432.00	2 996.00	1.18	( 29.82)	(21 316.00)	21 478.00	596.00	18.00	776.00	(30 775.00)	27 910.00			74/1
5	restructured accounts during	Amount Outstanding	-		-	-	-	( 370.10)	283.53	85.39	1.18	( 0.00)	( 578.46)	654.24	13.48	0.25	89.51	( 948.56)	937.77	98.87	19.18	89.5
	01.04.2022 to 31.03.2023	Provision Thereon	-	-	-	-	-	( 37.01)	42.53	85.39	0.00	90.91	( 49.55)	157.51	13.25	0.25	121.46	( 86.56)	200.04	98.64	0.25	
	Write off/ sale/ closure/ exit from CDR/	No. of Borrowers		-	-		-	(6 031.00)	( 239.00)	( 583.00)	( 1.02)	(6 854.02)	23 121.00	2 870.00	6 060.00	0.00	32 051.00	17 090.00	2 631.00	5 477.00	(1.02)	212.33
6	recovery action initiated in restructured	Amount Outstanding	-	-	-		-	( 474.81)	( 21.58)	( 23.28)	(1.02)	( 520.69)	739.90	83.84	170.36	0.00	1 044.10	315.09	62.26	147.08	(1.02)	523.41
	accounts during 01.04.2022 to 31.03.2023	Provision Thereon	-	-	-		-	( 47.48)	( 3.24)	( 23.28)	47.00	( 27.00)	73.09	15.62	56.97	0.00	145.68	25.61	12.38	33.69	47.00	118.68
	Restructured Accounts as on	No. of Borrowers	-	-		-	-	22 668.00	9 508.00	5 358	12.02	37 546.02	60 174.00	25 646.00	3 220.00	22.00	89 062.00	82 842.00	35 154.00	8 578.00	34.02	126 608.02
7	March 31 of the 2023 (closing	Amount Outstanding	-	-	-	-	-	2 494.90	370.53	145.74	12.02	3 023.19	2 003.64	672.74	137.38	0.81	2 814.57	4 498.54	1 043.27	283.12	12.83	5 837.76
	Figures)	Provision Thereon	-	-	-	-	-	234.08	55.58	145.74	12.02	447.42	159.90	166.78	56.43	0.81	383.92	393.98	222.36	202.17	12.83	831.34

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#### INDEPENDENT AUDITORS' REPORT

To The Members of Indian Overseas Bank

#### Report on the Audit of Consolidated Financial Statements Opinion

- 1. We have audited the accompanying Consolidated Financial Statements of Indian Overseas Bank ("the Parent"/ "the Bank"/ "the Group"), its associate and joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements including Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements") which includes:
  - a) Audited Standalone Financial Statements of the Bank;
  - Audited Financial Statements of a foreign Joint Venture (India International Bank (Malaysia) Berhad and;
  - c) Audited Financial Statements of an Associate (Odisha Gramya Bank)

In our opinion and to the best of our information and according to explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the Joint venture and associate, the aforesaid Consolidated Financial Statements give the information required by 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 the applicable Accounting Standards in the manner so required for the Group and its associate & joint venture and are in conformity with the accounting principles generally accepted in India and give:

- a) true and fair view in case of the Consolidated Balance sheet, of the state of affairs of the Group and its associate and joint venture as at March 31, 2024;
- b) true balance of Profit of the Group and its associate & joint venture, in case of Consolidated Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows of the Group and its associate & joint venture, in case of Consolidated Cash Flow Statement for the year ended on that date.









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#### **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 ("the ICAI"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate & joint venture in accordance with the "Code of Ethics" issued by the ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements, prepared in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standard, and provisions of section 29 of Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India from time to time, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

- 3. We invite attention to the following notes in Schedule 18 of the Consolidated Financial Statements:
  - Note No.3, relating to the reconciliation and elimination of entries in inter branch and internal/office accounts which are at different stages.
  - ii) Note No. 6.3, relating to non-provision of various disputed Income tax and Indirect tax liabilities for the reasons stated therein and Note No.6.2 regarding pending reconciliation of tax paid in advance.
  - iii) Note No. 6.5, regarding carried balance of ₹5299.94 crores relating to Deferred tax asset, reversal of ₹734.24 crores during the year on estimated basis and the management assessment of the realizability of the carried balance of the Deferred tax asset as on March 31,2024.

Our opinion is not modified in respect of these matters.

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report with reference to the Key Audit Matters identified by the Principal Auditors along with the Key Audit Matters reported by the respective component auditors which, in our opinion, are material.

 Classification of Advances, Income Recognition, Identification of and provisioning for nonperforming Advances

The net advances of the Bank constitute 50.09 percent of the total assets, which is the significant part of the financial statements. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRACP) norms and other circulars and directives issued by the RBI from time to time-









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which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) except in case of foreign offices in which case the classification of advances and provisioning thereof is made as per local regulations or RBI guidelines, whichever is more stringent. The Bank classifies these Advances based on IRACP norms as per its accounting policy followed.

Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing.

Besides following the prudential norms on Income Recognition, Asset Classification and Provisioning relating to Advances issued by the Reserve Bank of India ("RBI"), the Bank also has certain policies for provisioning on non- performing assets.

The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRACP norms are not properly followed.

Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/judgement involved in valuation of securities and calculation of provisions, it is a matter of high importance for the intended users of the Standalone Financial Statements.

Further due to reliance placed on data submitted by the borrowers & lead bank for Drawing Power calculations, third party for security valuation, computation of provisions as per various guidelines issued by the RBI, computation of diminution in value for restructured advances and recognition of interest income including in non-performing advances, we determined the above area as a Key Audit Matter.

#### Auditors' Responses

#### Principal Audit Procedures

We assessed the Bank's system in place to identify and provide for non-performing assets. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing including the following:

- a) We had obtained understanding from the Bank about the controls built in the system, checks and balances incorporated with respect to adherence to the RBI guidelines and related Bank's Policies for identification of non-performing assets, provisioning to determine the nature, timing and extent of the substantive procedures and had accordingly planned our audit procedures.
- b) The accuracy of the data input in the system for income recognition, classification into performing and non performing Advances and provisioning in accordance with the IRACP norms in respect of the top 20 branches allotted to us. In carrying out substantive procedures at the branches allotted to us, we have examined large advances/ stressed advances while other advances have been examined









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on a sample basis including review of valuation reports of independent valuers as provided by the Bank's management.

- c) Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit and Concurrent Audit as per the policies and procedures of the Bank.
- d) Relied on the returns received from the branches not subject to audit and in that regard reviewed the internal monitoring mechanisms/systems of the Bank to satisfy the correctness of the sample data made available to us and ensured exceptions/deviations/errors noticed during our audit procedures were adequately considered by the Bank.
- e) Test checked the identification and provisioning of non-performing assets and corresponding reversal of income, in accordance with RBI Guidelines issued from time to time.
- f) Evaluated and tested the management estimates and judgements for the purpose of identification of NPA and adequacy of provision required as per RBI's Prudential norms.
- g) Evaluated the effectiveness of automated IT based system of asset classification implemented by the Bank in accordance with the directives of RBI.
- h) We have also relied on the work done by the branch auditors for other domestic and foreign branches selected by the Bank.
- i) Review of files of the borrowers selected on sample basis and operations of such accounts.
- j) Performing relevant analytical procedures.
- k) Test checking of interest application, levying of other charges, commission etc
- I) Ensured exceptions noticed during our audit procedures are duly corrected.

#### II. Information Technology (IT) and controls impacting financial Reporting

The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Our areas of focus relate to the logic that is fed into the system, sanctity and reliability of the data, access management and segregation of duties. These underlying principles are important because they ensure that changes to applications and data are appropriate, authorized, cleansed and monitored, so that the system generates accurate and reliable reports/ returns and other financial and non-financial information that is used for the preparation and presentation of the financial statements.

Technology (IT) systems are used in financial reporting process. The Bank's operational and financial processes generate extensive volume on daily basis and process varied and complex transactions which are highly dependent on IT systems. There is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively, hence considered as a key audit matter.









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#### Auditors' Responses

#### Principal Audit Procedures

Our audit procedures include assessment and identification of key IT applications, and further verifying, testing and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included:

- a) Obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit.
- b) Reviewed the design, implementation and operating effectiveness of the Bank's IT controls including application, access controls that are critical to financial reporting on test check basis.
- c) Where we identified the need to perform additional procedures, we placed reliance on manual compensating controls; such as reconciliations between systems and other information sources or performing additional testing; extended our sample sizes, to obtain adequate and appropriate audit evidence.
- d) Reliance on the work performed by the statutory branch auditors and the rectification entries (MOCs) passed based on branch audits.
- e) Reliance on external vendor inspection reports wherever made available.
- f) Reviewed the IS Audit Reports and discussed with IT Department on compliance with key IT controls.
- III. Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 read with Note 3 of Schedule 18 to the financial Statements)
  Investments include investments made by the Bank in various Government Securities, Bonds,
  Debentures, Shares, Security receipts and other approved securities.

Investments constitute 26.49 per cent of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.

The valuation of unquoted investments and thinly traded investments is an area of inherent risk because of market volatility, unavailability of reliable prices and macroeconomic uncertainty.

Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.

The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIBIL rates, rates quoted on BSE/NSE, financial statements of unlisted companies etc.





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Considering the complexities and extent of judgment involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, we determined the above area as a Key Audit Matter.

#### **Auditors' Responses**

#### Principal Audit Procedures

Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments. Our audit procedures with respect to audit of Treasury, focused on -

- a) We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments.
- b) For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample.
- c) Independently test-checked valuation of unquoted investments, based on the latest available financial statements or on the basis of other prescribed procedures in terms of the RBI guidelines.
- d) We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision.
- e) We carried out substantive audit procedures to re-compute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs.

## IV. Assessment of Provisions and Contingent liabilities including in respect of certain litigations, various claims filed by other parties not acknowledged as debt

The Bank has disputed claims against it including matters pending at various levels in Tax and non-tax matters which are pending at various courts/forums and are at various stages in the judicial process. The management has exercised significant judgement in assessing the possible outflow in such matters.

There is high level of judgement required in estimating the level of provisioning. The Bank's assessment is supported by the facts of matter, their own judgment, past experience, and advice from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.









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We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/interpretation of law involved.

#### Auditors' Responses

#### Principal Audit Procedures

- a) We have evaluated the appropriateness of the design and tested the operating effectiveness of the management's controls over the tax litigation matters.
- b) We reviewed the management's underlying assumptions in estimating the possible outflow and the possible outcome of the disputes. The legal precedence and other rulings were considered in evaluating management's position on these uncertain tax /non tax positions.
- c) Further we have relied upon the management judgements, industry level deliberations and estimates for possible outflow and opinion of internal experts of the Bank in relations to such disputed tax positions.
- d) Read and analysed select key correspondences, internal/external legal opinions / consultations by management for key disputed non tax matters.
- Reviewed and verified other legal pronouncements wherever available in similar matters in the case of the Bank/other corporate.
- f) Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the provisions.
- g) Assessed management's estimate of the possible outcome of the disputed non tax cases and relied on the management judgments in such cases.
- h) Reliance on the work performed by the statutory branch auditors and the rectification entries passed based on branch audits/additional information to the extent available at Central office.

#### 5. Other Matters

a) We did not audit the Financial Statements/information of one Associate and one Foreign Joint Venture whose Financial Statement/Financial Information reflect total assets of ₹ (164.30 Crores) as at 31st March, 2024, total revenue of ₹24.97 Crores and total Net Profit after tax of ₹10.04 Crores for the year ended on 31st March, 2024, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹8.93 Crores for the year ended on 31st March, 2024, as considered in the Consolidated Financial Statements in respect of one Associate, whose financial statements/information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture and associate is based solely on the report of such auditors.









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- b) In the case of 01 Foreign Joint Venture, the financial statements and other information has been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by the other auditors under generally accepted Auditing standards as applicable in their respective countries. The management of such Foreign Joint Venture has converted the financial information from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India and these conversion adjustments have been audited by the other auditors. Our opinion in so far as it relates to the balances of such subsidiaries and jointly controlled entities located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by the other auditors.
  - Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, 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.
- c) The consolidated Standalone Financial statements of the Bank for the previous year ended March 31,2023 were audited by the joint auditors three of which are predecessor audit firms and have expressed unmodified opinion on such financial statements vide their report dated May 12,2023.
  Our opinion is not modified in respect of above matter.

## Information Other than the Consolidated Financial Statements and Auditors' Report thereon

6. The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the Corporate Governance report (but does not include the Consolidated Financial Statements and our auditors' report thereon) which we obtained at the time of issue of this auditors' report and Directors' Report, Key Financial Indicators and Shareholder's Information, which is expected to be made available to us after that date.

Our opinion on the Consolidated financial statements does not cover the other information and Pillar 3 disclosure under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Directors' Report, Key Financial Indicators and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.









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# Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Bank's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group, its associate & joint venture in accordance with the accounting principles generally accepted in India including the applicable Accounting Standards, provision of section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time. The respective Board of Directors of the entities included in the Group and its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate & joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimate 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 Consolidated Financial Statements that give 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 statements by the Directors of the Bank, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the entities included in the Group and its associate and joint venture are responsible for assessing the ability of the Group and its associate 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 management 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 its associate and joint venture are responsible for overseeing the financial reporting process of the Group and its associate and joint venture.

#### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:









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- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 management.
- Conclude on the appropriateness of management's 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 associate 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 Statements 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 associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters,









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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

- The Consolidated Balance Sheet and the Consolidated Profit and Loss Account of the Bank have been drawn
  up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949.
- 10. Subject to the limitations of the audit indicated in paragraph 5, 7 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associate and joint venture, as noted in the 'other matters' paragraph, we report, to the extent applicable, that;
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank and;
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 11. As required by the letter no. DOS.ARG. No.6270 /08.91.001/2019-20 dated March 17, 2020 (as amended) on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks-Reporting obligations for SCAs from F.Y. 2019-20", read with subsequent communication dated May 19, 2020 issued by RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
  - a) In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
  - c) As the Bank and its associate and Joint Venture are not registered under the Companies Act, 2013, the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.



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FRN No. 30 124E Chartered Accountants

Laxmi Tripti & Associates
Chartered Accountants

- d) There are no qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
- e) As per par 1.14 of the "Technical guide on Audit of Internal Financial Controls in case of Public Sector Banks" issued by ICAI, the reporting requirement introduced by RBI regarding Internal Financial Reporting will apply to the Standalone financial statements of Public sector bank. Accordingly, reporting is not done on the Group's Internal Financial Control over financial reporting with reference to Consolidated financial statements.

#### 12. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and report of the other auditors and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the relevant books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For S.N. Kapur & Associates

Chartered Accountants FRN: 001345C

ASSO

hartered

FRN No.

304124E

Chartered

Accountants

Accountar

(Avichal SN. Kapur)

M. No.: 400460

UDIN: 24400460BKCBUD49867

For Tej Raj & Pal Chartered Accountants FRN:304124E

B. Gangaraju)

Partner M. No.: 007605

UDIN: 24007605BKDGFQ440

Date: May 09, 2024 Place: Chennai For R. Devendra Kumar & Associates

Chartered Accountants

FRN: 114207W

(Neeraj Golas)

Partner M. No.; 074392

UDIN: 24074392BKEAKA7127

For Laxmi Tripti & Associates

Chartered Accountants FRN: 009189C

(Abhay Paliwal)
Partner

M. No.:043511

UDIN: 24435511BKAHVX

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# **Indian Overseas Bank**

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CONSOLIDATED BALANCE SHEET	AS AT 31 March 2	024		CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 March 2024				
		AS AT	AS AT			YEAR ENDED	YEAR ENDE	
	SCHEDULES	31 March 2024	31 March 2023		SCHEDULES	31 March 2024	31 March 202	
CAPITAL AND LIABILITIES	111	(₹ in '(		INCOME		(₹ in '(	000s)	
Capital	01	18902 41 23	18902 41 23	Interest Earned	13	24065 66 70	19406 97 1	
Reserves and Surplus	02	8659 03 68	5973 62 73	Other Income	14	5665 30 31	4116 44 7	
Deposits	03	286121 48 17	260973 59 04	TOTAL		29730 97 00	23523 41 8	
forrowings	04	30387 16 55	20803 77 19	EXPENDITURE			105.7.	
Other Liabilities and Provisions	05	7799 22 55	6784 66 43	Interest Expended	15	14226 50 04	11146 28 9	
TOTAL		351869 32 18	313438 06 62	Operating Expenses	16	8730 53 03	6429 81 3	
				Provisions and Contingencies (Net)	- 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4108 27 92	3843 32 5	
ASSETS				TOTAL		27065 30 99	21419 42 8	
Cash and balances with Reserve Bank of India	06	16905 53 65	17149 91 94	PROFIT / LOSS (-)				
Balances with Banks				Net Profit / Loss (-) for the year		2665 66 01	2103 98 9	
and Money at Call and Short Notice	07	1909 36 41	3670 64 98	Profit /Loss (-) brought forward		-16454 44 77	-18010 24 0	
nvestments	08	99193 91 53	93642 52 02	Less: Set off against Share Premium				
Advances	09	213330 13 18	178067 68 04	TOTAL		-13788 78 76	-15906 25 0	
fixed Assets	10	3740 18 82	3710 73 87					
Other Assets	11	16790 18 59	17196 55 77	APPROPRIATIONS				
TOTAL		351869 32 18	313438 06 62	Transfer to Statutory Reserve		663 90 62	524 69 6	
				Transfer to Revenue and Other Reserves		8 92 77		
Contingent Liabilities	12	195742 15 63	196131 44 96	Transfer to Capital Reserve		12 31 19	23 50 0	
Bill for collection		19119 00 64	19547 85 75	Transfer to Investment Fluctuation Reserve				
				Proposed Dividend (including Dividend Tax)				
Significant Accounting Policies	17			Balance carried over to Balance Sheet		-14473 93 35	-16454 44 7	
Notes on Accounts	18			TOTAL		-13788 78 76	-15906 25 0	
				Basic & Diluted Earnings per share (Rs.)		1.40	1.15	
				Nominal Value per Equity Share (Rs.)		10.00	10.00	
chedules Form Part of the Balance Sheet				Schedules Form Part of the Profit & Loss Acco	unt			
FOR AND	ON BEHALF OF TH	E BOARD		VIDE OU	R REPORT OF EVEN	DATE		
DHANARAJ T		JOYDEEP DUTT		S N KAPUR & ASSOCIATES		A KUMAR & ASSOCIATE	s	
DHANARAJ T EXECUTIVE DIRECTOR		JOYDEEP DUTTA EXECUTIVE DIRI		S N KAPUR & ASSOCIATES FRN 001545C	R.DEVENDRA FRN 114207W		s	

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

KARTIKEYAMISRA

SURESH KUMAR RUNGTA

DEEPAK SHARMA

SRIMVASAN SRIDHAR CHAIRMAN

March

SONALI SEN GUPTA

B CHANDRA REDDY

SANJAYA RASTOGI

(AVIOHAL SN. KAPUR)

Partner M No: 400460

TEJ RAJ & PAL FRN 304124E

(B. GANGARAJU)

(B. GANGARAJU)
Partner
M No: 007605

(NEERAJ GOLAS)

Partner M No: 074392

LAXMI TRIPTI & ASSOCIATES

FRN 009189C

(ABHAY PALIWAL)

Partner M No: 435511

CHARTERED ACCOUNTANTS

CHENNAI 09.05.2024 DIRECTORS



SCHEDULE - 1	AS AT	AS AT	SCHEDULE - 2	AS AT 31 March 2024	AS AT 31 March 2023
CAPITAL	31 March 2024	31 March 2023	RESERVES & SURPLUS	31 March 2024 (₹ in '00	
	(₹ in '0	00s)		(( 111 00	00)
AUTHORISED CAPITAL			B Special Reserve		
2500,00,00,000 Equity Shares of Rs.10/- each (Previous year-2500,00,00,000 Equity shares of Rs. 10/- each)	25000 00 00	25000 00 00	Opening balance	0	0
ISSUED, SUBSCRIBED & PAID UP CAPITAL		Add: Additions	0	0	
1890 24 12 256 Equity Shares of Rs.10/- each. (Includes 1821 83			Less: Deductions	0	(
26 570 Equity Shares of Rs.10/- each held by Government of					
India)	18902 41 23	18902 41 23			
Previous year 1890 24 12 256 Equity Shares of Rs.10/- each.			TOTAL - B	0	(
(Includes 1821 83 26 570 Equity Shares of Rs.10/- each held by					
Government of India)					-
			C Investment Reserve Account	97 95 58	97 95 58
SCHEDULE - 2	AS AT	AS AT	Opening Balance Add: Additions	0	(
RESERVES & SURPLUS	31 March 2024	31 March 2023	Less: Deductions	0	(
I CHARE PREMIUM	(₹ in '0	uus)	TOTAL - C	97 95 58	97 95 58
I. SHARE PREMIUM	8557 90 11	8557 90 11	D Foreign Currency Translation Reserve		
Opening balance Add: Additions	6557 90 11	0337 70 11	Opening balance	989 08 56	854 49 79
Less: Deductions			Add: Additions	112 02 90	137 47 16
TOTAL -I	8557 90 11	8557 90 11	Less: Deduction	101 34 82	2 88 39
II. STATUTORY RESERVE			TOTAL - D	999 76 63	989 08 56
Opening balance	4086 72 84	3562 03 19	E. Investment Fluctuation Reserve Account		200.00.00
Add: Additions	6639062	524 69 65	Opening balance	390 00 00	390 00 00
Less: Deductions	0	0	Add: Additions	0	
TOTAL -II	4750 63 46	4086 72 84	Less : Deductions	390 00 00	390 00 00
III. CAPITAL RESERVE			TOTAL - (E)	390 00 00	390 00 00
A. Revaluation Reserve	3000000		TOTAL IV (A R C D E)	4778 79 82	4719 62 5
Opening Balance	2753 15 36	2749 56 13	TOTAL - IV (A,B,C,D,E)	4770 75 02	1127 52 5
Add: Additions	9 87 87	43 90 22 40 30 99	V. PROFIT AND LOSS ACCOUNT	-14473 93 34	-16454 44 78
Less: Deductions / Depreciation	40 39 74 2722 63 49	2753 15 36	V. TROPH AND BOOD ACCOUNT		
TOTAL - A	2722 03 49	2733 13 30	TOTAL (I, II, III, IV & V)	8659 03 68	5973 62 72
B. On sale of Assets	2157 44 57	2133 94 51	101112(1,111,111,111,111)		
Opening Balance Add: Additions	12 31 19	23 50 06	SCHEDULE - 3	AS AT	AS AT
Less: Deduction	0	0	DEPOSITS	31 March 2024	31 March 2023
TOTAL - B	2169 75 76	2157 44 57		(₹ in '00	00s)
C. Equity Revaluation Reserve AFS					
Opening Balance	0	0	A. I. DEMAND DEPOSITS	10 92 98	8 12 7
Add: Additions**	0	0	i) From Banks	22924 54 03	16675 44 49
TOTAL - C			ii) From Others TOTAL - I	22935 47 01	16683 57 23
D. Others	450.00	152 12 62	II. SAVINGS BANK DEPOSITS	102589 41 20	97442 80 13
Opening Balance	153 22 07	153 12 62 9 45	III. TERM DEPOSITS		
Add: Additions	2 31	0	i) From Banks	566 65 84	570 93 1
Less: Deduction TOTAL - D	153 24 38	153 22 07	ii) From Others	160029 94 11	146276 28 5
TOTAL - III (A,B,C,D)	5045 63 63	5063 82 00	TOTAL - III	160596 59 96	146847 21 7
IV. REVENUE & OTHER RESERVES	00 00 00			22.72.00	
A Other Revenue Reserves			TOTAL - A (I,II & III)	286121 48 17	260973 59 0
Opening Balance	3246 11 57	3199 35 83		and the second	11000011 2414
Add: Additions	44 96 04	43 22 60	B. I) Deposits of branches in India	278967 49 60	254324 09 5
Less: Deduction	0	0	II) Deposits of branches outside India	7153 98 58	6649 49 5 260973 59 0
TOTAL - A	3291 07 61	3242 58 44	TOTAL - B	286121 48 17	200973 39 0

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SCHEDULE - 4	AS AT	AS AT	SCHEDULE - 6	AS AT	AS AT	
BORROWINGS	31 March 2024	31 March 2023	CASH AND BALANCES WITH	31 March 2024	31 March 2023	
	(₹ in '	(000s)	RESERVE BANK OF INDIA		(₹ in '000s)	
I. BORROWINGS IN INDIA			I. Cash on hand (including Foreign	1263 92 73	1124 81 3	
Reserve Bank of India			currency notes & ATM cash)			
Other Banks	2118 67 50		II. Balances with Reserve Bank of India			
Other Institutions & Agencies	19121 97 00	15428 82 35	i) in Current Account	9095 13 31	12222 84 83	
Innovative Perpetual Debt Instruments (IPDI)			ii) in Other Accounts	6546 47 61	3802 25 8	
Hybrid Debt Capital Instruments issued as Bonds						
Subordinated Debt	2165 00 00	2465 00 00	TOTAL	16905 53 64	17149 91 94	
TOTAL (I)	23405 64 50	17893 82 35				
			SCHEDULE - 7	AS AT	AS AT	
			BALANCES WITH BANKS AND	31 March 2024	31 March 2023	
II. BORROWINGS OUTSIDE INDIA	6981 52 05	2909 94 83	MONEY AT CALL AND SHORT NOTICE	(₹ in 'C	000s)	
TOTAL (I & II)	30387 16 55	20803 77 19	I. In India			
_			i) Balances with banks			
III. Secured borrowings included in I & II above	21240 64 50	15428 82 35	a) In Current Accounts	8 84 40	15 15 17	
			b) In Other Deposit Accounts	236 89 25	1060 05 50	
			ii) Money at Call and Short Notice			
			a) With banks	0	0	
SCHEDULE - 5	AS AT	AS AT	b) With other institutions	0	0	
OTHER LIABILITIES & PROVISIONS	31 March 2024	31 March 2023	TOTAL - I	245 73 65	1075 20 67	
	(₹ in '	000s)	II. Outside India			
I. Bills Payable	811 73 08	818 79 34	a) In Current Accounts	790 68 07	475 12 12	
II. Inter Office Adjustments ( Net)			b) In Other Deposit Accounts	3 65 60	1732 53 68	
III. Interest Accrued	402 50 31	279 92 37	c) Money at Call and Short Notice	869 29 09	387 78 51	
IV. Others (including provisions)	6584 99 17	5685 94 72	And the state of t	700		
			TOTAL - II	1663 62 76	2595 44 31	
TOTAL	7799 22 56	6784 66 44	TOTAL (I & II)	1909 36 41	3670 64 98	

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SCHEDULE - 8	AS AT	AS AT	SCHEDULE - 9	AS AT	AS AT
INVESTMENTS	31 March 2024	31 March 2023	ADVANCES	31 March 2024	31 March 2023
	(₹ in '0	000s)		(₹ in '0	00s)
I. INVESTMENTS IN INDIA					
i) Government Securities	91652 13 70	86603 00 74	A. i) Bills Purchased & Discounted	8338 51 80	4569 89 01
ii) Other Approved Securities	99 45	98 95	ii) Cash Credits, Overdrafts and	77156 79 24	77364 66 07
iii) Shares	210 59 69	730 75 81	Loans repayable on demand		
iv) Debentures and Bonds	2542 94 34	2214 23 50	iii) Term Loans	127834 82 14	96133 12 97
v) Subsidiaries/ Joint Ventures	606 90 22	0			
vi) Other Investments	71 00 76	88 83 28	TOTAL	213330 13 18	178067 68 04
(Investments in Mutual Funds, Venture Capital Funds					
			B. i) Secured by Tangible Assets	145455 52 89	135665 37 83
			(includes advances against Book Debts)		
			ii) Covered by Bank/Government Guarantees	34358 84 19	11604 08 55
TOTAL - I	95084 58 15	89637 82 28	iii) Unsecured	33515 76 10	30798 21 66
II. INVESTMENTS OUTSIDE INDIA			TOTAL	213330 13 18	178067 68 04
i) Government Securities (including					
Local Authorities)	3867 01 90	3744 15 69			
ii) Other Approved Securities	5 66	0	C. I) Advances in India		
iii) Shares	0	45 85 91	i) Priority Sector	107640 07 65	91803 94 00
iv) Debentures and Bonds	127 13 90	178 57 21	ii) Public Sector	24336 39 57	24710 67 89
v) Subsidiaries/ Joint Ventures	0	0	iii) Banks	0	0
vi) Other Investments	115 11 92	36 10 94	iv) Others	64104 10 60	47319 44 89
TOTAL - II	4109 33 38	4004 69 75	TOTAL	196080 57 82	163834 06 79
TOTAL (I & II)	99193 91 53	93642 52 02	II) Advances Outside India		
			i) Due from Banks	0	0
Gross Investments in India	96166 77 00	91605 72 90	ii) Due from Others		
Less: Depreciation	1275 63 04	2091 26 56	a) Bills Purchased & Discounted	7339 42 88	6626 40 44
Less: Interest on Restructured Investments			b) Syndicated Loans	2743 70 69	2530 49 57
Net Investments	94891 13 96	89514 46 35	c) Others	7166 41 78	5076 71 24
Gross Investments Outside India	4312 13 64	4137 76 01			
Less: Depreciation	9 36 06	9 70 33	TOTAL	17249 55 36	14233 61 25
Net Investments	4302 77 57	4128 05 68			
TOTAL NET INVESTMENTS	99193 91 53	93642 52 02	TOTAL (C-I & C-II)	213330 13 18	178067 68 04

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SCHEDULE - 10	AS AT	AS AT	SCHEDULE - 11	AS AT	AS AT
FIXED ASSETS	31 March 2024	31 March 2023	OTHER ASSETS	31 March 2024	31 March 2023
	(₹ in '00	00s)		(₹ in '0	000s)
I. Premises			i) Inter Office Adjustments ( Net)	30 51 36	735 12 50
At cost / revalued as at beginning of the FY	4571 95 99	4491 30 77	ii) Interest Accrued	4153 89 68	3620 47 19
Additions during the year *	4 20 09	80 65 22	iii) Tax paid in advance (Net of Provisions)	5450 93 06	4523 00 1
SUB TOTAL	4576 16 08	4571 95 99	iv) Stationery & Stamps	2 51 92	3 94 0
Deductions during the year *	0		v) Non Banking Assets acquired in	224 27 48	210 01 5
	4576 16 08	4571 95 99	satisfaction of claims		
Depreciation to date	1378 83 55	1325 92 48	vi) Others (Include Deposits placed with NABARD)	6928 05 10	8104 00 2
TOTAL -I 3197 32 53 3246 03 51 TOTAL		TOTAL	16790 18 59	17196 55 7	
II. Capital work in progress	14 47 85	8 79			
			SCHEDULE - 12	AS AT	AS AT
TOTAL - II	14 47 85	8 79	CONTINGENT LIABILITIES	31 March 2024	31 March 2023
				(₹ in '0	00s)
III. Other Fixed Assets (including Furniture &					
Fixtures)					
At cost as at beginning of the FY	2717 09 80	2216 22 53	i) Claims against the Bank not acknowledged	4 87 95	4 79 19
Additions during the year	346 88 22	542 43 63	as debts		
SUB TOTAL	3063 98 03	2758 66 15	ii) Liability for partly paid investments	11 60	11 60
Deductions during the year	94 26 16	41 56 35	iii) Liability on account of outstanding forward	0	
	2969 71 86	2717 09 80	exchange contracts	165998 91 81	165634 95 19
Depreciation to date	2441 33 42	2252 48 23	iv) Guarantees given on behalf of constituents		
			a) In India	13137 86 75	11746 40 32
TOTAL - III	528 38 44	464 61 57	b) Outside India	157 78 69	371 76 19
	_		v) Acceptances, Endorsements &Other obligations	4557 27 59	5530 28 60
TOTAL (LILO III)	V.J. N. U.		vi) Other items for which the bank is contingently		
TOTAL (I, II & III)	3740 18 82	3710 73 87	liable	0	(
			a) Estimated amount of contracts remaining	100 99 50	52 46 12
			to be executed on capital accounts	0	. (
			b) Banks liability under currency swaps	0	0
			c) Interest rate swaps (USD)	0	0
Includes adjustment on account of conversion of figures relating	g to foreign branches at the rate of exch	ange at 31.03.2024	d) Interest rate swaps (INR)	0	0
			e) Bank's Liability under Currency Options	0	0
			f) Credit Default Swaps/FRAs/Receivable charges	0	C
			g) Amount in DEAF with RBI	2003 50 50	1822 20 80
			h) Disputed IT demands	9780 74 96	10968 40 67
			200		

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i) Others

TOTAL

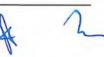




SCHEDULE - 13 INTEREST EARNED	Year Ended 31 March 2024	Year Ended 31 March 2023	SCHEDULE - 15 INTEREST EXPENDED	Year Ended 31 March 2024	Year Ended
INTEREST EARINED			INTEREST EXPENDED		31 March 2023
	(₹ in 'C	Juusj		(₹ in '0	00s)
i) Interest / discount on advances / bills	17576 70 83	13151 35 40	i) Interest on Deposits	12614 68 60	10536 45 21
ii) Income on investments	5951 69 85	5850 30 90	ii) Interest on Reserve Bank of India /	1611 87 55	609 80 40
iii) Interest on Balances with Reserve Bank			Inter-Bank Borrowings		
of India and Other Inter-Bank Funds	237 64 69	405 30 80	iii) Others	- 6 12	3 28
iv) Others	299 61 33				
TOTAL	24065 66 70	19406 97 10	TOTAL	14226 50 03	11146 28 90

SCHEDULE - 14	Year Ended	Year Ended	SCHEDULE - 16	Year Ended	Year Ended
OTHER INCOME	31 March 2024	31 March 2023	OPERATING EXPENSES	31 March 2024	31 March 2023
	(₹ in 'C			(₹ in '	
i) Commission, Exchange and Brokerage	1330 75 12	1221 00 41	i) Payments to and provisions for employees	6143 27 79	4102 36 60
ii) Profit/Loss on Sale of Investments	272 94 33	249 57 50	ii) Rent, Taxes and Lighting	528 71 82	493 23 94
iii) Profit/Loss on Revaluation of					
Investments	749 91 77	-314 03 46	iii) Printing and Stationery	32 87 88	24 68 66
iv) Profit on sale of land, Building &					
other Assets	2 21 43	1 58 38	iv) Advertisement and Publicity	5 10 10	1 42 49
v) Profit/Loss on exchange					
transactions	193 05 32	564 70 36	v) Depreciation on Bank's property	336 36 92	260 42 01
vi) Miscellaneous Income	3116 42 33	2393 61 55	vi) Directors' fees, allowances and expenses	1 15 40	90 73
TOTAL	5665 30 31	4116 44 74	vii) Auditors' fees and expenses	30 39 11	31 48 38
			(including Branch auditor's Fees and Expenses)		
			viii) Law charges	31 29 67	24 71 14
			ix) Postages, telegrams, telephones, etc.	61 32 40	67 53 72
			x) Repairs and Maintenance	42 83 04	27 20 20
			xi) Insurance	350 23 03	340 97 46
			xii) Other Expenditure	1166 95 88	1054 86 07
			TOTAL	8730 53 03	6429 81 39

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#### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

	Rs in '000s	Rs in '000s
	Year ended	Year ended
	31.03.2024	31.03.2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss)	26 65 66 02	21 03 98 96
Provision for taxes	7 57 08 35	2 49 45 56
Net Profit / (Loss) before Income Tax	34 22 74 38	23 53 44 52
Adjustments for :		
Amortisation of HTM Investments	45 27 60	48 32 25
Loss on Revaluation of Investments	-7 49 91 77	3 14 03 46
Depreciation on Fixed Assets	3 36 36 92	2 60 42 01
(Profit) / Loss on Sale of Assets	- 2 21 43	- 1 58 38
Provision for taxes	7 57 08 35	2 49 45 56
Provision for NPAs	27 15 67 13	29 32 97 61
Provision for Standard Assets	-1 12 22 29	-4 62 36 52
Depreciation on Investments (net of Provision for NPI)	6 37 00 59	3 43 49 00
Provision for Other Items	1 27 24 15	8 67 85 52
Interest on Tier II Bonds	2 27 69 10	2 11 61 10
	39 81 98 36	47 64 21 61
Adjustments for :		
Increase / (Decrease) in Deposits	251 47 89 13	-12 40 17 31
Increase / (Decrease) in Borrowings	98 83 39 36	175 33 13 53
Increase / (Decrease) in Other Liabilities & Provisions	17 22 34 87	-34 75 21 94
(Increase) / Decrease in Investments	-54 83 75 93	32 92 42 04
(Increase) / Decrease in Advances	-379 78 12 27	-367 47 09 96
(Increase) / Decrease in Other Assets	-4 75 34 39	4 50 05 14
	-71 83 59 22	-201 86 88 50
Direct Taxes (Net)	-5 83 00 00	-3 36 00 00
NET CASH FLOW GENERATED FROM /(USED IN) OPERATING ACTIVITIES (A)	-11 18 94 84	-136 54 67 92

	Rs in '000s	Rs in '000s
	Year ended	Year ended
	31.03.2024	31.03.2023
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / disposal of Fixed Assets	5 96 76	22 72 75
Purchase of Fixed Assets	-3 65 25 82	-5 82 36 40
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	-3 59 29 06	-5 59 63 65
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Tier I & Tier II Bonds / Other Borrowings	-3 00 00 00	-8 00 00 00
Issue of Basel III Tier II Bonds		10 00 00 00
Interest Paid on IOB Bonds	-2 27 69 10	-21 16 11 40
NET CASH GENERATED FROM/(USED IN) FROM FINANCING ACTIVITIES (C)	-5 27 69 10	-19 16 11 40
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) +(B) + (C)	-20 05 93 00	-161 30 42 98
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash & Balances with RBI	171 50 18 08	227 49 65 48
Balances with Banks & Money at Call	36 70 64 98	142 01 60 56
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash & Balances with RBI	169 05 53 65	171 50 18 08
Balances with Banks & Money at Call	19 09 36 41	36 70 64 98
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	-20 05 93 00	-161 30 42 98

This statement has been prepared in accordance with Indirect Method

The Previous year figures have been regrouped where ever necessary to confirm with the current year presentation and as per

VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

DHANARAJT EXECUTIVE DIRECTOR

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

JOYDEEP DUTTA ROY EXECUTIVE DIRECTOR

SRINIVASAN SRIDHAR CHAIRMAN

Muylo SONALI SEN GUPTA

B CHANDRA REDDY

SANJAYA RASTOGI

S N KAPUR & ASSOCIAT FRN 001545¢

(AVICHAL SN. KAPU

Partner M No: 400460

TEJ RAJ & PAL FRN 304124E

(B. GANGARAJU)

Partner M No: 007605 R.DEVENDRA KUMAR & ASSOCIATES

FRN 114207W

(NEERAJ GOLAS)

Partner M No : 074392

LAXMI TRIPTI & ASSOCIATES

FRN,009189C

(ABHAY PALIWAL)

Partner M No: 435511

CHARTERED ACCOUNTANTS

CHENNAI 09.05.2024

DIRECTORS



## **SCHEDULE 17**

## SIGNIFICANT ACCOUNTING POLICIES OF THE BANK-CONSOLIDATED

#### Basis of Preparation

- 1.1 The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.
- 1.2 The consolidated financial statements comprise the financial statements of the Bank and its Joint Ventures and Associates as at and for the year ended 31 March, 2024. The Consolidated Financial Statements have been prepared on the basis of:
- a. Audited financial statements of Indian Overseas Bank (Parent).
- b. Consolidation of Joint Ventures 'Proportionate Consolidation' as per AS 27
   "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.
- c. Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.

### Use of Estimates

1.3 The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

## 2. Revenue Recognition and Expense Accounting

2.1 Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning).

NCLT admitted accounts shall be treated as suit filed accounts and the appropriation of recovery in these NCLT accounts whether it is from the process initiated against the corporate debtor or guarantors shall be done as in suit filed accounts.

Recovery is in the form of debentures/equity/other debt or equity or quasi equity instruments etc. in the NCLT approved resolution plan amount as cash recovery and to appropriate the same as is done in suit filed accounts i.e. towards principal and thereafter towards interest.

- 2.2 Interest on bills purchased/Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- 2.3 Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.
- 2.4 Expenditure is accounted for on accrual basis, unless otherwise stated.
- 2.5 In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI guidelines.
- 2.6 Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss Account. Such amount when recovered is treated as income.
- 2.7 In respect of foreign branches, Income and Expenditure are recognized/accounted for as per local laws of the respective countries.

## 3. Foreign Currency Transactions

- 3.1 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 3.2 Transactions in respect of Treasury (Foreign):

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- a) Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
- b) Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each quarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
- c) The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/"Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.
- d) Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.
- 3.3 Translation in respect of overseas branches:
  - a) As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
  - b) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - c) Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - d) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

### 4. Investments

- 4.1 Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz.,
  - a) Government Securities
  - b) Other Approved securities including those issued by local bodies,
  - c) Shares,
  - e) Bonds & Debentures,
  - f) Subsidiaries / Joint Ventures and
  - g) Units of Mutual Funds and Others.
- 4.2 Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- 4.3 Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
- 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

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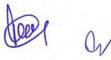
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Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored except for the depreciation on Non Performing Investments, which is not netted off against appreciation available in the basket. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

- 4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.
- Investments are subject to appropriate provisioning / de -recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based on the difference between the holding cost and the face value i.e. discount income.
- Repo / Reverse Repo transactions are accounted as per RBI guidelines.
- Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.
- All the investments are held by adopting the Weighted Average Pricing Method

- 4.10 All the investments are held in the book on settlement date basis only
- Dividend income on investments is accounted on cash basis
- 4.12 Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments
- 4.13 Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14 An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI)
- 4.15 As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/ 21.04.0489/ 2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following: -

- a) Net Profit on sale of investments during the year or
- b) Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the HFT and AFS Portfolio, on a continuing basis.

#### 5. Advances

Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.

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- 5.2 Advances are stated net of provisions, except general provisions for standard advances.
- 5.3 For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators

#### 6. Derivatives

- 6.1 The Bank enters into Derivative Contracts in order to hedge interest bearing assets/liabilities, and for trading purposes.
- In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assets/liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is designated with an asset/liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/liability.
- 6.3 Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

## 7. Fixed Assets (Property, Plant and Equipment)

- 7.1 Fixed Assets, except revalued premises, are stated at historical cost.
- 7.2 Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

Premises	2.50%
Furniture	10%
Electrical Installations, Vehicles & Office Equipments	20%
Computers	33 1/3 %
Fire Extinguishers	100%
Computer Software	33 1/3%

Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- 7.3 Depreciation is provided for the full year irrespective of the date of acquisition / revaluation.
- 7.4 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 7.5 In respect of leasehold properties, premium is amortized over the period of lease.
- 7.6 Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

#### 8. Staff Benefits

- 8.1 Contribution to Provident Fund and National Pension System is charged to Profit and Loss Account.
- 8.2 Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Funds. Provision for encashment of accumulated leave payable on retirement is made based on actuarial valuation at the year-end.
- 8.3 In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 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

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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 comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

### 10. Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

## Impairment of Assets

The bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

## 12. Segment Reporting

The Bank recognizes 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.

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# 13. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

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### Schedule 18

#### NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS 2023-24

1. The Consolidated Financial Statements comprise the financial statements of Indian Overseas Bank (The Bank) and the following Associate and Joint Venture of the Bank:

S.No	Name of the Company	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank	Associate	India	35%
2	India International Bank (Malaysia) Berhad (as on 31.12.2023)	Joint Venture	Malaysia	35%

- 1.1. The Bank is holding 18.06% in Universal Sompo General Insurance Company Ltd. Since the shareholding in the Company is less than 25%, the same has not been considered as Joint Venture for preparation of Consolidated Financial Statements as per extant RBI guidelines.
- 1.2. The consolidated financial statements include the interest in JV which has been accounted in proportionate consolidation method as per AS 27 (Financial Reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of Rs.15.86 Crore in JV representing FCTR is reported under reserves and surplus, this represents the translation difference.
- 1.3. In respect of investment in Associate, which has been accounted under equity method as per AS 23 (Accounting for investment in Associates), the carrying amount of investment in equity shares of Rs.60,6.90 Crore is adjusted against IOB's share of net assets of Rs.214.05 Lakhs and the balance of Rs.392.07 Crore is adjusted against balance in Reserves and Surplus to recognize the decline in the value.

## 2. Financial Statements of Associates / Joint Venture:

a. The audited financial statements of the Associate have been drawn up to the same reporting date as that of the Bank i.e. 31.03.2024 and in case of JV viz: India International Bank (Malaysia) Bhd. (IIBMB), which have been drawn up to 31.12.2023. As certified by the Management, there are no significant transactions or other events during the period from 01.01.2024 to 31.03.2024 requiring adjustment therein.

The disclosures in respect of Joint venture is given to the extent details available with the management. In the case of non-availability of such details, the management is of the view that the details would not materially impact disclosures under the consolidated financial statements.

b. The investment in Associate, which has been accounted under equity method as per AS 23 (Accounting for investment in Associates), the carrying amount of

investment in equity share of Rs 606.90 crore is adjusted against IOB 's share of net assets of Rs 209.06 crore and the balance of Rs 392.07 Crore is adjusted against the balance in Reserves and Surplus to recognize the decline in the value.

- C. The consolidated financial statement includes the interest in JV which has been accounted in proportionate consolidated method as per AS 27 (Financial Reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of Rs 23.37 Crore in JV representing FCTR is reported under reserves and surplus, this represents the translation difference.
- d. The amount of IOB's share in contingent liability of Associate/JV has been removed since it is not the liability of IOB.

#### 3. Inter Branch Reconciliation/internal office accounts

Reconciliation of Inter Branch transactions and internal/office accounts is under progress at different stages at the branches and/or Central Office Departments. Steps are being taken to eliminate the outstanding entries as at the earliest. The necessary accounting adjustments if any required shall be carried out on the completion of such process. The Management however does not anticipate any material consequential effect of pending reconciliation and elimination of outstanding entries.

## 4. Capital and Reserves

- During the Financial Year 2023-24, Bank has not issued Basel III Tier II Bonds. For the Financial year 2022-23, Bank has issued Basel III Tier II Bonds Rs. 1000 Crore through private placement subscribed by Qualified Institutional Buyers (QIBs).
- During the financial year 2023-24, Bank has not raised any equity capital. The paidup capital of the Bank stands at Rs. 18,902.41 Crores as on March 31st, 2024. The Government of India shareholding stands at 96.38% as on March 31st, 2024.

### a) Composition of Regulatory Capital

MINOUIII III No. CIOIC	(	Amoun	t in	Rs.	crore
------------------------	---	-------	------	-----	-------

	(Amount in Ks. crole)				
Sr. No.	Particulars	2023-24	2022-23		
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves® (net of deductions, if any)	20839.72	16736.13		
ii)	Additional Tier 1 capital*/ Other Tier 1 capital®	0.00	0.00		
iii)	Tier 1 capital (i + ii)	20839.72	16736.13		
iv)	Tier 2 capital	4034.78	4188.83		
v)	Total capital (Tier 1+Tier 2)	24874.50	20924.96		
vi)	Total Risk Weighted Assets (RWAs)	143979.05	129980.80		
∨ii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid- up share capital and reserves as perc/entage of	14/47%	12.88%		



	RWAs@		
∨iii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	14.47%	12.88%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.80%	3.22%
×)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.28%	16.10%
xi)	Leverage Ratio	5.66%	5.14%
	Percentage of the shareholding of		
xii)	a) Government of India	96.38%	96.38%
	b) State Government (specify name)\$	N.A	N.A
	c) Sponsor Bank\$	N.A	N.A
xiii)	Amount of paid-up equity capital raised during the year	Nil	Nil
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	Nil
xv)	Amount of Tier 2 capital raised during the year, of which Basel III Tier II Bonds	NII	1000.00

<sup>\$</sup> Percentage of shareholding of State Government and Sponsor Bank is applicable only for RRBs.

### **Provisions and contingencies**

(Amounts in Rs. crore)

Particulars	2023-24	2022-23
Provisions for depreciation on Investment / Written back	(0.49)	1.35
Provision towards NPA	2706.49	2857.74
Provision towards Standard Assets	(112.22)	(462.45)
Provision for Restructured accounts	(7.37)	(12.85)
Provision made towards Income Tax (including Deferred Tax)	756.92	249.46
Other Provision and Contingencies	764.71	1210.12
Total	4108.14	3843.38

#### 5. Investment Fluctuation Reserve

As per Reserve Bank of India circular number RBI/2017-18/147 DBR. No. BP BC .102/ 21.04.048/2017-18 dated April 2, 2018, from the year 2018-2019, an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to IFR is to be the lower of the following –

- a. Net profit on sale of Investments during the year or
- b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

During the year ended on March 31st 2024 an amount of ₹NIL (Previous year ₹ 390.00 crores ) has been transferred to IFR.



#### 6. Taxes

- 6.1 In the opinion of management provisions under section 115 JB (Minimum Alternate Tax ) of the Income Tax Act ,1961 are not applicable to the Bank. Therefore bank has not provided any amount towards provision for Income tax.
- Tax paid in advance (Net of provisions) is under reconciliation. This is on account of amounts pending assessment/under appeal/ tax paid under dispute. [Refer Schedule 11(iii)].
- Taking into consideration the decisions of Appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs.8450.79 Crore (previous year Rs. 9081.37 Crore), Service Tax aggregating to Rs. 238.42 Crore (previous year Rs 220.52 crore) and Goods and Service Tax aggregating to Rs.1071.78 Crore (Previous year Rs.1648.68 Crs).
- Tax expense for the year amounting to Rs.756.91 crore includes Current Tax expense of Rs. 22.67 crore and Deferred Tax expense of Rs.734.24 crore - refer note no.18.8.
- The Bank has a carried balance of Net Deferred Tax Assets up to March 31,2024 aggregating to ₹ 5299.94 crore which was recognized in earlier periods and on estimated basis bank has reversed deferred tax asset amounting to ₹ 384.24 crores for the guarter (31.03.2024) and ₹ 734.24 crore for the year ended 31.03.2024.
- 6.6 Amount of provision made for Income Tax during the year:

(Rs. in Crores)

Particulars	2023-24	2022-23
Provision for Income Tax	22.67	20.60
Provision for Deferred Tax	734.24	228.85
Net Provision	756.91	249.45





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### 8. Letters of Comfort (LoC)

Banks should disclose the full particulars of all the letters of comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the "Notes to Accounts"

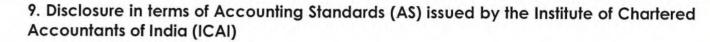
Particulars	FY 2023-24	
Letters of Comfort issued during the year	-	NIL
Letters of Comfort outstanding as on 31.3.2024	-	3
Assessed Financial impact	_	NIL
Cumulative Assessed Financial Obligation	1-7	NIL

Cumulative position of LOC's outstanding as on March 31,2024:

 During the year 2009-10, the Bank has issued a Letter of Comfort (LoC) undertaking to maintain a minimum CRAR of 12% in respect of Bangkok branch and to arrange to convert retained earnings to capital funds and/or infuse further capital in order to restore the CRAR to a minimum of 12%, subject to approval from Reserve Bank of India. The assigned capital of Bangkok Branch stands at THB 2199 Mio(25.97%) as on March 31st 2024.

In the worst case scenario of the entire textile exposure of the branch becoming NPA. We may have to make additional provision to the extent of THB 92.854 Mio being unsecured portion of standard textile advances. If this contingency arises, there would be no additional capital to be remitted as existing reserves are adequate to cover the unsecured amount.

During the year 2010-11 has issued a letter of Comfort favoring Bank Negara Malaysia. The Bank in association with other Joint Venture partners will provide support to India International Bank (Malaysia) Berhad in funding, business and other matters as and when required and ensure that it complies with the requirements of the Malaysian laws, regulations and policies in the conduct of its business operations and management. The financial impact of the letter of Comport issued to bank Negara Malaysia is to the tune of our share of 35% of the paid-up capital of MYR 330 Mio i.e., MYR 115.500 Mio. Based on the host country regulator's guidelines, Bank has issued letter of Comfort favoring CBSL at its meeting held on 12.09.2019 for meeting all obligations and liabilities arising out of business carried on by IOB Srilanka Branch.



# 9.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared following the same accounting policies and practices as those followed for the year ended March 31, 2022.

## 9.2 Accounting Standard 9 – Revenue Recognition

Revenue has been recognized as described in item No. 2 of Significant Accounting Policies – Schedule 17.

## 9.3. Accounting Standard 15 – Employee Benefits (Parent Bank)

The Bank had adopted Accounting Standard 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India.

## 1. Short-Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

## 2. Long-Term Employee Benefits:

The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:-

## I. Defined Benefit Plans (Pension and Gratuity)

## (a) Changes in the present value of the obligations:

			(Rs. In	Crores)
Particulars	PENSIO (Funde		GRATU (Funde	
	2024	2023	2024	2023
Present Value of obligation as at the beginning of the year	11314.24	10363.22	1302.17	1200.55
Add: Acquisition Adjustment	-	-	-	
Add: Interest Cost	776.97	735.23	94.94	85.31
Add: Past Service Cost	-	-	-	_
Add: Current Service Cost	332.67	279.52	§8.82	78.70
Less; Benefits Paid	(1135.44)	(1067.96)	(92.59)	(120.21)

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Add: Actuarial loss/(gain) on Obligations	2177.19	1004.24	101.03	57.83
Present Value of Obligation at year end	13465.63	11314.25	1494.38	1302.17

## (b) Change in Fair Value of Plan Asset:

IDs In Crores

			(Rs. In	Crores)
	PENSION (F	unded)	GRATUITY (Funded)	
Particulars	2024	2023	2024	2023
Fair Value of Plan Assets at the beginning of the year	11314.25	10363.23	1326.82	1225.20
Add: Acquisition Adjustment	-	-	-	
Add: Expected return on Plan Assets	896.50	782.28	101.62	91.81
Add: Employer's contribution	2348.23	1202.74	127.30	124.65
Less: Benefit Paid	(1135.44)	(1067.96)	(92.59)	(120.21)
Add: Actuarial gain/(loss) on Obligations	42.09	33.96	31.23	5.37
Fair Value of Plan Asset at the end of the year	13465.63	11314.25	1494.38	1326.82
Unfunded Transitional Liability				

c) Amount recognized in Balance Sheet:

IDs In Crorest

(Rs. In Crores)					
Particulars	Particulars PENSION (Funded)		GRATUITY (Funded)		
	2024	2023	2024	2023	
i) Present value of obligations as at the end of the year	13465.63	11569.76	1494.38	1302.17	
ii) Fair value of Plan Assets as at the end of the year	13465.63	11314.25	1494.38	1326.82	
iii) Difference	0.00	255.51	0.00	(24.65)	
iii) Unfunded Net Liability recognized in Balance Sheet	*(0.00)	*(255.51)	0.00	0.00	
iv) Funded Net Assets to be recognized in Balance Sheet	0.00	0.00	0.00	24.65	

<sup>\*</sup> In accordance the RBI circular; RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated 4th October 2021, the Bank had opted to amortize additional liability on account of revision in family pension for employees as per IBA Joint Note dated November 11, 2020 over a period of not exceeding 5 (five) years, beginning with financial year 2021-22, subject to a minimum of 1/5th of the total amount being expensed every year and has been carrying amortized portion amounting to ₹255,51,49,935.00 as at March 31,2023. During the year, the Bank has charged entire carried forward amount to the Profit & Loss Account and the carried forward amount now is ₹NIL.

## (d) Expenses Recognized in Profit & Loss:

(Rs. in Crores)

			11/3.111	Citics
Particulars	PENSION (	Funded)	inded) GRATUITY (Funded)	
	2024	2024	2024	2023
i) Current Service Cost	332.67	279.52	88.82	78.70
ii) Past Service Cost	-	-	-	
iii) Interest Cost	776.97	735.23	94.94	85.31
iv) Expected return on Plan Asset	(896.50)	(782.28)	(101.62)	(91.81)
v) Net Actuarial (Gain)/Loss recognized in the year	2135.09	970.28	69.80	52.46
vi) Transitional liability recognized in the year	0.00	0.00	0.00	0.00
Expenses Recognized in P&L (i+ii+iii+iv+v+vi)	2348.24	1202.74	151.95	124.65

## (e) Investment percentage maintained by Pension & Gratuity Trust:

(Figures in %)

			(1190163	111 /0)
	Pension 1	rust	t Gratuity Tru	
Particulars	2024	2023	2024	2023
a)Debt instruments/Central Govt Securities	4.09	3.41	9.13	8.67
b)State Govt Securities	3.89	2.58	11.97	17.32
c)Investments in PSU/ PFI/ Corporate bonds	6.91	4.50	13.57	12.75
d) Equity Investments	0.77	0.68	1.29	2.31
e) Other Investments	84.34	88.83	64.04	58.95
Total	100.00	100.00	100.00	100.00

## (f) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):

Particulars	PENSION (Funded)			TUITY ded)
	2024	2023	2024	2023
Discount Rate	7.23%	7.48%	7.23%	7.56%
Expected Rate of Salary increase	5.00%	5.00%	5.00%	5.00%
Attrition Rate	1.00%	1.00%	3.00%	3.00%
Pension Increase	4.00%	4.00%	-	-
Expected rate of return on Plan Assets	7.50%	7.50%	7.56%	7.48%
Mortality	2012-14	2012-14	2012-14 Ultimate	2012-14 Ulţimate

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	Modified Ultimate	Modified Ultimate	
Method used	Projected unit Credit		Projected unit Credit

## (g) Five year's disclosure for Pension

## i) Surplus/ Deficit in the plan

	Amount recognized in the Balance Sheet	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on March 31, 2024
i.	Present value of obligations as at the end of the year	9108.28	9856.98	10703.91	11569.76	13465.63
ii.	Fair value of Plan Assets as at the end of the year	9108.28	9856.98	10363.23	11314.25	13465.63
iii.	Difference (ii-i)	0.00	0.000	(340.68)	(255.51)	0.00
iv.	Unrecognised Past Service Cost	0.00	0.00	0.00	0.00	0.00
٧.	Unrecognised Transition Liability	-	-	-	-	
vi.	Amount Recognized in the Balance Sheet (iii- iv-v)	0.00	0.000	(340.68)	(255.51)	0.00

## h) Five year's disclosure for Gratuity

## i) Surplus/ Deficit in the plan

	Amount recognized in the Balance Sheet	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022	As on March 31, 2023	As on March 31, 2024
vii.	Present value of obligations as at the end of the year	1018.68	913.11	1200.55	1302.17	1494.38
viii	Fair value of Plan Assets as at the end of the year	1400.86	1295.29	1225.20	1326.82	1494.38
ix.	Difference (ii-i)	382.18	382.18	24.65	24.65	0.00
х.	Unrecognised Past Service Cost	0.00	0.00	0.00	0.00	0.00

xi.	Unrecognized Transition Liability	-	-	-		-
xii.	Amount Recognized in the Balance Sheet (iii- iv-v)	382.18	382.18	24.65	24.65	0.00

(i) The financial assumptions considered for the calculations are as under:-

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated 31.03.2024).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs. 93.40 crores.

## II) Defined Contribution Plan:

The Bank has a Defined Contribution Pension Scheme (DCPS) applicable to all categories of officers and employees joining the Bank on or after 1st April 2010. The Scheme is managed by NPS Trust under the aegis of the Pension Fund Regulatory and Development Authority. National Securities Depository Limited has been appointed as the Central Record Keeping Agency for the NPS. During FY 2023-24, the Bank has contributed Rs.165.26 Crore (Previous Year Rs.145.51 Crore).

## III) Long Term Employee Benefits (Unfunded Obligation):

Retired Leave Encashment Benefit

# a) Reconciliation of opening and closing balance of liability

IRs In Crorest

	RS.	in Crores)		
Particulars	LEAVE ENCASHMENT (Un Funded)			
	2024	2023		
Present value of obligations as at the beginning of the year	576.27	516.13		
Add: Interest Cost	41.78	36.33		
Add: Past Service Cost	-	-		
Add: Current Service Cost	74.24	56.88		
Less; Benefits Paid	(47.11)	(60.75)		
Add: Actuarial loss/(gain) on Obligations	106.97/	27.68		
Closing Defined Benefit Obligation	752.15	576.27		

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(b) Amount recognized in the Profit & Loss Account

(Rs. In Crores)

	113. 111 010103				
	LEAVE ENCASHMENT (Un Funded)				
Particulars	2024	2023			
i) Current Service Cost	74.24	56.88			
ii) Past Service Cost	-				
iii) Interest Cost	41.78	36.33			
iv) Expected return on Plan Asset	0.00	0.00			
v) Net Actuarial (Gain)/Loss recognized in the year	106.97	27.68			
Expenses Recognized in P&L	223.00	120.89			

(c) Reconciliation of opening and closing liability/(assets) recognized in the Balance Sheet

(Rs. In Crores)

	[1/3. 111 010103]				
Particulars	LEAVE ENCASHMENT (Un Funded)				
	2024	2023			
i) Opening Defined Benefit Obligation	576.26	516.13			
ii) Net Acquisition Cost	-	-			
iii) Expenses Recognized in P&L	223.00	120.89			
iv) Benefits paid	(47.11)	(60.75)			
v) Net Liability Recognized in the Balance Sheet	752.15	576.27			
Add: Actuarial loss/(gain) on Obligations	106.97	27.68			
Closing Defined Benefit Obligation	752.15	576.26			

## (d) Principal Actuarial Assumptions [Expressed as Weighted Average]

Particulars	ENCASHMENT (Un Funded)			
	2024	2023		
Discount Rate	7.23%	7.56%		
Expected Rate of Salary increase	5.00%	5.00%		
Attrition Rate	3.00%	3.00%		
Mortality	2012-14 Ultimate	2012-14 Ultimate		
Method used		ojected Unit Credit		

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market. Such estimates are very long-term and are not based on limited past experience/immediate future. Empirical

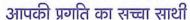
evidence also suggests that in very long-term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors.

In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

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## 9.4 Accounting Standard 17 – Segment Reporting on the Consolidated Financials

The Bank has adopted Reserve Bank of India's revised guidelines issued in April 2007 on Segment Reporting in terms of which the reportable segments have been divided into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

## Part A: Business Segments

(Rs. In Crores)

Business Segments	Treasu	Jry	Corporate / Wholesale Banking		Retail Ba	Retail Banking		Other Banking Operations		(RS. III Crores)
Particulars	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2023-24	2023-24	2022-23
Revenue	7275.89	6678.73	9631.31	6646.45	11838.91	9619.76	682.60	576.90	29428.71	23 521.84
Result	546.89	891.90	1365.05	742.46	4 124.77	3 909.84	426.46	401.60	6463.17	5 945.80
Unallocated Income				THE WAY			H 15 15 15 15 15 15 15 15 15 15 15 15 15	401.00	301.82	1.58
Unallocated Expenses									301.35	1.51
Operating Profit/Loss				In Parties		Tarrena Milia			6773.90	5947.31
Income Taxes		K 2500 P447							757.08	
Provisions & Contingencies					3.55				3351.19	249.34
Extraordinary profit / loss										3593.99
Net Profit									0.00 2 655.63	2103.98
Segment Assets	107330.71	102915.78	114382.96	98471.30	119316.38	101371.87	85.46	131.15	3 41 115.51	302890.10
Unallocated Assets									10 753.81	10 559.80
Total assets									351869.32	313449.90
Segment Liabilities	97939.96	102210.89	110441.19	91562.64	115594.36	94 590.37	272.64	151.16	3 24 248.15	2 88 515.06
Unallocated Liabilities									59.72	58.81
Total Liabilities									3 24 307.87	2 88 573.87

Note No.1 – The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs.102915.78 crores regarding Treasury Operations (Assets) of Standalone has been retained in the Consolidated Segment Result.

Note No.2 – The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs. 102210.89 crores regarding Treasury Operations (Liabilities) of Standalone has been retained in the Consolidated Segment Result.

# \*Figures for FY 2022-23 are based on Standalone financial figures.

## 9.5 Accounting Standard 18 – Related Party Disclosures

The details are as follows:

- (A) Name of the Related Parties and their relationship:
  - (a) Associates Regional Rural Bank: Odisha Gramya Bank
  - (b) Joint Venture: India International Bank (Malaysia) Berhad Ltd.
  - (c) Key Management Personnel:
    - (i) Shri Ajay Kumar Srivastava, Managing Director and CEO (w.e.f 01.01.2023)
    - (ii) Shri Partha Pratim Sengupta, Managing Director and CEO (upto 31.12.2022)
    - (iii) Shri Ajay Kumar Srivastava, Executive Director (upto 31.12.2022)
    - (iv) Smt. S Srimathy, Executive Director
    - (v) Shri Sanjay Vinayak Mudaliar, Executive Director (w.e.f 01.01.2023)
  - B) Transaction with Related parties:

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# Details of Salary and Performance Incentive paid to Whole Time Directors during the year 2023-24 and 2022-23: (Amount in Rs.)

NAME OF THE WHOLE TIME DIRECTOR	REMUNERATION * (2023-24)	REMUNERATION * (2022-23)
Shri Ajay Kumar Srivastava (MD & CEO)		
01.04.2023 to 30.09.2023	19,27,968.00	19,64,990.00
01.10.2023 to 31.03.2024	21,52,164.00	24,48,576.00
Total	40,80,132.00	44,13,566.00
Ms S Srimathy (ED)		
01.04.2023 to 30.09.2023	20,11,500.00	15,91,533.00
01.10.2023 to 31.03.2024	18,45,530.33	23,13,187.09
Total	38,57,030.33	39,04,720.09
Shri Sanjay Vinayak Mudaliar (ED)		
01.04.2023 to 31.03.2023	19,60,866.67	NA
01.10.2023 to 30.01.2024	12,20,843.22	10,58,964.00
Total	31,81,709.89	10,58,964.00
Shri Joydeep Dutta Roy		
31.01.2024 to 31.03.2024	7,47,253.16	
Total	7,47,253.16	NA
Shri Dhanaraj T		
10.03.2024 to 31.03.2024	2,53,295.23	
Total	2,53,295.23	NA

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Items/Related Party	Parent (as per ownership or	Subsidiaries	Associates/ J	oint ventures	Key Manager	ment Personnel ®	Relatives of Key t Personnel ® Management Personnel		Relatives of Key		in Rs. Crores
	control)		Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstandin g at the year end	Maximum during the year	
Borrowings	N.A.	N.A.	0.00	187.38	0.00	0.00	0.00	0.00	0.00	187.38	
Deposits	N.A.	N.A.	772.24	772.24	2.25	2.38	0.74	0.75	775.23	775.37	
Placement of deposits	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Advances	N.A.	N.A.	0.00	0.00	0.61	0.63	0.00	0.21	0.61	0.84	
Investments	N.A.	N.A.	193.44	193.44	0.00	0.00	0.00	0.00	193.44	193.44	
Non-funded commitments	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Leasing/HP arrangements availed	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Leasing/HP arrangements provided	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Purchase of fixed assets	N.A.	N.A.	C	0.00	0.00 0.00		00	0.00			
Sale of fixed assets	N.A.	N.A.		0.00		0.00	0.0		0.00		
Interest paid	N.A.	N.A.		2.82		0.03					
Interest received	N.A.	N.A.				0.00			2.85		
Rendering of services*	N.A.	N.A.				0.00			48.59		
Receiving of services*	N.A.	N.A.		0.00		0.00			0.00		
Management contracts*	N.A.	N.A.		0.00		0.00	0.0		0.00		

N.A. (Not Applicable)

# 9.6 Accounting Standard 20 – Earnings per Share

Particulars	2023-24	2022-23
Net Profit after Tax available for Equity Shareholders (Rs. in Crores)	2655.61	2098.78
Weighted Average Number of Equity Shares	18,90,24,12,256	18,90,24,12,25
		6
Basic & Diluted Earnings Per Share (in Rs)	1.40	0.34
Nominal value per Equity Share (in Rs)	10.00	10.00

<sup>#</sup> The outstanding at the year end and the maximum during the year are to be disclosed.

\* Contract services etc. and not services like remittance facilities, locker facilities etc.



## 9.7 Accounting Standard 22: Accounting for Taxes on Income

(Rs. in Crores)

Davidia olava	31.03.2	024	31.03.2023		
Particulars	DTA	DTL	DTA	DTL	
Provision for Employee Benefits	1021.64		202.90		
Provision for Frauds	68.98		190.97		
Provision for Other Assets	126.41		28.79		
Provision for Restructured Advances	11.01		13.59		
Reserve for Severance Pay	1.10		0.93		
Provision for NPA	1861.70		3 675.34		
Foreign Currency Translation Reserve	348.27		337.42		
Others	1860.83		1583.89		
Total	5299.94		6033.83		
Net DTA	5299.94		6033.83		

#### 9.8 AS 24 - Discontinuing Operations

This Standard establishes principles for reporting information about discontinuing operations. Merger/ closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank. Disclosures shall be required under the Standard only when: (i) discontinuing of the operation has resulted in shedding of liability and realisation of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalised by the bank and (ii) the discontinued operation is substantial in its entirety.

## 9.9 Accounting Standard 26 – Intangible Assets

The software acquired for core banking system is treated as intangible asset and amortized over a period of 3 years.

#### 9.10 Accounting Standard 28 – Impairment of Assets

Fixed Assets owned by the Bank are treated as 'Corporate Assets' and are not 'Cash Generating Units' as defined by AS-28 issued by ICAI. In the opinion of the Management, there is no impairment of any of the Fixed Assets of the Bank.

# 9.11 Accounting Standard 29 – Provision for Contingent Liabilities and Contingent Assets:

SI No	Particulars	Brief Description
Claims against The bank not acknowledged as debts		The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material advise effect on the Banks financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending

2	Liability on partly paid-up investments /venture funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.				
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchanges in its normal course of business to exchange currencies at a prefixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent liabilities. with respect to the transactions entered into with its customers, the Bank generally enters into off setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.				
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credits and guarantees on behalf on its customer. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurance that the bank will make payment in the event of the customer failing to fulfil its financial or performance obligations				
5	Other items for which the Bank is contingently liable	The banks enter into currency options, forward rate agreements, currency swaps and interest rate swaps with inter bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the bank on behalf of associates & subsidiaries, banks liability under Depositors Education and Awareness Fund a/c and other sundry contingent liabilities.				

10. There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

## 11. Comparative Figures

Previous year's figures have been regrouped / rearranged / reclassified wherever necessary.

S N NANDA & CO.

Chartered Accountants

S N KAPUR & ASSOCIATES
Chartered Accountants

YOGANANDH & RAM LLP
Chartered Accountants

NANDY HALDER & GANGULI Chartered Accountants

### **INDEPENDENT AUDITORS' REPORT**

To the Members of Indian Overseas Bank

Report on the Audit of the Standalone Financial Statements

#### Opinion

- 1. We have audited the accompanying standalone financial statements of Indian Overseas Bank ("the Bank"), which comprise the Balance Sheet as at 31st March 2023, the Profit and Loss account and the Statement of Cash Flows for the year then ended and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Central Office.
  - (i) 20 branches audited by us and
  - (ii) 838 branches including 2 Regional Offices, audited by the Statutory Branch Auditors.
  - (iii) 4 foreign branches audited by 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 incorporated in the Balance Sheet, the Profit and Loss account and Statement of Cash Flows are the returns from 2418 branches (Including 47 Regional Offices) which have not been subjected to audit. These unaudited branches account for 26.38% of advances, 55.00% of deposits, 60.79% of interest income and 64.92% 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 statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:









- (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March, 2023;
- (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and
- (iii) the Cash Flow Statement gives a true and fair view of the Cash Flows for the year ended on that date.

#### **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 Standalone Financial Statements 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 ethical requirements that are relevant to our audit of the Standalone financial statements prepared in accordance with the Accounting Principles generally accepted in India including the Accounting Standards issued by the ICAI, and provisions of section 29 of Banking Regulation Act, 1949 and circular and guidelines issued by the Reserve Bank of India ("RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

- 3. We draw attention to following notes in Schedule 18 of Standalone Financial Statements:
  - i. Note No. 7.2 regarding Tax paid in Advance (Net of provision) where amounts pending assessment, appeals and under dispute are under reconciliation.









- ii. Note No. 7.3 relating non providing of any additional provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.
- iii. Note No. 14 (h) (1) of the statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 425.86 Crores. The Bank has charged an amount of Rs.85.17 crores to the profit and loss account for the year ended 31st March 2023 and the balance unamortized expense of Rs. 255.52 crore has been carried forward in terms of RBI Circular No.RBI/2021-22/105 DOR.ACC. REC.57/ 21.04.018/ 2021-22 dated October 4, 2021.
- iv. Note No.17 to the statement which explains that the extent to which the Covid-19 pandemic's impact on the bank's operation will depend on future developments, which are highly uncertain.

Our Opinion is not modified in respect of the above matters.

#### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our Report.

Sr. No	Key Audit Matter			Auditor's Response				
1	Income Recognition, Asset Classification & Provisioning relating to Advances			Principal Audit Procedures				
	Advances constitute Bank's total assets.	50.09% of	the	Our of	audit the	approac design	h consi and	isted testing operating









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The recognition of income on accrual basis in respect of advances extended by the Bank, Classification of advances into Performing and Non performing and provisioning thereof are in accordance with the extant prudential norms on Income Recognition and Asset Classification and provisioning (IRAC) norms and other circulars and directives issued by Reserve bank of India from time to time (Refer 2.1 of Schedule 17, read with Note 2 of Schedule 18 to the financial statements).

Taking into consideration the nature of transactions, compliance with the Reserve Bank of India guidelines, issues involved in the valuation of securities etc., in our opinion classification of Advances into performing and non performing, recognition of income in respect of such advances and also provisioning relating to Performing/Non-Performing advances are considered to be one of the most significant matter in the audit and therefore determined to be a Key audit matter.

effectiveness of the internal controls and substantive testing as under: -

- Evaluating the design of internal controls relating to implementation of prudential norms on IRAC and other related circulars/directives issued by RBI and also the internal policies and procedures of the Bank.
- Examining the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI inspection.
- Examining large advances/stressed advances and other advances on a sample basis including review of valuation reports of independent valuers as provided by the Bank's management.
- Relying on the audit reports of other Statutory Branch Auditors.
- Relying on the returns and financial statements shared by the branch head in respect of unaudited branches.
- Reviewing Memorandum of Changes suggested by the Branch Auditors and take appropriate action.









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## Review of various audit and inspection reports made available to us in the relevant areas.

- Placing reliance on the opinions of domain experts on legal matters, titles, valuation and other aspects of securities charged to the bank.
- Review of files of the borrowers selected on sample basis and operations of such accounts.
- Performing relevant analytical procedures.
- Test checking of interest application, levying of other charges, commission etc.,

## 2 Contingent Liability

The contingent liability as defined in AS 29 – Provisions, Contingent Liability and Contingent Assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by the management.

(Refer 13 of Schedule 17, read with Note 8(AS 29) of Schedule 18 to the financial statements)

In view of associated uncertainty relating to the outcome of the matters relating to litigations involving Direct and Indirect taxes, various claims filed by other parties not acknowledged as debts, and as a

## **Principal Audit Procedures**

We have carried out the validation of information provided by the management by performing the following procedures

- Evaluating reasonableness of the underlying assumptions.
- Understanding the current status of the litigations/tax assessments.
- Examination of recent orders and /or communication received from various tax authorities/judicial forums and follow up action thereon.
- Examining the relevant documents on record.









result we have determined the above area as a Key audit matter.

- Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices.
- Getting management confirmation where-ever necessary.

#### 3 IT Systems & Control

The entire Preparation of financial statements is highly dependent on CBS and other supporting software and hardware controls. Adequate and appropriate Information Technology (IT) controls are required to ensure that these IT application process data as expected and changes are made in appropriate manner. Such controls ensure mitigating the expected risk of erroneous output data. Other compliances to regulators etc. are an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. Audit outcome is dependent on the extant IT controls and systems, and accordingly the above areas are determined to be a key audit matter.

## **Principal Audit Procedures**

We have carried out our audit procedures with standards auditina *auidelines* towards implementation of IT policies and procedures followed by the bank in order to effectively monitor, control, and evaluate the IT applications and controls effective to ensure implementation of such policies and procedures.

We have also relied on the report issued by the IS Auditor and obtained necessary inputs from IS experts wherever necessary and advised the management to implement the recommendations.







# 4 Classification and valuation of Investments, Identification of and Provisioning for Non-Performing Investments.

(Refer 4 of Schedule 17, read with Note 1 of Schedule 18 to the financial statements)

## Investments constitute 26.49% of the total assets of the bank.

Valuation of Investments are done as per the guidelines, circulars and directives issued by RBI from time to time involving applying the rates quoted on BSE/NSE and other agencies, relying on the statements financial of unlisted companies etc Takina into consideration the volume of transactions, value of investments being carried in the books of the bank, complexities involved in the valuation of investments, the above area has been considered as a key audit matter.

#### **Principal Audit Procedures**

We evaluated and understood the Bank's internal control systems to comply with relevant RBI guidelines regarding valuation, classification, identification of Non-Performing Investments, provisioning and depreciation related to investments.

Evaluating the process adopted for collection of data from various sources for determining the value of investments.

Assessing and evaluating the system of identification of Non performing investments, income recognition on such investments and also ensuring creation of necessary provision in respect of Non performing investments.

Our opinion is not modified in respect of the above matters.

#### Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon).









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Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors are responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.









In preparing the financial statements, management 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 management.









- Conclude on the appropriateness of management's 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters









in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

8. We did not audit the financial statements / information of 842 branches (including 2 Regional Offices and 4 Overseas Branches) included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of Rs.162325.70 (in crores) as at 31st March 2023 and total revenue of Rs.10,896.78 (in crores) for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 45.24% of advances, 43.57% of deposits and 22.01% of non-performing assets as at 31st March 2023 and 28.25% of revenue for the year ended 31st March 2023. The financial statements / information of these branches have been audited by the branch auditors and in our 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.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949.

Subject to the limitations of the audit indicated in paragraph 6 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:









- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 10. As required by letter No. DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
  - a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
  - c) On the basis of the written representations received from the directors as on March 31, 2023, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
  - d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.









e) Our Audit report on the adequacy and operating effectiveness of the bank's internal financial controls over financial reporting is given in **Annexure-A** to this report. Our Report Expresses an unmodified opinion on the Bank's Internal financial control over financial reporting as at 31st March, 2023.

#### We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far it appears from our examination of those books.
- b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For S N NANDA & CO

Chartered Accountants

FRN 000685N

**PUNEETT NANDA** 

Partner

M No: 092435

UDIN: 23092435BGSVEZ1312

For YOGANANDH & RAM LLP

Chartered Accountants

FRN 005157S/S200052

N RAVISHANKAR

Partner

M No: 220436

UDIN: 23220436BGVYSQ7005

For S N KAPUR & ASSOCIATES

Chartered Accountants

FRN 001545C

SUYASH SN. KAPUR

Partner

M No: 403528

UDIN: 23403528BGWUDV2492

Place: Chennai Date:12.05.2023 For NANDY HALDER & GANGULI

**Chartered Accountants** 

FRN 302017E

RANA PRATAP NANDY

Partner

M No: 051027

UDIN: 23051027BHADND1373

S N NANDA & CO.

Chartered Accountants

S N KAPUR & ASSOCIATES
Chartered Accountants

YOGANANDH & RAM LLP Chartered Accountants

NANDY HALDER & GANGULI Chartered Accountants

#### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 11(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the Internal Financial Controls Over Financial Reporting of Indian Overseas Bank ("the Bank") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes Internal Financial Controls Over Financial Reporting of the Bank's branches.

#### Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.









#### Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's Internal Financial Controls Over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's Internal Financial Controls Over Financial Reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Bank's Internal Financial Controls Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's Internal Financial Controls Over Financial Reporting includes those policies and









procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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 branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls Over Financial Reporting and such Internal Financial Controls Over Financial Reporting were operating effectively as at March 31, 2023, based on "the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI".









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#### Other Matters

Our aforesaid report in so far as it relates to the operating effectiveness of Internal Financial Controls over financial report of 842 branches is based on the corresponding reports of the respective branch auditors of those branches.

In our opinion, the Bank needs to strengthen the process including testing and adoption of the RCMs covering branches, specialized branches and all controlling office departments and processes. Our communication in this regard has been submitted to the Management to further strengthen the Internal Financial Controls Over Financial Reporting of the Bank.

Our opinion is not modified in respect of this matter.

000685N

New Delhi

Chartered

For S N NANDA & CO

Chartered Accountants

FRN 000685N

**PUNEETT NANDA** 

Partner

M No: 092435

UDIN: 23092435BGSVEZ13

For YOGANANDH & RAM LLP

Chartered Accountants FRN 005157S/\$200052

N RAVISHANKAR

Partner

M No: 220436

UDIN:23220436BGV

For NANDY HALDER & GANGULI

Chartered Accountants

For S N KAPUR & ASSOCIATES

Chartered Accountants

FRN 001:545C

SUYASH SN. KAPUR

Partner

M No: 403528

UDIN:23403528BGWUD

RANA PRATAP NANDY Partner

M No: 51027

FRN 302017E

UDIN:23051027BHADND

Place: Chennai Date: 12.05.2023 FRN

302017E

Kolkata rtered



BALANCE SHEET AS AT 31.03.2023				PROFIT & LOSS ACCOUNT FOR T	HE Y	EAR ENDEI	31.03.2023	
2		AS AT	AS AT				YEAR ENDED	YEAR ENDEI
CADITAL & LIADII ITIES	SCHEDULES	31.03.2023	31.03.2022		SC	HEDULES	31.03.2023	31.03.202
CAPITAL & LIABILITIES		(Rs. in 00		INCOME			(Rs. in 000	)'s)
Capital	01	18902 41 23	18902 41 23	Interest earned	8	13	19400 32 62	16729 86 6
Reserves and Surplus Deposits	02	6360 53 25	4097 98 46	Other income		14	4108 74 82	4903 01 9
The state of the s	03	260883 29 05	262158 92 48	TOTAL			23509 07 44	21632 88 6
Borrowings	04	20803 77 19	3070 63 66	EXPENDITURE				
Other Liabilities & Provisions TOTAL	05	6795 81 65	11147 21 06	Interest expended		15	11145 44 45	10418 72 85
TOTAL	-	313745 82 37	299377 16 89	Operating expenses		16	6421 46 32	5451 24 30
ACCEPTO				Provisions & Contingencies (Net)			3843 38 07	4053 37 13
ASSETS				TOTAL			21410 28 84	19923 34 34
Cash & Balances with Reserve Bank of India	06	17148 35 62	22748 99 35	PROFIT / LOSS (-)		-		
Balances with Banks				Net Profit / Loss (-) for the year			2098 78 60	1709 54 20
and Money at Call and Short Notice	07	3458 72 71	14024 19 93	Profit /Loss (-) brought forward			-17999 28 75	-18813 86 23
Investments	08	94170 41 04	98179 31 28	TOTAL			-15900 50 15	-17104 31 9
Advances	09	178052 57 37	144243 52 45					
Fixed Assets	10	3709 97 69	3364 89 66	APPROPRIATIONS				
Other Assets	11	17205 77 94	16816 24 22	Transfer to Statutory Reserve			524 69 65	493 20 50
TOTAL		313745 82 37	299377 16 89	Transfer to Revenue and Other Reserves				
				Transfer to Capital Reserve			23 50 06	111 76 22
Contingent Liabilities	12	196131 44 96	97998 90 15	Transfer to Invest. Fluctuation Reserve				290 00 00
Bills for Collection		19547 85 75	17216 22 01	Proposed Dividend (including Dividend Tax)				
Significant Accounting Policies	17			Balance carried over to Balance Sheet			-16448 69 86	-17999 28 75
Notes on Accounts	18			TOTAL			-15900 50 15	-17104 31 97
				Basic & Diluted Earnings per share (Rs.)		-	1.15	0.92
				Nominal Value per Equity Share (Rs.)			10.00	10.00
Schedules Form Part of the Balance Sheet				Schedules Form Part of the Profit & Loss Ac	count			
FOR AND ON BEHALF O	F THE BOARD			VIDE OUR REPORT O	ode de antonomina	EN DATE		
AJAY I	KUMAR SRIVAST	AVA						
	ING DIRECTOR &			S N NANDA & CO		VOCANANI	NH & DAMIID	

MANAGING DIRECTOR & CEO

S SRIMATHY EXECUTIVE DIRECTOR

Simathin ANNIE GEORGE MATHEW

SURESH KUMAR RUNGTA

B CHANDRA REDDY

VIVEK AGGARWAL

SANJAYA RASTOGI

DEEPAK SHARMA

S N NANDA & CO

FRN 000685N

(PUNEETH NANDA)

Partner M No.092435

S N KAPUR & ASSOCIATES FRN 001545C

(SUYASH SN. KAPUR) Partner

M No: 403528

YOGANANDH & RAM LLP

(N RAVISHANKAR)

Partner

M No. 220436

NANDY HALDER & GANGULI

(RANA PRATAP NANDY)

Partner

M No: 51027

CHARTERED ACCOUNTANTS

**CHENNAI** 12.05.2023

DIRECTORS



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Rs in '000s	Rs in '000s
	Year ended	PY ended
	31.03.2023	31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) After Tax	20 98 78 61	17 09 54 25
Add: Provision for Tax	2 49 45 56	69 51 72
Net Profit / (Loss) before Income Tax	23 48 24 17	17 79 05 98
Adjustments for :		
Amortisation of HTM Investments	48 32 25	32 84 25
Loss on Revaluation of Investments	3 14 03 46	1 91 52 27
Depreciation on Fixed Assets	2 59 88 98	1 72 18 61
(Profit) / Loss on Sale of Assets	( 1 58 38)	(12005)
Transfer from Reserves	(4 19 14)	( 4 01 20)
Provision for NPAs	29 32 97 61	34 70 16 92
Provision for Standard Assets	(4 62 44 67)	1 87 66 50
Depreciation on Investments (net)	3 43 49 00	2 54 01 18
Provision for Other Items	8 67 99 15	1 36 98 58
Interest on IOB Bonds	1 83 40 80	1 54 64 98
	44 81 89 06	45 94 82 05
Adjustments for :		
Increase / (Decrease) in Deposits	(12 75 63 43)	218 70 62 92
Increase / (Decrease) in Borrowings	175 33 13 53	(12 65 93 99)
Increase / (Decrease) in Other Liabilities & Provisions	(53 76 00 83)	15 29 20 52
(Increase) / Decrease in Investments	33 03 05 53	(31 63 46 61)
(Increase) / Decrease in Advances	(367 42 02 52)	(199 93 04 11)
(Increase) / Decrease in Other Assets	7 49 38 96	9 62 69 24
	(218 08 08 76)	( 59 92 03)
Direct Taxes (Net)	(6 41 41 91)	(7 48 09 12)
NET CASH FLOW GENERATED FROM /(USED IN) OPERATING ACTIVITIES (A)	(156 19 37 44)	55 65 86 87

	Rs in '000s	Rs in '000
W	Year ended	PY ende
	31.03.2023	31.03.2022
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / disposal of Fixed Assets	22 72 02	6 88 72
Purchase of Fixed Assets	(5 82 20 43)	( 54 86 15
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	(5 59 48 40)	( 47 97 43
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Equity Share Issue (including Share premium)		
Redemption of Tier I & Tier II Bonds (Net )		
Issue of Basel III Tier II Bonds	2 00 00 00	6 65 00 00
Interest Paid on Tier II Capital	(1 87 25 11)	(1 86 03 85
Interest paid on perpetual (AT1) bonds	100 0000000	
Share Application Money received from GOI		
NET CASH GENERATED FROM/(USED IN) FROM FINANCING ACTIVITIES (C)	12 74 89	4 78 96 15
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) +(B) + (C)	(161 66 10 95)	59 96 85 59
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash & Balances with RBI	227 48 99 35	121 88 25 40
Balances with Banks & Money at Call	140 24 19 93	185 88 08 30
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash & Balances with RBI	171 48 35 62	167 05 99 35
Balances with Banks & Money at Call	34 58 72 71	200 67 19 93
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	(161 66 10 95)	59 96 85 59

This statement has been prepared in accordence with Indirect Method

The Previous year figures have been re-grouped where ever necessary to confirm with the current year presentation and as per regulatory requirements.

#### VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

S SRIMATHY
EXECUTIVE DIRECTOR

ANNIE GEORGE MATHEW

SURESHKUMAR KUNGTA

B CHANDRA REDDY

DIRECTORS

Sanjay Vinayak MUDALIAR
EXECUTIVE DIRECTOR

VIVEN AGGARWAL

SANJAYA RASTOGI

DEEPAK SHARMA

S N NANDA & CO FRN 000685N

(PUNEETT NANDA)

Partner M No.092435

S N KAPUR & ASSOCIATES

(SOYASH SN. KAPUR)

Partner M No: 403528 YOGANANDH & RAM LLP FRN 005157S/S200052

101

(N RAVISHANKAR) Partner M No. 220436

NANDY HALDER & GANGULI

FRN 302017E

(RANA PRATAP NANDY)

Partner M No: 51027

CHARTERED ACCOUNTANTS

CHENNAI 12.05.2023

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#### **Indian Overseas Bank** GOOD PEOPLE TO GROW WITH

SCHEDULE - 1 CAPITAL	AS AT 31.03.2023	AS AT 31.03.2022	SCHEDULE - 2 RESERVES & SURPLUS	AS AT 31.03.2023	AS AT 31.03.2022
AUTHORISED CAPITAL	(Rs. in 000's)			(Rs. in 000's)	
2500,00,00,000 Equity Shares of Rs.10/- each			B Special Reserve		
(Previous year-2500,00,000,000 Equity shares of Rs. 10/- each)	25000 00 00	25000 00 00	Opening balance		
ISSUED, SUBSCRIBED & PAID UP CAPITAL	23000 00 00	23000 00 00			
1890 24 12 256 Equity Shares of Rs. 10/- each.			Add: Additions		
(Includes 1821 83 26 570 Equity Shares of Rs. 10/- each held by			Less: Deductions		
Government of India)	18902 41 23	18902 41 23	TOTAL - B		
	10702 41 23	10702 41 23			
SCHEDULE - 2	AS AT	AS AT	C Investment Reserve Account	07.07.70	05.05.50
RESERVES & SURPLUS	31.03.2023	31.03.2022	Opening Balance Add: Additions	97 95 58	97 95 58
KESEKYES & SCIA EGS	(Rs. in 000's)	31.03.2022	Less: Deductions		
I. STATUTORY RESERVE	(K3. III 000 8)				
	2010 00 00		TOTAL - C	97 95 58	97 95 58
Opening balance	3562 03 19	2926 77 62	D Foreign Currency Translation Reserve		
Add: Additions	524 69 65	635 25 56	Opening balance	841 65 96	1160 73 24
Less: Deductions TOTAL -II	1007 = 01		Add: Additions	126 64 35	34 22 96
TOTAL-II	4086 72 84	3562 03 19	Less: Deduction	2 59 25	353 30 24
			TOTAL - D	965 71 07	841 65 96
II. CAPITAL RESERVE			E. Investment Fluctuation Reserve Account		
A. Revaluation Reserve			Opening balance	390 00 00	100 00 00
Opening Balance	2749 56 13	2220 45 88	Add: Additions		290 00 00
Add: Additions	43 90 22	569 12 83	Less : Deductions		
Less: Deductions / Depreciation	40 30 99	40 02 58	TOTAL - (E)	390 00 00	390 00 00
TOTAL - A	2753 15 36	2749 56 13	TOTAL - IV (A,B,C,D,E)	5100 78 16	4940 70 65
B. On sale of Assets					
Opening Balance	2133 94 51	2164 23 30	V. PROFIT AND LOSS ACCOUNT	-16448 69 85	-17999 28 75
Add: Additions	23 50 06	111 76 22			
Less: Deduction		142 05 00	TOTAL (I, II, III, IV & V)	6360 53 25	4097 98 46
TOTAL - B	2157 44 57	2133 94 51			
C. Others			SCHEDULE - 3	AS AT	AS AT
Opening Balance	153 12 62	153 09 32	DEPOSITS	31.03.2023	31.03.2022
Add: Additions	9 45	3 30		(Rs. in 000's)	
Less: Deduction					
TOTAL - D	153 22 07	153 12 62	A. I. DEMAND DEPOSITS		
TOTAL - III (A,B,C)	5063 82 00	5036 63 26	i) From Banks	8 12 73	11 49 29
_			ii) From Others	16662 13 19	17364 34 39
III. SHARE PREMIUM			TOTAL - I	16670 25 92	17375 83 68
Opening balance	8557 90 11	6923 32 50	II. SAVINGS BANK DEPOSITS	97442 54 56	96500 83 40
Add: Additions		1634 57 61	III. TERM DEPOSITS		
Less: Deductions			i) From Banks	570 93 19	544 96 77
TOTAL -I	8557 90 11	8557 90 11	ii) From Others	146199 55 38	147737 28 64
_			TOTAL - III	146770 48 57	148282 25 40
IV. REVENUE & OTHER RESERVES			2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	210110 10 01	2.0202 20 40
A Other Revenue Reserves			TOTAL - A ( I,II & III )	260883 29 05	262158 92 48
Opening Balance	3611 09 12	3575 11 03	TOTAL - A (IJH W III)	200003 27 03	202130 92 40
Add: Additions	36 02 40	35 98 08	B. I) Deposits of branches in India	254324 09 53	256000 00 10
Less: Deduction	JU U 2 4U	33 70 00	II) Deposits of branches in India  II) Deposits of branches outside India	6559 19 52	256889 88 19
TOTAL - A	3647 11 52	3611 09 12	TOTAL - B	260883 29 05	5269 04 29 262158 92 48
	001/110#	5011 07 12	IOIAL-D	200003 29 03	202130 92 40



SCHEDULE - 4	AS AT	AS AT	SCHEDULE - 6	AS AT	AS AT
BORROWINGS	31.03.2023	31.03.2022	CASH AND BALANCES WITH	31.03.2023	31.03.2022
	(Rs. in 000	's)	RESERVE BANK OF INDIA	(Rs. in 000's)	
I. BORROWINGS IN INDIA			I. Cash on hand (including Foreign	1124 68 01	1153 89 98
Reserve Bank of India			currency notes)		
Other Banks			II. Balances with Reserve Bank of India		
Other Institutions & Agencies	15428 82 35	184 00 00	i) in Current Account	12222 84 82	13355 89 50
Innovative Perpetual Debt Instruments ( IPDI )			ii) in Other Accounts	3800 82 79	8239 19 86
Hybrid Debt Capital Instruments issued as Bonds					
Subordinated Debt	2465 00 00	2265 00 00	TOTAL	17148 35 62	22748 99 35
TOTAL (I)	17893 82 35	2449 00 00			
,			SCHEDULE - 7	AS AT	AS AT
w nonnoumies			BALANCES WITH BANKS AND	31.03.2023	31.03.2022
II. BORROWINGS OUTSIDE INDIA	2909 94 83	621 63 66	MONEY AT CALL AND SHORT NOTICE	(Rs. in 000's)	
TOTAL (I & II)	20803 77 19	3070 63 66	I. In India		
			i) Balances with banks		
Secured borrowings included in I & II above	15428 82 35	184 00 00	a) In Current Accounts	15 11 42	14 57 45
_			b) In Other Deposit Accounts	1060 05 50	387 42 48
			ii) Money at Call and Short Notice		
			a) With banks		
SCHEDULE - 5	AS AT	AS AT	b) With other institutions		
OTHER LIABILITIES & PROVISIONS	31.03.2023	31.03.2022	TOTAL - I	1075 16 92	401 99 93
	(Rs. in 000'	s)	II. Outside India	2,	
I. Bills Payable	818 79 34	700 76 90	a) In Current Accounts	473 61 34	2504 72 15
II. Inter Office Adjustments ( Net)		3555 93 65	b) In Other Deposit Accounts	1732 15 95	10957 87 85
III. Interest Accrued	162 44 02	41 43 74	c) Money at Call and Short Notice	177 78 50	159 60 00
IV. Others (including provisions)	5814 58 29	6849 06 78			
			TOTAL - II	2383 55 79	13622 20 00
TOTAL	6795 81 65	11147 21 07	TOTAL (I and II)	3458 72 71	14024 19 93

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SCHEDULE - 8	AS AT	AS AT	SCHEDULE - 9	AS AT	AS AT
INVESTMENTS	31.03.2023	31.03.2022	ADVANCES	31.03.2023	31.03.2022
	(Rs. in 000	's)		(Rs. in 000's	i)
I. INVESTMENTS IN INDIA					
i) Government Securities	86603 00 74	88308 63 94	A. i) Bills Purchased & Discounted	4566 85 34	2902 69 97
ii) Other Approved Securities	98 95	98 95	ii) Cash Credits, Overdrafts and	77358 12 71	44600 77 20
iii) Shares	1135 28 89	1372 18 12	Loans repayable on demand		
iv) Debentures and Bonds	2214 23 50	3106 12 70	iii) Term Loans	96127 59 31	96740 05 29
v) Subsidiaries and / or Joint Vetures					
vi) Other Investments	88 83 28	1203 84 53	TOTAL	178052 57 36	144243 52 46
(Investments in Mutual Funds, Venture Capital Funds Certificate of Deposits and CP)				1700020700	144243 32 40
			B. i) Secured by Tangible Assets	135655 23 42	116825 49 19
			(includes advances against Book Debts)		
			ii) Covered by Bank/Government Guarantees	11604 08 55	6852 60 01
TOTAL - I	90042 35 36	93991 78 24	iii) Unsecured	30793 25 39	20565 43 26
II. INVESTMENTS OUTSIDE INDIA			TOTAL	178052 57 36	144243 52 46
i) Government Securities (including			5 1000	1700020700	144243 32 40
Local Authorities)	3710 18 36	3634 96 95			
ii) Other Approved Securities			C. I) Advances in India		
iii) Shares	45 85 91	42 28 93	i) Priority Sector	91803 94 00	82051 69 47
iv) Debentures and Bonds	178 57 21	316 82 98	ii) Public Sector	24710 67 89	8971 66 67
v) Subsidiaries and / or Joint Ventures	193 44 19	193 44 19	iii) Banks	24/10 0/ 09	09/1 00 0/
vi) Other Investments			iv) Others	47319 44 89	41693 29 21
TOTAL - II	4128 05 68	4187 53 05	TOTAL	163834 06 79	132716 65 35
	1120 00 00	1207 55 65	TOTAL	103834 00 79	132/10 03 33
TOTAL (I & II)	94170 41 04	98179 31 29	II) Advances Outside India		
			i) Due from Banks		
Gross Investments in India	92133 61 92	96408 63 05	ii) Due from Others		
Less: Depreciation	2091 26 56	2416 84 81	a) Bills Purchased & Discounted	6623 36 77	5762 40 66
Less: Interest on Restructured Investments			b) Syndicated Loans	2530 49 57	1743 43 04
Net Investments	90042 35 36	93991 78 24	c) Others	5064 64 25	4021 03 40
Gross Investments Outside India	4137 76 01	4206 90 67			
Less: Depreciation	9 70 33	19 37 63	TOTAL	14218 50 59	11536 05 10
Net Investments	4128 05 68	4187 53 05	TOTAL	14210 50 59	11526 87 10
Total Net Investments	94170 41 04	98179 31 28	TOTAL (C-I & C-II)	170052 57 27	144242 52 45
	741/0 41 04	70177 31 20	101AL (C-1 & C-11)	178052 57 37	144243 52 45

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SCHEDULE - 10	AS AT	AS AT
FIXED ASSETS	31.03.2023	31.03.2022
	(Rs. in 000	's)
I. Premises	•	,
At cost / revalued as at beginning of the FY	4491 30 77	3973 49 58
Additions during the year *	80 65 22	517 82 24
SUB TOTAL	4571 95 99	4491 31 82
Deductions during the year *		1 05
	4571 95 99	4491 30 77
Depreciation to date	1325 92 48	1262 20 25
TOTAL -I	3246 03 51	3229 10 53
II. Capital work in progress	8 79	11 11
TOTAL - II	8 79	11 11
III. Other Fixed Assets (including Furniture &		
Fixtures)		
At cost as at beginning of the FY	2202 47 91	2113 53 42
Additions during the year	542 31 60	109 52 81
SUB TOTAL	2744 79 50	2223 06 23
Deductions during the year	41 55 63	20 58 32
5	2703 23 88	2202 47 91
Depreciation to date	2239 38 49	2066 79 89
TOTAL - III	463 85 39	135 68 02
Total (I, II & III)	3709 97 69	3364 89 66

<sup>\*</sup> Includes adjustment on account of conversion of figures relating to foreign branches at the rate of exchange at 31.03.2023

SCHEDULE - II	AS AI	AS AI
OTHER ASSETS	31.03.2023	31.03.202
	(Rs. in 000	
i) Inter Office Adjustments ( Net)	7469633.88	•
ii) Interest Accrued	3620 47 19	3092 78 5
iii) Tax paid in advance (Net of Provisions)	4522 59 89	4130 63 5
iv) Stationery & Stamps	3 94 07	3 43 6
v) Non Banking Assets acquired in	210 01 51	210 01 5
satisfaction of claims		
vi) Others (Include Deposits placed with NABARD)	8101 78 94	9379 36 9
TOTAL	17205 77 94	16816 24 2
SCHEDULE - 12	AS AT	AS AT
CONTINGENT LIABILITIES	31.03.2023	31.03.202
	(Rs. in 000's)	
i) Claims against the Bank not acknowledged	4 79 19	4 15 8
as debts		
ii) Liability for partly paid investments	11 60	11 6
iii) Liability on account of outstanding forward exchange contracts	165634 95 19	68771 74 8
iv) Guarantees given on behalf of constituents		
a) In India	11746 40 32	12704 85 4
b) Outside India	371 76 19	414 52 8
v) Acceptances, Endorsements &Other obligations	5530 28 60	5818 66 4
vi) Other items for which the bank is contingently liable		
a) Estimated amount of contracts remaining		
to be executed on capital accounts	52 46 12	46 81 7
b) Banks liability under currency swaps		1093 13 0
c) Interest rate swaps (USD)		
d) Interest rate swaps (INR)		
e) Bank's Liability under Currency Options		
f) Credit Default Swaps/FRAs/Receivable charges		
g) Amount in DEAF with RBI	1822 20 80	1595 20 5
h) Disputed IT demands	10968 40 67	7549 61 5
i) Others	6 29	6 2
TOTAL	196131 44 96	97998 90 15
	170101 1170	71770 70 1.

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SCHEDULE - 11

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SCHEDULE - 13	Year Ended	Year Ended	SCHEDULE - 15	Year Ended	Year Ende
INTEREST EARNED	31.03.2023	31.03.2022	INTEREST EXPENDED	31.03.2023	31.03.202
	(Rs. in 000's)			(Rs. in 000's)	
N					
i) Interest / discount on advances / bills	13150 68 73	10665 16 79	i) Interest on Deposits	10535 60 95	10219 59 7
ii) Income on investments	5848 62 93	5674 58 52	ii) Interest on Reserve Bank of India /	609 80 22	199 11 8
iii) Interest on Balances with Reserve Bank	401 00 96	230 49 38	Inter-Bank Borrowings		
of India and Other Inter-Bank Funds			iii) Others	3 28	1 20
iv) Others		159 61 93			
TOTAL	19400 32 62	16729 86 62	TOTAL	11145 44 45	10418 72 85
SCHEDULE - 14	Year Ended	Year Ended	SCHEDULE - 16	Year Ended	Year Ended
OTHER INCOME	31.03.2023	31.03.2022	OPERATING EXPENSES	31.03.2023	31.03.2022
	(Rs. in	000's)		(Rs. in 000's)	
				(210/11/00/0)	
i) Commission, Exchange and Brokerage	1220 78 96	1039 61 79	i) Payments to and provisions for employees	4099 05 11	3485 76 54
ii) Profit/Loss on Sale of Investments	249 57 50	933 66 42	ii) Rent, Taxes and Lighting	492 71 53	445 39 59
iii) Profit/Loss on Revaluation of			, , , , , , , , , , , , , , , , , , , ,	172 11 33	445 57 57
Investments	-314 03 46	-191 52 27	iii) Printing and Stationery	24 66 66	19 52 09
iv) Profit on sale of land, Building &			,	24 00 00	1) 32 0)
other Assets	1 58 38	1 20 05	iv) Advertisement and Publicity	1 40 17	42 02
v) Profit/Loss on exchange			, , , , , , , , , , , , , , , , , , , ,	1 10 17	42 02
transactions	564 42 16	898 10 41	v) Depreciation on Bank's property	259 88 98	172 18 61
vi) Miscellaneous Income	2386 41 28	2221 95 59	vi) Directors' fees, allowances and expenses	74 46	26 77
TOTAL	4108 74 82	4903 01 99	vii) Auditors' fees and expenses	31 96 81	38 97 19
			(including Branch auditor's Fees and Expenses)	31 70 01	30 97 19
			viii) Law charges	24 70 76	24 24 42
			ix) Postages, telegrams, telephones, etc.	67 19 63	24 24 42
			x) Repairs and Maintenance	25 05 46	67 18 50
			xi) Insurance	340 80 82	20 87 49
			xii) Other Expenditure	1053 25 93	322 88 85
			any other Expenditure	1055 45 95	853 52 30

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#### **SCHEDULE 17**

### SIGNIFICANT ACCOUNTING POLICIES OF THE BANK

#### 1. Basis of Preparation

The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

Use of Estimates

1.2 The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

### 2. Revenue Recognition and Expense Accounting

- 2.1 Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e., Book outstanding less Provisioning).
- 2.2 Interest on bills purchased/Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- 2.3 Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.

- 2.4 Expenditure is accounted for on accrual basis, unless otherwise stated.
- 2.5 In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI guidelines.
- 2.6 Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss Account. Such amount when recovered is treated as income.
- 2.7 In respect of foreign branches, Income and Expenditure are recognized/accounted for as per local laws of the respective countries.

#### 3. Foreign Currency Transactions

- 3.1 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 3.2 Transactions in respect of Treasury (Foreign):
  - a) Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
  - b) Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each quarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
  - c) The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/" Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.
  - d) Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.

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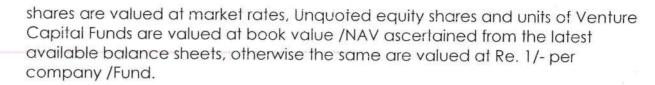
## इण्डियन ओवरसीज़ बैंक

#### आपकी प्रगति का सच्चा साथी

- Translation in respect of overseas branches:
  - a) As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
  - b) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - c) Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - d) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

#### 4. Investments

- Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz...
  - a) Government Securities
  - b) Other Approved securities including those issued by local bodies,
  - c) Shares,
  - d) Bonds & Debentures,
  - e) Subsidiaries / Joint Ventures and
  - f) Units of Mutual Funds and Others.
- Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
- 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity



Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored except for the depreciation on Non Performing Investments, which is not netted off against appreciation available in the basket. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

- 4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.
- Investments are subject to appropriate provisioning / de -recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based

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on the difference between the holding cost and the face value i.e. discount income.

- 4.7 Repo / Reverse Repo transactions are accounted as per RBI guidelines.
- 4.8 Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.
- 4.9 All the investments are held by adopting the Weighted Average Pricing Method
- 4.10 All the investments are held in the book on settlement date basis only
- 4.11 Dividend income on investments is accounted on cash basis
- 4.12 Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments
- 4.13 Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14 An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI)
- 4.15 As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/21.04.0489/2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following: -

- a) Net Profit on sale of investments during the year or
- b) Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the HFT and AFS Portfolio, on a continuing basis.

#### Advances

- Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.
- 5.2 Advances are stated net of provisions, except general provisions for standard advances.
- 5.3 For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators

#### Derivatives

- 6.1 The Bank enters into Derivative Contracts in order to hedge interest bearing assets/liabilities, and for trading purposes.
- 6.2 In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assets/ liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is designated with an asset/ liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/ liability.
- Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

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### 7. Fixed Assets (Property, Plant and Equipment)

- 7.1 Fixed Assets, except revalued premises, are stated at historical cost.
- 7.2 Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

Premises	2.50%
Furniture	10%
Electrical Installations, Vehicles & Office Equipments	20%
Computers	33 1/3 %
Fire Extinguishers	100%
Computer Software	33 1/3%

Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- 7.3 Depreciation is provided for the full year irrespective of the date of acquisition / revaluation.
- 7.4 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 7.5 In respect of leasehold properties, premium is amortized over the period of lease.
- 7.6 Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.
- 8. Staff Benefits
- 8.1 Contribution to Provident Fund is charged to Profit and Loss Account.
- 8.2 Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Fund. Provision for encashment of accumulated leave payable on retirement or otherwise is made based on actuarial valuation at the year-end.
- 8.3 In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 9. 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 comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

#### Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

#### 11. Impairment of Assets

The bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

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#### 12. Segment Reporting

The Bank recognizes 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. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

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#### Schedule 18

#### **NOTES TO ACCOUNTS**

#### 1. Investments:

1.1 In accordance with Reserve Bank of India guidelines, the investments portfolio of the bank has been classified into three categories, as given below:

Category	Gross Book Value Percentage to (Rs. in crore) Investments (			
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Held to Maturity	81 802.30	79 958.83	84.98	79.47
Available for Sale	14 469.07	20 656.71	15.03	20.53
Held for Trading	0.00	0.00	0.00	0.00

- 1.2 SLR Securities (domestic) under "Held to Maturity" accounted for 21.30% (previous Year 20.91%) of bank's Demand and Time liabilities as at March 31st 2023 as against ceiling of 23% (previous year 22%) stipulated by Reserve Bank of India.
- 1.3 In respect of Held to Maturity category of Investments, premium of Rs.48.32 Crore was amortized during the year (previous year Rs.32.84 Crore).

Further, a sum of Rs.4100 Crore being Non–Interest bearing GOI Recapitalization. Bonds investments are held under Held to Maturity category at carrying cost are maturing from March 2031 to March 2036.

- 1.4 Securities of Face Value for Rs.1717.00 Crore (previous year Rs.1639.00 Crore) towards CCIL Settlement Guarantee Fund/Default Fund and securities for Rs.15518.00 Crore (previous year Rs.7518.00 Crore) towards collateral for borrowing under TREPS/Default Fund have been kept with Clearing Corporation of India Limited. Besides, securities to the extent of Rs.127.10 Crore (previous year Rs.123.10 Crore) has been lodged with CCIL towards default fund for Forex operations and Rs.15 Crore (previous year Rs.15.00 Crore) held for Currency derivative segment. The Bank has placed securities of face value Rs.1500 Crore (previous year Rs.1500 Crore) with Reserve Bank of India for intraday borrowing. The Bank has also placed Securities to the extent Rs.6100 Crore (previous year Rs.2800 Crore) with Reserve Bank of India for our borrowing under the LAF window.
- 1.5 Shares under Investments in India in Regional Rural Bank- Odisha Gramya Bank is Rs.606.90 Crore (previous year Rs.575.37 Crore) which includes amount's towards Share Capital Deposits.
- 1.6 The Bank sold Government Securities from HTM category during the year, both outright and under Reserve Bank of India's Open Market Operations (OMO). The extent of sale by the Bank under OMO was NIL (BV). [previous year: Rs.3682.97 Crore] and earned a profit of NIL [previous year: Rs.15.40 Crore]. The Bank has also sold Government Securities (other than OMO), to the extent of Rs.2408.02 Crore (BV) [previous year Rs.23]/4.59 Crore] (within

5%, prescribed limit of Reserve Bank of India) and booked a profit of Rs.27.95 Crore [previous year Rs.124.77 Crore].

#### **Investment Fluctuation Reserve**

As per Reserve Bank of India circular number RBI/2017-18/147 DBR. No. BP BC .102/21.04.048/2017-18 dated April 2, 2018, from the year 2018-2019, an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to IFR is to be the lower of the following -

- a. Net profit on sale of Investments during the year or
- b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

During the year ended on March 31st 2023 an amount of NIL has been transferred to IFR.

#### 2. Advances

- 2.1 The Classification for advances and provisions for possible loss has been made as per prudential norms issued by Reserve Bank of India.
- 2.2 Claims pending settlement and claims yet to be lodged with Guarantee Institutions identified by the branches have been considered for provisioning requirements on the basis that such claims are valid and recoverable.
- 2.3 In assessing the realisability of certain advances, the estimated value of security, Central Government Guarantees etc. have been considered for the purpose of asset classification and income recognition.
- 2.4 The classification of advances, as certified by the Branch Managers have been incorporated, in respect of unaudited branches.

#### 3. Fixed Assets (Property, Plant and Equipment)

The Profit on sale of land & building for the year 2022-23 is 1.58 Crore (previous year Rs.1.20 Crore).

#### 4. Rupee Interest Rate Swap

Deferred income on account of gains on termination of Rupee Interest Rate Swaps taken for hedging as on March 31<sup>st</sup> 2023 is NIL (previous year NIL). This amount, if any, is to be recognized over the remaining contractual life of Swap or life of the Assets/Liabilities, whichever is earlier.

#### 5. Reconciliation

Reconciliation of Inter Branch transactions has been completed up to March 31st 2023 and steps for elimination of outstanding entries are in progress. The Management does

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not anticipate any material consequential effect on reconciliation / elimination of outstanding entries.

#### 6. Capital and Reserves

During the Financial Year 2022-23 Bank has issued Basel III Tier II Bonds aggregating to Rs.1,000 Crore (Previous year Rs.665 Crore) through private placement subscribed by Qualified Institutional Buyers (QIBs).

During the current financial year 2022-23, Bank has not raised any equity capital. The paid up capital of the Bank stands at Rs.18902.41 crores as on March 31st 2023. The Government of India shareholding stands at 96.38% as on March 31st 2023. During the financial year 2022-23, there is no revaluation of immovable properties. The Revaluation Reserve as on March 31st 2023 stands at Rs.2764.54 Crore. On account of revaluation of immovable properties during the financial year 2021-22, the Revaluation Reserve of the Bank increased by Rs.529.10 crores and stands at Rs.2749.56 crore as at March 31st 2022.

#### 7. Taxes

- 7.1 In the opinion of management provisions under section 115 JB (Minimum Alternate Tax ) of the Income Tax Act ,1961 are not applicable to the Bank. Therefore bank has not provided any amount towards provision for Income tax.
- 7.2 Tax paid in advance (Net of provisions) is under reconciliation. This is on account of amounts pending assessment/under appeal/ tax paid under dispute. [Refer Schedule 11(iii)].
- 7.3 Taking into consideration the decisions of Appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs. 9081.37 Crore (previous year Rs. 7409.24 Crore), Service Tax aggregating to Rs.220.52 Crore (previous year Rs.122.33 crore) and Goods and Service Tax aggregating to Rs.1648.68 Crore (Previous year Nil).
- 7.4 Tax expense for the year amounting to Rs.249.45 crore includes Current Tax expense of RS.20.60 crore and Deferred Tax expense of Rs 228.85 crore refer note no.18.8.
- 7.5 The Bank based on internal evaluation presently has decided to continue with the existing tax regime. Further, the Bank has recognized net Deferred Tax Liability as on March 31st 2023 aggregating to Rs.228.85 crore (PY Rs.37.81 crore) on timing differences in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and adjustments if any to be carried out on reassessment at appropriate stage.
- **8**. Bank has received notification from IBA regarding wage revision arising out of 12<sup>th</sup> bipartite settlement effective from November 1<sup>st</sup> 2022. During the year ended March 31<sup>st</sup> 2023, the Bank has made ad-hoc provision of Rs.60.00 Crores towards the same (cumulative provision Rs.60.00 Crores)

**9.** There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises

10. Reserve Bank of India during the ISE 2022 (Inspection for Supervising Evaluation 2022) made observations relating to interest pegging discrepancies in respect of MCLR, RLLR and Base Rate linked loan accounts, under Risk Mitigation Plan 5(ii). The Bank has refunded amount as assessed by ot, to its customers. The compliance process of validation with regard to the said observations in under progress and the final impact in any, would be provided.

### DISCLOSURES AS PER RESERVE BANK OF INDIA REQUIREMENTS:

#### 1. REGULATORY CAPITAL

### a) Composition of Regulatory Capital

(Amount in Rs. crore) Sr. 2022-23 **Particulars** 2021-22 No. Common Equity Tier 1 capital (CET 1) / Paid up share 16736.13 capital and reserves@ (net of deductions, if any) 12 428.11 Additional Tier 1 capital\*/ Other Tier 1 capital® 0.00 0.00 Tier 1 capital (i + ii) 16736.13 12 428.11 iv) Tier 2 capital 4188.83 3 622.20 Total capital (Tier 1+Tier 2)-20924.96 16 050.31 vi) Total Risk Weighted Assets (RWAs) 129980.80 116 069.83 CET 1 Ratio (CET 1 as a percentage of RWAs) / Paidup share capital and reserves as percentage of 12.88% 10.71% RWAs@ Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) 12.88% 10.71% Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) 3.22% 3.12% Capital to Risk Weighted Assets Ratio (CRAR) (Total 16.10% 13.83% Capital as a percentage of RWAs) Leverage Ratio 5.14% 4.07% Percentage of the shareholding of xii) Government of India 96.38% 96.38% State Government (specify name)\$ b) NA c) Sponsor Bank\$ N.A NA Amount of paid-up equity capital raised during the Nil 2 465.42# Amount of non-equity Tier 1 capital raised during the xiv) Nil 0.00 Amount of Tier 2 capital raised during the year,

\$ Percentage of shareholding of State Government and Sponsor Bank is applicable only for RRBs.

#The Bank received a capital infusion of Rs.4100 crore (Rupees Four Thousand One Hundred Crore Only) from Government of India on 31.03.2021 and the equity shares were issued and allotted on 02.06.2021 i.e. 246,54,23,932 equity shares of face value of Rs.10 each for cash at issue price of Rs.16.63 per equity shares (including premium of Rs.6.63 per equity share)

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of which Basel III Tier II Bonds

equity share)

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anticipate any material consequential effect on reconciliation / elimination of outstanding entries.

#### 6. Capital and Reserves

During the Financial Year 2022-23 Bank has issued Basel III Tier II Bonds agaregating to Rs. 1,000 Crore (Previous year Rs.665 Crore) through private placement subscribed by Qualified Institutional Buyers (QIBs).

During the current financial year 2022-23, Bank has not raised any equity capital. The paid up capital of the Bank stands at Rs. 18902.41 crores as on March 31st 2023. The Government of India shareholdina stands at 96.38% as on March 31st 2023. During the financial year 2022-23, there is no revaluation of immovable properties. The Revaluation Reserve as on March 31st 2023 stands at Rs.2753.15 Crore

#### 7. Taxes

- 7.1 In the opinion of management provisions under section 115 JB (Minimum Alternate Tax ) of the Income Tax Act, 1961 are not applicable to the Bank. Therefore, bank has not provided any amount towards provision for Income tax.
- 7.2 Tax paid in advance (Net of provisions) is under reconciliation. This is on account of amounts pending assessment/under appeal/ tax paid under dispute. [Refer Schedule 11(iii)].
- Taking into consideration the decisions of Appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs. 9081.37 Crore (previous year Rs. 7409.24 Crore), Service Tax aggregating to Rs.220.52 Crore (previous year Rs.122.33 crore) and Goods and Service Tax aggregating to Rs.1648.68 Crore (Previous year Nil).
- 7.4 Tax expense for the year amounting to Rs.249.45 crore includes Current Tax expense of RS.20.60 crore and Deferred Tax expense of Rs 228.85 crore - refer note no.18.8.
- 7.5 The Bank based on internal evaluation presently has decided to continue with the existing tax regime. Further, the Bank has recognized net Deferred Tax Asset as on March 31st 2023 aggregating to Rs.228.85 crore (PY Rs.37.81 crore) on timing differences in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and adjustments if any to be carried out on reassessment at appropriate stage.
- 8. Bank has received notification from IBA regarding wage revision arising out of 12th bipartite settlement effective from November 1st 2022. During the year ended March 31st 2023, the Bank has made ad-hoc provision of Rs.60.00 Crores towards the same (cumulative provision Rs.60.00 Crores)

9. There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises

10. Reserve Bank of India during the ISE 2022 (Inspection for Supervising Evaluation 2022) made observations relating to interest pegging discrepancies in respect of MCLR, RLLR and Base Rate linked loan accounts, under Risk Mitigation Plan 5(ii). The Bank has refunded amount as assessed by ot, to its customers. The compliance process of validation with regard to the said observations in under progress and the final impact in any, would be provided.

#### DISCLOSURES AS PER RESERVE BANK OF INDIA REQUIREMENTS:

#### 1. REGULATORY CAPITAL

#### a) Composition of Regulatory Capital

(Amount in Rs crore)

	AITIOUTI	in Rs. crore)	
Sr. No.	Particulars	2022-23	2021-22
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves® (net of deductions, if any)	16736.13	12 428.11
ii)	Additional Tier 1 capital*/ Other Tier 1 capital®	0.00	0.00
iii)	Tier 1 capital (i + ii)	16736.13	12 428.11
iv)	Tier 2 capital	4188.83	3 622.20
<b>v</b> )	Total capital (Tier 1+Tier 2)	20924.96	16 050.31
vi)	Total Risk Weighted Assets (RWAs)	129980.80	116 069.83
∨ii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid- up share capital and reserves as percentage of RWAs@	12.88%	10.71%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.88%	10.71%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.22%	3.12%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.10%	13.83%
xi)	Leverage Ratio	5.14%	4.07%
	Percentage of the shareholding of		
xii)	a) Government of India	96.38%	96.38%
	b) State Government (specify name)\$	N.A	NA
	c) Sponsor Bank\$	N.A	NA
xiii)	Amount of paid-up equity capital raised during the year	Nil	2 465.42#
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	0.00
xv)	Amount of Tier 2 capital raised during the year, of which Basel III Tier II Bonds	1000.00	665.00

<sup>\$</sup> Percentage of shareholding of State Government and Sponsor Bank is applicable only for RRBs.

#The Bank received a capital infusion of Rs.4100 crore (Rupees Four Thousand One Hundred Crore Only) from Government of India on 31.03.2021 and the equity shares were issued and allotted on 02.06.2021 i.e. 246,54,23,932 equity shares of face value of Rs.10 each for cash at issue price of Rs.16.63 per equity shares (including premium of Rs.6.63 per equity share)



#### b) Draw down from Reserves

Drawdown from the reserves during the financial year 2022-23 is NIL.

However, to comply with the RBI-RAR 2021 observations regarding appropriation of 25% of Net Profit of FY 2020-21 to Statutory Reserve, Bank with the approval of Reserve Bank of India vide their letter dated 18.02.2022 has effected the drawdown of reserve as given below:

From	То	Amount (Rs. in crores)
Capital Reserve (Excluding Revaluation Reserve)	Statutory Reserve	142.05
Profit & Loss Account	Statutory Reserve	65.82

#### 2. Asset liability management

#### a) Maturity pattern of certain items of assets and liabilities as at March 31st ,2023

(Amount in Rs. crore)

Particulars	Deposits	Advances (Gross)	Investments (Net)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	3 070.49	1 837.10	. 23 532.65	0.27	2 360.90	2 467.40
2 to 7 days	6 659.81	4 429.34	2 545.41	2 54.38	1 581.66	868.81
8 to 14 days	7 958.73	2 393.20	1 962.03	0.00	1 814.52	945.80
15 Days – 30 Days	5 606.22	4 431.81	1 507.15	287.09	3 322.09	1 820.99
31 Days – 2 Months	8 717.88	6 163.05	2 604.59	828.52	5 412.50	2 205.18
2 Months – 3 Months	9 675.62	8 546.17	2 521.78	828.67	4 016.56	3 702.26
3 Months – 6 Months	22 588.12	13 299.37	5 667.89	2 091.53	6 122.42	9 281.98
Over 6 Months & Upto 1 year	40 030.48	26 407.51	9 580.31	9 64.01	2 679.34	7 325.23
Over 1 year & up to 3 years	44 559.84	47 511.61	13 165.16	3 075.73	1 346.52	776.50
Over 3 years & up to 5 years	5 664.79	27 652.69	2 980.80	5.89	2 122.64	698.54
Over 5 years	106 351.30	46 336.68	28 102.65	2 479.72	2 059.46	2 745.90
Total	260 883.28	189 008.53	94 170.42	10 815.81	32 838.61	32 838.59

					(Amount in	Rs. crore)
Particulars	Deposits	Advances (Gross)	Investments (Net)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	2 903.00	2 568.14	25 573.95	318.73	4 446.79	2 399.94
2 to 7 days	6 218.09	2 732.04	2 424.07	0.00	1 724.50	842.78
8 to 14 days	6 862.09	3 460.08	1 457.71	0.00	2 073.75	2 437.69
15 Days – 30 Days	5 486.80	2 328.62	1 330.71	0.00	3 829.54	4 615.05
31 Days – 2 Months	9 487.30	9 981.92	2 734.04	0.00	6 266.46	6 095.62
2 Months – 3 Months	10 549.00	11 168.10	3 506.14	0.00	6 835.68	5 697.70
3 Months – 6 Months	26 778.48	13 102.44	6 688.80	479.61	7 335.48	10 609.79
Over 6 Months & Upto 1 year	49 691.20	29 477.94	12 071.21	7.30	4 556.64	5 189.03
Over 1 year & up to 3 years	32 652.62	46 776.20	9 741.03	0.00	1 036.33	745.18
Over 3 years & up to 5 years	5 569.67	12 048.08	2 892.99	800.00	1 180.14	628.62
Over 5 years	105 960.69	22 157.16	29 758.67	1 465.00	2 213.95	2 236.86
Total *	262 158.92	155 800.71	98 179.31	3 070.64	41 499.26	41 499.26

#### b) Liquidity coverage ratio (LCR)

Reserve Bank of India had introduced the Liquidity Coverage Ratio (LCR) vide circular No RBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31,2015 which has been modified from time to time, in order to ensure short term resilience of banks to potential liquidity disruptions by ensuring that bank have sufficient high quality liquid assets (HQLA) to survive an acute stress scenario lasting for 30 days. The minimum LCR requirement set out in the Reserve Bank of India guidelines for the bank effective January 1, 2019 is 100%

Definition of LCR:

Stock of high quality liquid assets (HQLAs)

Total net cash outflows over the next 30 calendar days

In the stock of high quality liquid assets (HQLA), there are two categories of assets, viz. Level 1 and Level 2 assets. Level 2 assets are sub-divided into Level 2A and Level 2B assets on the basis of their price-volatility. Assets included in each category are those that the bank is holding on the first day of the stress period. Level 1 assets are with 0% haircut while in Level 2, 2A assets are with a minimum 15% haircut and Level 2B Assets, with a minimum 50% haircut.

The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various

Maturity pattern of assets and liabilities as at March 31st , 2022

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categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

Details of LCR for FY 2022-23 (Four Quarters) & Quarter Ended March 2022:

(De	In	Crore)
( NS.	111	Ciolei

Details	Quarter Ended March 31 2023	Quarter Ended December 31 2022	Quarter Ended September 30 2022	Quarter Ended June 30 2022	Quarter Ended March 31 2022
HQLA	69 269.29	69 630.48	71 853.08	74 671.80	72,048.89
Total Net cash Outflows	40 469.60	40 377.79	42 468.53	44 262.78	40,499.29
LCR in %	171.16	172.45	169.19	168.70	177.90

Bank has calculated LCR for all working days over the March 2023 quarter. Bank's LCR for the quarter ended March 31st 2023 stands at 171.16% based on daily average of three months (Q4 FY 2022-23) and is well above the present minimum requirement prescribed by Reserve Bank of India of 100% for the Quarter ended March, 2023. The Minimum requirement as on March 31st 2022 was 100%. Bank is having enough liquidity to meet sudden cash outflows.

The detailed Quantitative disclosure is placed below:

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and Overseas Centers are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total

funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short-term requirements.

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#### Annexure to the Quantitative Disclosure:

		Jun-	-22	Jun	-21	Sep	-22	Sei	0-21	Dec	-22	Dec	-21	Mar-23		in Rs. crore)	-22
¥00	-	Total Unweighted Value [average]	Total Weighted Value (average)	Total Unweighted Value [average]	Total Weighted Value (average)	Total Unweighted Value [average]	Total Weighted Value (average)	Total Unweighte d Value [average]	Total Weighted Value (average)	Total Unweighted Value [average]	Total Weighted Value (average)	Total Unweighted Value [average]	Total Weighted Value (average)	Total Unweighted Value [average]	Total Weighted Value (average)	Total Unweighted Value [average]	Total Weighted Value (average)
High Quality	Liquid Assets	mill Art makes	2-00538			na may il home							S. S. S. S. S.	272-1310-1510-1510	5.00 E-10 E-10	Data Periodica da	1867301427330
1 Total	High Quality Liquid s (HQLA)		74 671.80		62 208.66		71 853.08		68 066.62		69 630.48	7.00 E.00	69 720.72		69 269.29		72 048.89
Cash Outflov				Lugal Arthur		<b>加州公司</b>	tall him in the	HARLEM		nis, malloune			10.2112.01			to a sile di Europe de	132 S. A. Y.
2 Retail depos busine custon	sits from small	2 01 162.57	18 798.37	189 031.09		2 01 708.59		191 690.05	17 881.60	2 03 241.69	19 003.77	170 147.01	15 968.30	2 04 063.66	19 079.47	196 375.47	18 335.17
	e deposits	26 357.71	1 317.89	25 723.73	1 286.19	26 362.54	1 318.13	25 748.04	1 287.40	26 408.03	1 320.40	20 927.87	1 046.39	26 537.86	1 326.89	26 047.53	1 302.38
	table deposits	1 74 804.86	17 480.49	163 307.36	16 330.74	1 75 346.05	17 534.61	165 942.01	16 594.20	1 76 833.66	17 683.37	149 219.14	14 921.91	1 77 525.80	17 752.58	170 327.94	17 032.79
	ng, of which:	54 893.41	27 300.37	42 567.30	21 432.99	51 913.39	25 847.61	47 141.84	23 367.76	47 480.46	23 936.18	71 082.58	26 112.16	47 998.14	24 053.50	49 446.36	24 943.52
counte	ational deposits (all terparties)	0.00	0.00	0.13	0.03	0.00	0.00	0.13	0.03	0.00	0.00	0.13	0.03	0.00	0.00	0.13	0.03
(all co	operational deposits ounterparties)	54 893.41	27 300.37	42 567.17	21 432.96	51 913.39	25 847.61	47 141.71	23 367.73	47 480.46	23 936.18	71 082.45	26 112.13	47 998.14	24 053.47	49 446.23	24 943.49
	cured debt	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0	0
The second secon	ed wholesale funding	1 806.59	629.85	437.67	409.01	1 352.74	640.06	1 352.74	285.79	2 333.67	614.27	1 649.38	677.20	2 976.52	458.00	724.21	474.09
of which		12 283.99	1 631.34	12 127.36	1 195.50	12 351.63	1 640.75	11 656.89	1 246.30	12 285.57	1 732.91	26 451.30	1 652.22	12 532.57	1 945.81	11 239.77	1 254.99
other	ative exposures and	539.67	539.67	99.49	99.49	556.77	556.77	207.82	207.82	672.96	672.96	217.78	217.78	891.27	891.27	250.24	250.24
CHARLES TO THE CONTRACT OF THE	ows related to loss of ng on debt products	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0	0
(iii) Credit	t and liquidity facilities	11 744.32	1 091.67	12 027.87	1 096.01	11 794.86	1 083.98	11 449.07	1 038.48	11 612.61	1 059.95	10 704.91	968.53	11 641.30	1 054.54	10 989.53	1 004.75
6 Other obliga	contractual funding	0.00	0.00	0	Ó	0.00	0.00	0	0	0.00	0.00	0	0	0.00	0.00	0	0
obliga		16 004.55	480.49	14 383.62	719.18	16 622.63	498.87	14 931.09	475.67	16 021.53	480.84	15 528.61	465.92	15 579.47	467.51	15 225.23	456.98
	. CASH OUTFLOWS		48 840.42		41 373.60		47 480.02		43 257.12	7	45 767.97		44 409.89		46 004.29		45 464.75
Cash Inflows												THE RESERVE				Leave the second	ART TO BE
(e.g. re	red lending reverse repos)	527.18	0.00	8 351.21	0	22.53	0.00	4 197.92	0.00	0.00	0.00	3 473.33	0	89.58	0.00	3 930.26	0
exposi		6 858.73	3 916.95	6 624.81	3 707.35	7 750.10	4 447.50	8 396.27	4 621.84	8 116.86	4 722.21	8 827.61	4 814.60	8 557.04	4 903.28	8 296.79	4 658.92
	cash inflows	664.52	660.69	284.14	266.15	567.62	563.99	200.40	154.79	674.70	667.97	197.78	163.84	638.16	631.41	308.64	306.54
The Control of the Co	. CASH INFLOWS	8 050.43	4 577.64	15 260.16	3 973.50	8 340.25	5 011.49	12 794.59	4 776.63	8 791.56	5 390.18	12 498.72	4 978.44	9 284.78	5 534.69	12 535.69	4 965.46
13 TOTAL			74 671.80		62 208.66		71 853.08		68 066.62		69 630.48		69 720.72		69 269.29		72 048.89
The state of the s	. NET CASH OUTFLOWS		44 262.78		37 400.10		42 468.53		38 480.49		40 377.79		39 433.57		40 469.60		40 499.29
15 LIQUID (%)	DITY COVERAGE RATIO		168.70%		166.33%	- Lord	169.19%		176.89%		172.45%		176.81%		171.16%		177.90%

1. Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the Circular and LCR template.

2. Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

3. Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows).

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#### c) Net Stable Funding ratio (NSFR)

Reserve Bank of India introduced the Net Stable Funding Ratio (NSFR) vide circular No. RBI/2017-18/178 DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17,2018 which has been modified from time to time in order to promote resilience of Banks over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The minimum NSFR requirement set out in the Reserve Bank of India guidelines effective from October 1, 2021 is 100%

Definition of NSFR:

Available Stable Fund (ASF)

Required Stable Fund (RSF)

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of required stable funding (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

#### Details of NSFR for the quarter ended Dec'2022 & Mar'2023:

(Rs. In Crore)

Details	Dec 2022 Quarter	Mar 2023 Quarter
Available stable funding (ASF) (Weighted Value)	2 26 423.49	2 45 665.82
Required Stable Fund (RSF) (Weighted Value)	1 48 366.14	1 71 536.41
NSFR in %	152.61%	143.21%

Bank has calculated NSFR for March 31st 2023 which stands at 143.21% which is well above the Reserve Bank of India prescribed minimum requirement of 100%. Bank's majority funding is from Retail and Small Business customers, which provide high stability with regard to stability of Funding. Bank is having enough stable sources of funding to fund their activities on an ongoing basis over a longer-term time horizon.

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						er Ended Dec 2022				For Quark	er Ended Mar 2023
						sclosure Template				NSFR D	isclosure Template
	( Rs.in Crore)	No maturity	< 6 months	6 months to <	One Yr and More	Weighted value	No maturity	< 6 months	6 months to <	One Yr and	Weighted value
			The Assessment	lyr	More	ASF Item	Williams State		lyr	More	
1 0	Capital: (2+3)	18 812.52	0	0	0	18 812.52	20 924.96	0	0	0	20 924.96
	Regulatory capital	18 812.52	0	0	0	18 812.52	20 924.96	0	0	0	20 924.96
	Other capital instruments	0	0	0	0	0	0	0	0	0	20 724.70
	Retail deposits and deposits from small business customers: (5+6)	90 119.40	64 762.40	47 611.95	3 003.24	1 86 599.97	90 095.64	66 700.62	49 179.28	5 458.82	192 196.69
5 S	Stable deposits	12 037.32	8 650.37	6 359.57	3 003.24	28 698.13	11 896.49	8 807.34	6493.77	5458.82	31 296.55
6 L	ess stable deposits	78 082.07	56 112.03	41 252.38	0.00	1 57 901.84	78 199.15	57 893.28	42685.50	0.00	160 900.14
7 V	Wholesale funding: (8+9)	24 471.50	19 470.19	14 31407	0.00	29 127.88	24017.17	23640.63	17430.56	0.00	32 544.18
	Operational deposits	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other wholesale funding	24 471.50	19 470.19	14 314.07	0.00	29 127.88	24 017.17	23 640.63	17 430.56	0.00	32 544.18
- CONTRACT PRO-	Other liabilities: (11+12)	2 569.43	1 846.47	1 357.48	0.00	0	2777.07	2055.95	1524.76	0.00	0.00
11 N	NSFR derivative liabilities		0.00	0.00	0.00			0.00	8.88	0.00	
	All other liabilities and equity not included in the above categories	2 569.43	1 846.47	1 357.48	0.00	0.00	2 777.07	2 055.95	15 15.88	0.00	0.00
13   Te	otal ASF (1+4+7+10)					2 34 540.37					245665.82
14 [ 7											
The second of the second	otal NSFR high-quality liquid assets (HQLA)					3 567.78					3 530.99
15 0	Deposits held at other financial institutions for operational purposes	703.68	0.00	0.00	0.00	351.84	1 304.97	0.00	0.00	0.00	652.48
	Performing loans and securities: (17+18+19+21+23)	32 005.44	30 396.73	19 003.02	95 750.21	1 28 854.10	0.00	36 401.95	22 248.02	56083.06	138587.63
	Performing loans to financial institutions secured by evel 1 HQLA	0.00	0.00	0.00	0.00	.0.00	0.00	0.00	0.00	0.00	0.00
18 n	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans o financial institutions	0.00	51.35	624.74	8 936.80	9 256.87	0.00	54.17	1 513.22	9 117.20	9 881.94
19 lo	Performing loans to non-financial corporate clients, boans to retail and small business customers, and boans to sovereigns, central banks and PSEs, of which:	32 005.44	30 345.38	18 378.27	40 419.97	83 266.67	0.00	36 347.77	20 734.81	0.00	91 991.24
	Vith a risk weight of less than or equal to 35% under he Basel II Standardised Approach for credit risk	5 870.21	0.00	0.00	7 413.54	8 634.44	0.00	0.00	0.00	0.00	10 091.95
21 P	Performing residential mortgages, of which:	0.00	0.00	0.00	19 808.36	13 733.24	0.00	0.00	0.00	20451.08	14 176.89
	Vith a risk weight of less than or equal to 35% under he Basel II Standardised Approach for credit risk	0.00	0.00	0.00	15 519.36	10 087.58	0.00	0.00	0.00	16 032.62	10 421.20
	securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.0	0.00	26 585.08	22 597.32	0.00	0.00	0.00	2 6514.78	22 537.56
24 C	Other assets: (sum of rows 25 to 29)	12 967.99	488.02	189.15	17 793.91	31 151.37	0.00	0.00	0.00	168.92	27 978.56
25 P	Physical traded commodities, including gold	0.00				0.00	0.00				0.00
	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	1 917.99	1 630.29		0.00	0.00	168.92	143.58
27 N	NSFR derivative assets		167.34	0.00	0.00	167.34		0.00	0.00	0.00	0.00
	NSFR derivative liabilities before deduction of variation margin posted		8.37	0.00	0.00	8.37		0.00	0.00	0.00	0.00
29 c	All other assets not included in the above categories	12 967.99	312.32	189.15	15 875.92	29 345.38	0.00	0.00	0.00	0.00	27 834.98
	Off-balance sheet items		1 639.53	992.96	13 796.80	711.56		1 842.66	1062.64	15081.70	780.92
31 To	otal RSF (14+15+16+24+30)		^ 1			_1 64 636.65				1	171 536.41

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32	Net Stable Funding Ratio (%)				70. 000.00	142.4497				roi Quarie	r Ended Mar 20
52	Net stubie rottung kullo (%)				F C	142.46%					143
			article in the			rter Ended Jun 2022 Disclosure Template					rter Ended Sep 2
			112.4	Unweighted value b		Disclosure remplate			Unweighted value by		Disclosure Temp
Rs.in C	Crore)	No maturity	< 6 months	6 months to < 1yr	One Yr and More	Weighted value	No maturity	< 6 months	T T	One Yr and More	Weighted vo
SF Iten			o morning	0111011111310 11/1	one if and wore		Nothidiomy	V O MOMMS	o mornins to < Tyr	One if did More	The same of the
1	Capital: (2+3)	17976.3	0	0	0	17976.3	18654.38	0		0.1	10/5
2	Regulatory capital	17976.3	0	0	0	17976.3	18654.38	0	0	0	1865
3	Other capital instruments	0	0	0	0	0	10034.30	0	0	0	1865
4	Retail deposits and deposits from small business customers: (5+6)	85881.35	61981.47	51516.92	1048.30	181825.95	86666.45	67147.05	48851.08	3538.57	18728
5	Stable deposits	11508.44	8305.76	6903.47	1048.30	26430.10	11517.55	8923.51			
	Less stable deposits	74372.91	53675.70	44613.44	0.00	155395.85	75148.90	58223.54	6492.07	3538.57	2912
7	Wholesale funding: (8+9)	26131.05	18177.20	15108.27	0.00	29708.26			42359.01	0.00	1581.
8	Operational deposits	0.13	0	0	0.00	0.07	25257.72	21138.45	15378.73	0.00	3088
9	Other wholesale funding	26130.92	18177.20	15108.27	0.00	29708.20	0.00 25257.72	0	15270.70	0	
10	Other liabilities: (11+12)	3277.19	2365.18	1965.86	0.00	29700.20		21138.45	15378.73	0.00	3088
11	NSFR derivative liabilities	32/7.17	2303.10	0.00	0.00	- 0	2705.74	2096.34	1525.14	0.00	-
12	All other liabilities and equity not included in the above categories	3277.19	2365.18	1965.86	0.00	0.00	2705.74	2096.34	0.00	0.00	
13	Total ASF (1+4+7+10)					229510.51					2368
											Laborator and the second
14	Total NSFR high-quality liquid assets (HQLA)					3484.33					36
15	Deposits held at other financial institutions for operational purposes	617.25	0.00	0.00	0.00	308.63	514.26	0.00	0.00	0.00	2
16	Performing loans and securities: (17+18+19+21+23)	34984.92	16778.71	22526.83	87605.31	119926.82	36922.17	19167.37	25764.71	87976.61	1236
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1200
18	Performing loans to financial institutions secured by non- Level 1 HQLA and unsecured performing loans to financial institutions	0.00	52.85	542.87	9601.88	9881.24	0.00	82.76	485.10	7717.91	79
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	34984.92	16725.86	21983.96	32441.54	73922.14	36922.17	19084.60	25279.61	34539.75	797
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	7122.05	0.00	0.00	6604.28	8922.12	8225.94	0.00	0.00	7695.16	103-
21	Performing residential mortgages, of which:	0.00	0.00	0.00	18107.94	12787.58	0.00	0.00	0.00	19088.67	1334
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	13020.83	8463.54	0.00	0.00	0.00	14401.46	936
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	27453.95	23335.86	0.00	0.00	0.00	26630.28	2263
24	Other assets: (sum of rows 25 to 29)	17416.83	618.96	385.44	17289.04	35437.71	16922.73	647.45	343.42	17045.21	3468
25	Physical traded commodities, including gold	0.00				0.00	0.00		2.00.12	.,	3400
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0,00	1817.10	1544.54	3.33	0.00	0.00	1817.10	154
27	NSFR derivative assets		310.20	0.00	0.00	310.20		369.71	0.00	0.00	36
28	NSFR derivative liabilities before deduction of variation margin posted		15.51	0.00	0.00	15.51		18.49	0.00	0.00	1
29	All other assets not included in the above categories	17416.83	293.25	385.44	15471.94	33567.47	16922.73	259.26	343.42	15228.11	2275
30	Off-balance sheet items	17 110.00	1014.90	1333.96	12535.95	660.05	10722.73	1090.13	1443.99		3275
31	Total RSF (14+15+16+24+30)		1011.70	1000.70	12000.70	159817.53		1070.13	1443.77	13978.38	718 162965
32						157017.55				y	162963

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3. Investments

a) Composition of Investment Portfolio As at March 31st 2023 (Amount in Rs. crore)

		nvestments out	side India									
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	77 120.52	1.01	606.90	0.00	0.00	13.86	77 742.29	3 710.18	199.58	150.28	4 060.03	81 802.32
Less: Provision for non- performing investments (NPI)	0.00	0.02	0.00	0.00	0.00	0.00	0.02	0.00	6.13	0.00	6.13	6.15
Net	77 120.52	0.99	606.89	0.00	0.00	13.86	77 742.27	3 710.18	193.45	150.28	4 053.90	81 796.17
Available for Sale												
Gross	9 749.10	0.00	1 896.07	2 535.49	0.00	604.33	14 784.99	0.00	0.00	77.72	77.72	14 862.71
Less: Provision for depreciation and NPI	266.61	0.00	1 367.68	321.26	0.00	529.35	2 484.90	0.00	0.00	3.57	3.57	2 488.47
Net	9 482.49	0.00	528.39	2 214.23	0.00	74.98	12 300.09	0.00	0.00	74.15	74.15	12 374.24
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	86 869.62	1.01	2 502.97	2 535.49	0.00	618.19	92 527.28	3 710.18	199.58	228.00	4 137.76	96 665.03
Less: Provision for non- performing investments	0.00	0.02	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.02
Less: Provision for depreciation and NPI #	266.61	0.00	1 367.68	321.26	0.00	529.35	2 484.90	0.00	6.13	3.57	9.70	2 494.60
Net	86 603.01	0.99	1 135.28	2 214.23	0.00	88.84	90 042.35	3 710.18	193.45	224.43	4 128.05	94 170.41

# The Bank is holding equity and NCDs issued by M/s. TCI Sanmar Chemicals SAE under NPI investments of Hong Kong Branch as shown under Schedule -8 Investment Overseas) as certified by the SCAs. Since the account is under substandard category, the Bank is holding provision against the said investment exposure as under:

Type of Investment	Amount of provision as on 31.03.2023 (INR)
TCI SANMAR CHEM.SAE – EQUITY	45 80 79 776.52
TCI SANMAR CHEM.SAE – NCD	30 04 90 999.26
TOTAL ·	75 85 70 775.78

The above mentioned provision is held in C.O. books.

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composition of Investment	Portfolio As at A	March 31st 20	22.									
			Inv	vestments in In	dia			l	nvestments ou	tside India		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	75 963.68	1.01	575.37	427.50	0	3.49	76 971.06	2 701.49	199.57	86.73	2 987.79	79 958.85
Less: Provision for non- performing investments (NPI)	0	0.02	0	0	0	0	0.02	0.00	6.13	0.00	6.13	6.15
Net	75 963.68	0.99	575.37	427.50	0	3.49	76 971.04	2 701.49	193.44	86.73	2 981.66	79 952.70
Available for Sale												
Gross	12 601.28	0	2 323.54	3 070.05	0	1 494.22	19 489.10	1 029.07	0	190.05	1 219.12	20 708.22
Less: Provision for depreciation and NPI	256.32	0	1 526.74	391.43	0	293.87	2 468.36	11.13	0	2.11	13.24	2 481.60
Net	12 344.96	0	796.80	2 678.62	0	1 200.35	17 020.74	1 017.94	0	187.94	1 205.88	18 226.62
Held for Trading												
Gross	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0
Total Investments	88 564.96	1.01	2 898.91	3 497.55	0	1 497.71	96 460.16	3 730.56	199.57	276.78	4 206.91	100 667.07
Less: Provision for non- performing investments #	0	0.02	0	0	. 0	0	0.02	0	0	0	0	0.02
Less: Provision for depreciation and NPI	256.32	0	1 526.74	391.43	0	293.87	2 468.36	11.13	6.13	2.11	19.37	2 487.73
Net	88 308.64	0.99	1 372.17	3 106.12	0	1 203.84	93 991.78	3 719.43	193.44	274.67	4 187.54	98 179.32

# The Bank is holding equity and NCDs issued by M/s. TCI Sanmar Chemicals SAE under NPI investments of Hong Kong Branch as shown under Schedule -8 Investment Overseas) as certified by the SCAs. Since the account is under substandard category, the Bank is holding provision against the said investment exposure as under:

Type of Investment	Amount of provision as on 31.03.2022 (INR)				
TCI SANMAR CHEM.SAE – EQUITY	42 23 75 793.84				
TCI SANMAR CHEM.SAE – NCD	27 74 88 795.50				
TOTAL	69 98 64 589.34				

The above mentioned provision is held in C.O. books.

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#### b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amou	int in Rs. crore)	
Particulars	2022-23	2021-22
i) Movement of provisions held towards depreciation on investments		
a. Opening Balance	2 436.23	2 913.77
b. Add: Provisions made during the year	769.51	325.34
<ul> <li>c. Less: Write off/write back of excess provisions during the year</li> </ul>	1 104.77	802.88
d. Closing Balance	2 100.97	2 436.23
ii) Movement of Investment Fluctuation Reserve		
a. Opening Balance	390.00	100.00
b. Add: Amount transferred during the year	0.00	290.00
c. Less: Drawdown	0.00	
d. Closing balance	390.00	390.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category (Book value)	2.71%	2.00%

c) Sale and transfers to/from HTM category

Sale from HTM category (above the prescribed limit of 5%) during the current year: NIL [previous year: NIL]. Transfer to/from HTM Category other than the category transfer allowed by Reserve Bank of India at the beginning of the year: NIL.

As per Master Circular – Prudential Norms for Classification Valuation and Operation of Investment portfolio by Banks dated July 7,2015 issued by Reserve Bank of India, Banks are permitted to shift investments to/from HTM once in a year, normally at the beginning of the accounting year. No further shifting will be allowed during remaining part of that accounting year, except when explicitly permitted by Reserve Bank of India.

#### d) Non-SLR Investment Portfolio

Non-pe	rforming non-SLR investments	(Amount in Rs. crore)			
Sr.No.	Particulars	2022-23	2021-22		
a)	Opening balance as on 1st April	2 541.11	2 670.54		
b)	Additions during the year since 1st April	1 181.76	451.42		
c)	Reductions during the above period	1 417.71	580.85		
d)	Closing balance as on 31st March	2 305.17	2 541.11		
e)	Total provisions held	2 277.38	2 252.21		

ii) Issuer composition of non-SLR investments

								(Amou	unt in Rs	. crore)		
Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities		
(1)	(2)	(3)		(4	(4)		(5)		(6)		(7)	
		22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	
a)	PSUs	23 478.76	23 703.05	23 415.10	23621.13	0.00	0	0.00	0	0.00	0	
b)	Fls	380.50	431.22	364.40	409.40	0.00	0	0.00	0	0.00	0	
c)	Banks	1 258.27	1 344.48	1 135.25	1109.12	8.75	127.24	8.75	8.75	8.75	8.75	
d)	Private Corporates	3 179.12	5 188.68	2 874.32	4771.98	110.74	113.20	77.92	71.92	19.27	18.80	
e)	Subsidiaries/ Joint Ventures	199.58	199.58	0.00	0	0.00	0	0.00	0	0.00	0	
f)	Others	3 710.18	3 646.09	0.00	0	0.00	0	0.00	0	0.00	0	
g)	Provision held towards depreciation	(2 227.99)	(2 179.90)	(2 032.44)	(1998.49)	0.00	0	0.00	0	0.00	0	
	Total *	29 978.42	32 333.20	25 756.63	27913.14	119.49	240.44	86.67	80.67	28.02	27.55	

#### Note:

- \* For Commercial Banks, the Total under column 3 shall match with the sum of total of Investments included under the following categories in Schedule 8 to the balance sheet:
   a) Investment in India in:
  - i) Shares
  - ii) Debentures and Bonds
  - iii) Subsidiaries and/or Joint Ventures
  - iv) Others
  - b) Investment outside India in (where applicable)
  - i) Government securities (including local authorities)
  - ii) Subsidiaries and/or joint ventures abroad
  - iii) Other investments
- 2. Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

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e) Repo transactions (in face value terms)\*

(Amount in Rs. crore)

	Minimum outstanding during the year 2022-23	Maximum outstanding during the year 2022-23	Daily average outstanding during the year 2022-23	Outstanding as on March 31, 2023
<ul> <li>i) Securities sold under repo</li> <li>a) Government securities</li> <li>b) Corporate debt securities</li> <li>c) Any other securities</li> </ul>	2 140.64	5 475.06	20.86	0.00
ii) Securities purchased under reverse repo a) Government securities b) Corporate debt securities c) Any other securities	669.35	7 125.99	88.49	0.00

<sup>•</sup> The disclosure shall be as specified in Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 as amended from time to time.

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#### 4. Asset quality

## a) Classification of advances and provisions held

Amount Rs. In Crore Standard Non-Performing Total Total Non-**Total Standard** Sub-Performing Doubtful Loss Advances standard Advances Gross Standard Advances and NPAs Opening Balance 1 40 502.09 10 751.14 1 852.02 2 695.46 15 298.62 1 55 800.71 Add: Additions during the year 4 472.43 4 472.43 Less: Reductions during the year 19 771.05 19 771.05 Closing balance 174 936.97 2 558.23 8 704.16 2809.16 14 071.55 189 008.52 Reductions in Gross NPAs due to: i) Upgradation 1 022.97 1 022.97 ii) Recoveries (excluding recoveries from upgraded accounts) 1 264.40 1264.40 iii) Technical/ Prudential Write-offs 2819.72 2819.72 iv) Write-offs other than those under (iii) above 592.42 592.42 Provisions (excluding Floating Provisions) Opening balance of provisions held 2 067.60 1 066.18 8 391.79 1 691.37 11 149.34 13 216.94 Add: Fresh provisions made during the year 2 857.74 2 395.29 Less: Excess provision reversed/ Write-off loans 3 488.31 3 499.75 Closing balance of provisions held 1593.71 1078.72 6 752.67 2 687.37 10 518.77 12 112.48 **Net NPAs** Opening Balance 1629.28 2 034.69 160.64 3 824.62 Add: Fresh additions during the year 3006.75 Less: Reductions during the year 3565.37 Closing Balance 1469.50 1753.01 43.62 3 266.01 3 266.01 Floating Provisions 0 Opening Balance 0 Add: Additional provisions made during the year 0 Less: Amount drawn down 18 during the year 0 Closing balance of floating provisions 0 Technical write-offs and the recoveries made thereon Opening balance of Technical/Prudential written-off accounts 30 580.04 Add: Technical/ Prudential write-offs during the year 2819.72 Less: Recoveries made from previously technical/ prudential written-off 3 103.13 accounts during the year Closing balance 30 244.10

Ratios (in Percent)	2022-23	2021-22	
Gross NPA to Gross Advances	7.44%	9.82%	
Net NPA to Net Advances	1.83%	2.65%	
Provision coverage ratio	92.63%	91.66%	

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# b) Sector-wise Advances and Gross NPAs

(Amounts in Rs. crore)

			2022-23			2021-22		
Sr. No.	Sector*	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	
i)	Priority Sector		•					
a)	Agriculture and allied activities	44 487.68	2 880.74	6.48%	38 708.88	2 905.93	7.51%	
b)	Advances to industries sector eligible as priority sector lending Services	15 110.54	1 433.44	9.49%	14 457.03	1 763.99	12.20%	
c)	Services	18 566.92	1 318.10	7.10%	16 874.79	1 522.12	9.02%	
d)	Personal loans	13 638.80	1 177.51	8.63%	12 439.01	778.89	6.26%	
	Sub-total (i)	91 803.94	6 809.79	7.42%	82 479.71	6 970.93	8.45%	
ii)	Non-priority Sector							
a)	Agriculture and allied activities	2 187.07	93.14	4.26%	944.10	133.55	14.15%	
b)	Industry	51192.05	5 679.66	11.09%	25 547.71	5 322.48	20.83%	
c)	Services	29254.00	864.77	2.96%	10 516.78	2 358.89	22.43%	
d)	Personal loans	44243.48	624.19	1.41%	35 037.03	512.76	1.46%	
	Food Credit	587.18	0	0	1 275.37	0.00	0.00%	
	Sub-total (ii)	127463.78	7 261.76	5.70%	73 320.99	8 327.68	11.36%	
	Total (I + ii)	219267.72	14 071.55	6.42%	155 800.70	15 298.61	9.82%	

\*Banks shall also disclose in the format above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

# c) Overseas assets, NPAs and revenue

(Amount in Rs. crore)

(7 ATTO ETT ATTACK			
Particulars	2022-23	2021-22	
Total Assets	20 193.55	18 353.11	
Total NPAs	1 559.87	1 639.12	
Total Revenue	562.61	417.28	

# d) Particulars of resolution plan and restructuring

i) Particulars of Resolution Plan

The Reserve Bank of India Circular No. RBI/2018-19/2013 DBR No. BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework:

				ATTIOUTITINS.	CIOIC
Amount of loans impacted by RBI Circular	Amount of loans to be classified as NPA	Amount of Loans as on 31.03.2022, out of (b) classified as NPA	Provision held as on 31.12.2022	Addl. Provision required for loans covered under RBI circular	Provision out of (d) already made by 31.03.2023
(a)	(b)	(c)	(d)	(e)	(f)
5.60	5.60	5.60	1.37	0	1.36

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e) Divergence in asset classification and provisioning

(Amount in Rs. crore)

Sr. No.	Particulars	Amount
1.	Gross NPAs as on March 31, 2022* as reported by the bank	15 299
2.	Gross NPAs as on March 31, 2022 as assessed by Reserve Bank of India	16 236
3.	Divergence in Gross NPAs (2-1)	937*
4.	Net NPAs as on March 31, 2022 as reported by the bank	3 825
5.	Net NPAs as on March 31, 2022 as assessed by Reserve Bank of India	4 762
6.	Divergence in Net NPAs (5-4)	937*
7.	Provisions for NPAs as on March 31, 2022 as reported by the bank	3 401
8.	Provisions for NPAs as on March 31, 2022 as assessed by Reserve Bank of India	3 665
9.	Divergence in provisioning (8-7)	264
10	Reported Profit before Provisions and Contingencies for the year ended March 31, 2022	5 763
11.	Reported Net Profit after Tax (PAT) for the year ended March 31,2022	1 709
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning	256**

\*the divergence as assessed by Reserve Bank of India is Rs 937 crores. Out of the said amount of Rs 937 crores, one account M/s Agson Global P Itd., amounting to Rs 713 crores are included as fresh NPA by Reserve Bank of India. As per the Hon'ble Delhi High Court Order dated 09.03.2022, this account could not be classified as NPA as on March 31st 2022 and present status of the account (i.e., Standard) to be maintained.

However, Bank has now downgraded the account to NPA as per Hon'ble Delhi High Court Order dated 07.12.2022 and the required provision has been already made.

- Additional provisions for valuation of investments—Rs 1,155 crores,
- Additional provisions for divergence of NPAs—Rs 264 crores and Standard asset provision—Rs 34 crores.

# f) Disclosure of transfer of loan exposures

(Amount in Rs. crore)

	To ARCs		To permitted	To permitted transferees		To other transferees (please specify)	
	Y.E. 31.03.2023	Y.E. 31.03.2022	Y.E. 31.03.2023	YE 31.03.2022	YE 31.03.2023	YE 31.03.2022	
No. of accounts	7 NPA Loans + a portfolio of 256 MSME NPA Loans + a portfolio of 9604 Unsecured Education loans	8 NPA Loans + a portfolio of 285 MSME NPA Loans + a portfolio of 20897 Unsecured Education loans	Nil	Nil	Nil	Nil	
Aggregate principal outstanding of loans transferred	750.55	1 519.70	Nil	Nil	Nil	Nil	
Weighted average residual tenor of the loans transferred	5 Years	5 Years	Nil	Nil	Nil	Nil	
Net book value of loans transferred (at the time of transfer)	0.00	0.00	Nil	Nil	Nil	Nil	
Aggregate consideration	319.04	725.60	Nil	Nil	Nil	Nil	
Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00	Nil	Nil	Nil	Nil	
Details of loans acc							
		, UCBs, StCBs, Dong Finance Com			From ARC	S	
Aggregate principal outstanding of loans acquired		E					
Aggregate consideration paid Weighted average residual tenor of loans			NIL				

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<sup>\*\*</sup>After taking into consideration of divergence under various provisions viz.,



The Bank has reversed the amount of Rs. 198.72 Crore of excess provision to the Profit & Loss account on account of sale of stressed loans during Year ending March 31st 2023.

## g) Fraud accounts

#### Advance related fraud:

	2022-23	2021-22
Number of frauds reported	48	70
Amount involved in fraud (Rs. crore)	1 309.14	1 450.51
Amount of provision made for such frauds (Rs. crore)	1 309.14	1 450.51
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (Rs. crore)	Nil	Nil

- 1. During the quarter ended March 31st 2023, 12 number of advance related frauds reported, having amount outstanding (net off deductions) of Rs 33.79 crores and for which the Bank is holding 100% provision.
- 2. Bank has opted to provide full provision for the liability towards frauds for the financial year ended March 31st, 2023, instead of spilling over a period of four quarters.

#### Other than Advance related frauds:

	2022-23	2021-22
Number of frauds reported	34	25
Amount involved in such Frauds - Outstanding as on 31st March (Rs. crore)	22.94	11.36
Quantum of Provision made for the outstanding amount as on 31st March (Rs. crore)	22.94	11.36
Cumulative Provision as on 31st March since beginning, including Burglary/Dacoity/Robbery and etc	491.81	478.70

- ▶ Bank has opted to provide full provision for the liability towards frauds for financial year ended March 31st 2023 instead of spilling over a period of four quarters.
- During the quarter ended March 31st 2023, 5 frauds under other than advances category has been reported to Reserve Bank of India, where likely loss is Rs. 1.53 crores and for which the Bank is holding 100% provision.

#### Cyber Frauds:

Particulars	2022-23	2021-22
Number of frauds reported	935	217
Amount involved in such Frauds - Outstanding as	/ 0.06	0.46

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on 31st March (Rs. crore)	,	
Quantum of Provision made for the outstanding amount as on 31st March (Rs. crore)	0.06	0.46
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (Rs.crore)	Nil	Nil

Bank has opted to provide full provision for the liability towards frauds for financial year ended March 31st 2023 instead of spilling over a period of four quarters.

During the quarter ended March 31st 2023, 817 frauds under Digital Banking category have been reported to Reserve Bank of India, where the likely loss is Nil. Hence, no provision is required.

#### h) Disclosure under Resolution Framework for COVID-19-related Stress

(Amounts in Rs. crore)

Type of	Exposure to	Of (A),	Of (A)	Of (A)	Exposure to
borrower	accounts classified as Standard consequent to implementation of resolution plan— Position as at the end of the previous half-year (A)	aggregate debt that slipped into NPA during the half- year	amount written off during the half-year	amount paid by the borrowers during the half- year	accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	890.98	82.87	-	52.86	755.25
Corporate persons*	2751.03	153.54	-	296.81	2492.28
Of which MSMEs	2332.66	153.54	-	254.53	2116.41
Others	315.38	26.11	-	14.75	274.52
Total	3957.39	262.52	-	364.42	3522.05

<sup>\*</sup> As defines in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.



5. Exposure

a. Exposure to real estate

	(Amounts	in Rs. crore
Category	2022-23	2021-22
i) Direct exposure .		
Residential Mortgages –	25 659.39	21 968.01
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.		
Out of which, Individual housing loans eligible for inclusion in priority sector advances.	10 801.04	9 488.79
Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also include non-fund based (NFB) limits;	2 180.25	3 025.52
Real estate others: Hotels, Hospitals and liquirent not under CRE Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	1 056.76	1 448.42
Residential Commercial Real Estate	0.00	0.00
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies	4 961.52	3 877.23
Total Exposure to Real Estate Sector	33 857.92	28 870.76

D.	Exposure	to capit	ai market

(Amounts	in	Rs.	crore

Particulars	2022-23	2021-22
<ul> <li>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;</li> </ul>	111 89	439.30
<ul> <li>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;</li> </ul>	0.18	0.18
<ul> <li>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;</li> </ul>	0.36	0.36
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;	1 008.64	789.56
<ul> <li>v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;</li> </ul>		0.60
<ul> <li>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;</li> </ul>	0.00	0.00
vii) Bridge loans to companies against expected equity flows/issues;	0.00	0.00
<ul> <li>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;</li> </ul>	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.41	0.41
<ul> <li>All exposures to Venture Capital Funds (both registered and unregistered)</li> </ul>		121.69
xi) Other financial Guarantee	0.00	6.06
Total exposure to capital market	1 569.20	1 358.16



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Risk category-wise country exposure

(Amounts in Rs. crore)

Risk Category*	Exposure (net) as at 31.03.2023	Provision held as at 31.03.2023	Exposure (net) as at 31.03.2022	Provision held as at 31.03.2022
Insignificant	10 276.51	4.65	14 570.96	9.04
Low	5 785.86	0.00	13 624.86	5.15
Moderately Low	1 468.35	0.00	63.73	Nil
Moderate	12.04	0.00	238.47	Nil
Moderately High	338.13	0.00	757.87	Nil
High	412.17	0.00	Nil	Nil
Very High	4.03	0.00	Nil	Nil
Total	18 297.09	4.65	29 255.89	14.19

\*Till such time, as banks move over to internal rating systems, banks shall use the sevencategory classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

### d. Unsecured advances

(Amounts in Rs. crore)

Particulars	2022-23	2021-22
Total unsecured advances of the bank	49 549.61	40 879.21
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	7 031.50	4 282.72
Estimated value of such intangible collateral	7 031.50	4 282.72

### e. Factoring exposures

1 Amounts in Re crorel

(Amounts in Rs.		n Ks. Clore
Particulars	2022-23	2021-22
Exposure of our Bank under Factoring	2489.62	562.65

#### f. Intra-group exposures

(Amounts in Rs. crore)

Amonis in Ns. Ci		
Particulars	2022-23	2021-22
i. Total amount of intra-group exposures	Nil	Nil
ii. Total amount of top 20 intra-group exposures	Nil	Nil
iii. % of intra-group exposures to total exposure of the bank on borrowers/ customers	Nil	Nil
iv. Details of breach of limits on intra-group exposures and regulatory action thereon, if any	Nil	Nil

# g. Unhedged foreign currency exposures

As per Reserve Bank of India circular ref RBI/2013-14/620 & RBI/2013-14/448, data relating to UFCE of borrowers from individual branches is obtained through online and consolidated working of the required additional provision and capital for Exposures to entities with Unhedged Foreign Currency Exposure is done.

The Bank has estimated the provision towards Unhedged Foreign Currency Exposure (UFCE) to their constituents as per Board approved policy on UFCE, which is in line with Reserve Bank of India Circular DOR.MRG.REC.76/100-00-007/22-23 dated October 11. 2022. The Bank holds provision of Rs. 12.96 crore as on March 31st 2023 against the same.

### 6. Concentration of deposits, advances, exposures and NPA

### a. Concentration of Deposits

(Amounts in Rs. crore)

Particulars	2022-23	2021-22
Total Deposits of twenty largest depositors	13 701.36	12 636.30
Percentage of Deposits of twenty largest deposits to Total Deposits of the Bank	5.25%	4.82%

#### b. Concentration of advances

(Amounts in Rs. cro		
Particulars	2022-23	2021-22
Total Advances to the twenty largest borrowers	32 027.55	18 975.92
Percentage of advances to twenty largest borrowers to total advances of the bank	16.95%	12.18%

# c. Concentration of exposures (Credit and Investment Exposure)

(Amounts in Rs. crore)

	(Alliouli	13 111 KS. CIOI
Particulars	2022-23	2021-22
Total exposure to the twenty largest borrowers/customers	35 588.43	24 243.25
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/customers	11.80%	9.21%

#### d. Concentration of NPAs

(Amounts in Rs. crore)

Particulars	2022-23	2021-22
Total Exposure to the top twenty NPA accounts	3 761.29	3 773.70
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	26.73%	24.67%

Concentration of NPAs FY 2022-23 (Top Twenty Accounts excludes Technical write off



#### 7. Derivatives

#### a. Forward rate agreement/Interest rate swap

		(Amounts i	n Rs. crore
Parti	iculars	2022-23	2021-22
i) ii) iii) iv) v)	The notional principal of swap agreements Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements Collateral required by the bank upon entering into swaps Concentration of credit risk arising from the swaps\$ The fair value of the swap book@	Nil	Nil

#### b. Exchange traded interest rate derivatives

(Amounts in Rs. crore)

Sr. No.	Particulars	2022-23	2021-22
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Nil	Nil
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument wise)	Nil	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil

### c. Disclosures on risk exposure in derivatives

#### i) Qualitative disclosures

### Treasury (Foreign)

The Bank uses Interest Rate Swaps (IRS), Currency Swaps and Options for hedging purpose to mitigate interest rate risk and currency risk in banking book. Such transactions are entered only with Clients and Banks having gareements in place.

- a) The Risk Management Policy of the Bank allows using of derivative products to hedge the risk in Interest/Exchange rates that arise on account of overseas borrowing/FCNR(B) portfolio/the asset liability mismatch, for funding overseas branches etc.
- b) The Bank has a system of evaluating the derivatives exposure separately and placing appropriate credit lines for execution of derivative transactions duly reckoning the Net Worth and security backing of individual clients.
- c) The Bank has set in place appropriate control systems to assess the risks associated in using derivatives as hedge instruments and proper risk reporting systems are in

place to monitor all aspects relating to derivative transactions. The Derivative transactions were undertaken only with the Banks and counterparties well within their respective exposure limit approved by appropriate credit sanctioning authorities for each counter party.

- d) The Bank has set necessary limits in place for using derivatives and its position is continuously monitored.
- e) The Bank has a system of continuous monitoring appraisal of resultant exposures across the administrative hierarchy for initiation of necessary follow up actions.
- f) Derivatives are used by the Bank to hedge the Bank's Balance sheet exposures.
- g) The income from such derivatives are amortized and taken to profit and loss account on accrual basis over the life of the contract. In case of early termination of swaps undertaken for Balance Sheet Management, income on account of such gains would be recognized over the remaining contractual life of the swap or life of the assets/liabilities whichever is lower.
- h) All the hedge transactions are accounted on accrual basis. Valuations of the outstanding contracts are done on Mark to Market basis. The Bank has duly approved Risk Management and Accounting procedures for dealing in Derivatives.
- i) The derivative transactions are conducted in accordance with the extant guidelines of Reserve Bank of India.

### Treasury (Domestic)

The Bank uses Rupee Interest Rate Swaps (IRS) for hedging purpose to mitigate interest rate risk in Government Securities and to reduce the cost of Subordinated Debt. In addition, the bank also enters into rupee interest rate swaps for trading purposes as per the policy duly approved by the Board. Swap transactions are entered only with Banks having ISDA agreements in place.

- a) The bank has put in place an appropriate structure and organization for management of risk, which includes Treasury Department, Asset Liability Management Committee and Risk Management Committee of the Board.
- b) Derivative transactions carry Market Risk (arising from adverse movement in interest rates), Credit risk (arising from probable counter party failure), Liquidity risk (arising from failure to meet funding requirements or execute the transaction at a reasonable price), Operational risk, Regulatory risk and Reputation risk. The Bank has laid down policies, set in place appropriate control systems to assess the risks associated in using derivatives and proper risk reporting and mitigation systems are in place to monitor all risks relating to derivative transactions. The IRS transactions were undertaken with only Banks as counter party and well within the exposure limit approved by the Board of Bank for each counter party.
- c) Derivatives are used by the bank for trading and hedging. The bank has an approved policy in force for derivatives and has set necessary limits for the use of derivatives and the position is continuously monitored. The value and maturity of the hedges which are used only as back to back or to hedge bank's Balance Sheet has not exceeded that of the underlying exposure.

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d) The accounting policy for derivatives has been drawn up in accordance with Reserve Bank of India guidelines, as disclosed in Schedule 17 – Significant Accounting Policies (Policy No.6).

# ii) Quantitative disclosures

(Amounts in Rs. crore)

SNo		2022-23		2021	1-22
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)				
	i) For hedging	Nil	Nil	1093.13	Nil
	ii) For trading	130	130	0.00	1311
b)	Marked to Market Positions				
	i) Asset (+)	N.C.	Nil	0.00	
	ii) Liability (-)	Nil	INII	194.53	
c)	Credit Exposure	Nil	Nil	21.86	
d)	Likely impact of one percentage change in interest rate (100*PV01)	3			
	i) on hedging derivatives	Nil	N.III	8.96	
	ii) on trading derivatives	] NII	Nil	0.00	
e)	Maximum and Minimum of 100*PV01 observed during the year				
	i) on hedging	a)Max:9.04 Min:0.00		a) Max:24.06 Min:8.96	
	ii) on trading	b) Max:0.00 Min:0.00	Nil	b) Max:0.00 Min:0.00	

# d. Credit default swaps

Credit Default Swaps – Nil (previous year – Nil)

# 8. Disclosures relating to securitization

(Number/ Amounts in Rs. crore)

SI. No.	Particulars	Mar 31 2023	Mar 31 2022
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	Nil	Nil
2.	Total amount of securitised assets as per books of the SPEs	Nil	Nil
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures • First loss • Others	Nil	Nil

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	h) On halanca shoot avacurus		
	b) On-balance sheet exposures     First loss     Others	Nil	
4.	Amount of exposures to securitization transactions other than MRR	Nil	· Nil
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
	<ul> <li>b) On-balance sheet exposures</li> <li>i) Exposure to own securitisations</li> <li>• First loss</li> <li>• Others</li> <li>ii) Exposure to third party securitisations</li> <li>• First loss</li> <li>• Others</li> </ul>	Nil	Nil
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	Nil	Nil
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		Nil
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.  (a) Amount paid (b) Repayment received (c) Outstanding amount		Nil
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	Nil	Nil
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	Nil	Nil
10.	Investor complaints (a) Directly/Indirectly received and. (b) Complaints outstanding	Nil	Nil

# Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV	sponsored
Domestic	Overseas
Nil	Nil

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### 10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amounts in Rs. crore)

(xineens in		
Particulars	2022-23	2021-22
Opening Balance of Amounts transferred to DEAF	1 595.20	1 372.16
Add: Amounts transferred to DEAF during the year	256.98	240.69
Less: Amounts reimbursed by DEAF towards claims	29.98	17.65
Closing Balance of Amounts transferred to DEAF	1 822.20	1 595.20

#### 11. Disclosure of complaints

a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S	Particulars	2022-23	2021-22
No.			
Con	plaints received by the Bank from its customers		
1	Number of complaints pending at beginning of the year	2 850	2 026
2	Number of complaints received during the year	198 307	169 599
3	Number of complaints disposed during the year	199 207	168 775
3.1	Of which, number of complaints rejected by the Bank	6 071	1 667
4	Number of complaints Pending at the end of the year	1 950	2 850
Maii	ntainable complaints received by the Bank from OFFICE OF C	MBUDSMA	N
5	Number of Maintainable complaints received by the Bank from Office Of Ombudsman	1 432	1 516
5.1	Of 5, number of complaints resolved in favour of the Bank by Office Of Ombudsman	627	658*
5.2	Of 5, Number of complaints resolved through conciliation/mediation/advisories issued by Office Of Ombudsman	804	858*
5.3	Of 5, Number of complaints resolved after passing of Awards by Office Of Ombudsman against the Bank	1#	0
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 Integrated Ombudsman scheme 2021 (previously banking Ombudsman Scheme 2006) and covered within the ambit of the scheme.

# The Award is lapsed as per RBIOS Scheme as the customer has given letter stating that he is not accepting the Award

# b. Top five grounds of complaints received by the bank from customers

Total         2 850         198 307         (+)16.93           Previous Year (FY 2021-22)           Internet/Mobile/ Electronic Banking         226         84 147         (+)11.58           ATM/Debit cards         1 119         72 501         (+)17.93           Credit Cards         24         2 206         (-)33.09           Loans and advances         74         1 545         (+)13.35           Cheques/Draft/bills         7         1 488         (+)380           others         576         7 712         (-)16.38           Total         2 026         169 599	1 950 1 006 1 134 307 112 7 284		
Previous Year (FY 2021-22)   Internet/Mobile/   226	1 006 1 134 307 112		
Previous Year (FY 2021-22)   Internet/Mobile/   Electronic Banking   226	1 006 1 134 307		2
Previous Year (FY 2021-22)   Internet/Mobile/   226   84 147   (+) 11.58     ATM/Debit cards   1 119   72 501   (+) 17.93	1 006 1 134		2
Previous Year (FY 2021-22) Internet/Mobile/ Electronic Banking 226 84 147 (+)11.58	1 006		2
Previous Year (FY 2021-22)  Internet/Mobile/ 226 84 147 (+) 11 58			2
2 000 170 007 (1710.70	1 950		2
Total 2 850   198 307   (+)14 93	1 950		2
20.1 10010 (1001)			U
others 284 10 548 (+)36.77	267		0
Cheques/Draft/bills 7 2 732 (+)83.60	10		1
Loans and advances 112 1 045 (-)32.36	23		1
Credit Cards 307 1 926 (-)12.69	262		0
Internet/Mobile/ Electronic Banking 1 006 111 287 (+)32.25% ATM/Debit cards 1 134 70 769 (-)2.39%	793 595		0
Current Year (FY 2022-23)			
1 2 3 4 5		6	
Complaints, (i.e. Complaints relating to complaints of the year complaints received auring the year complaints received over the previous year	nber of nplaints ding at end of year	number complain pending beyond 3 days	ts

# 12. Disclosure of penalties imposed by the Reserve Bank of India

(Rs in Crore)

	(No III CIO	Jie)
Particulars	2022-23	2021-22
Penalties imposed by Reserve Bank of India	0.58	
Penalties imposed by SEBI / stock exchanges	-	
Other Penalties	-	

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<sup>\*</sup> The figures given for previous year are different from the one published in the last year Annual Report, as we have received some clarification from Reserve Bank of India regarding the discrepancy



#### 13. Disclosure on remuneration

SI. No.	Name	Designation	Remuneration* Amount (Rs.) (2022-23)	Remuneration* Amount (Rs.) (2021-22)
1.	Shri Ajay Kumar Srivastava	Managing Director & Chief Executive Officer (MD & CEO) From 01.01.2023	9,12,876.00	NA
	**	Executive Director Upto 31.12.2022	35,00,690.00	32,65,002.00
2	Shri Partha Pratim Sengupta**	Ex MD & CEO Upto 31.12.2022	38,96,564.78	34,71,378.00
3.	Smt. S Srimathy	Executive Director	39,04,720.09	29,45,576.33
4.	Shri Sanjay Vinayak Mudaliar **	Executive Director From 01.01.2023	10,58,964.00	NA

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

#### 14. Other Disclosures

#### a. Business ratios

Particulars	2022-23	2021-22
i) Interest Income as a percentage to Working Funds	2.66%	2.17%
ii) Non-interest income as a percentage to Working Fund	s 1.32%	1.69%
iii) Cost of Deposits	4.13%	4.22%
iv) Net Interest Margin	2.93%	2.41%
v) Operating Profit as a percentage to Working Funds	1.91%	1.98%
vi) Return on Assets	0.76%	0.59%
vii) Business (deposits plus advances) per employee (in Rs. crore)	20.21	18.69
viii) Profit per employee (in Rs. crore)	0.09	0.08

#### b. Bancassurance business

(Amounts in Rs. crore)

S. No.	Nature of income	2022-23	2021-22
(a)	For selling Life Insurance Policies	3.24	2.14
(b)	For selling Non Life Insurance Policies	26.31	22.91
(c)	For Selling Mutual Fund products	0.44	0.47
(d)	Others (specify)	Nil	Nil
	Total	29.99	25.52

### c. Marketing and distribution - NIL

# d. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

(Amounts in Rs. crore)

S. No.	Particulars	2022	-23	2021-22			
	raniculais	Purchase	Sales	Purchase	Sales		
1	PSLC - Agriculture	Nil	Nil	Nil	Nil		
2	PSLC - SF/MF	Nil	Nil		3100.00		
3	PSLC - Micro Enterprises	Nil	Nil				
4	PSLC - General	Nil	Nil		1758.50		

### e. Provisions and contingencies

(Amounts in Rs. crore)

		11110. 01010
Particulars	2022-23	2021-22
Provisions for depreciation on Investment / Written back	1.35	249.25
Provision towards NPA	2857.74	3 401.01
Provision towards Standard Assets	(462.45)	187.66
Provision for Restructured accounts	(12.85)	4.18
Provision made towards Income Tax (including Deferred Tax)	249.46	69.52
Other Provision and Contingencies	1210.12	141.75
Total	3843.38	4 053.37

# f. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

- In line with the guidance issued by the Reserve Bank of India in February 2016, the Bank has set up a Steering Committee headed by the Executive Director along with a Working Group consisting of four (4) General Managers which monitors the progress of Ind-AS implementation.
- Bank has also formed a core team of 10 members and ECL team of 7 members drawn from various functional departments for taking forward for implementation of Ind AS.
- Bank has appointed a consultant for implementation of Ind AS in our Bank for a period of three years from 09.11.2022
- Bank in the past imparted training to Executives as well as Officials attached to various Administrative Officers.
- Based on the GAP Analysis report, Bank has identified customization requirement
  in existing system for generating Ind AS compliant financials which includes fair
  valuation of staff advances, staff deposits, computation of Effective Interest Rate
  (EIR) for loans classified under Amortized cost, Expected Credit Loss (ECL) model
  development involving Probability of Default (PD), Loss Given Default (LGD)
  Exposure at Default (EAD) etc with the help of consultant appointed in the initial

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<sup>\*\*</sup>Part of the year



stage. Bank is in the process of floating RFP for procurement of Software and requirement hardware for implementation of Ind AS in the bank.

• Proforma financials Statements are being submitted to Reserve Bank of India according to the time lines stipulated by Reserve Bank of India.

# g. Payment of DICGC Insurance Premium

(Amounts in Rs. crore)

Sr. No.	Particulars	2022-23	2021-22
i)	Payment of DICGC Insurance Premium	353.02	333.64
ii)	Arrears in payment of DICGC premium	Nil	Nil

h. Disclosure on unamortised Pension and Gratuity Liabilities and amortization of expenditure on account of enhancement in family pension of employees of Banks

#### 1. Pension:

The additional liability on account of enhancement in family pension in view of Government guidelines, works out of Rs Rs.425,85,83,225- as per the Actuarial Valuation.

As per Reserve Bank of India Circular RBI / 2021 - 22 / 105 / DOR. ACC. REC. 57/21.04.018/2021-22 dated 04.10.2021 banks are permitted to amortise the total liabilities over the period of five years. The Bank has opted the said provision of Reserve Bank of India and has charged minimum amount of Rs.21,29,29,161.25 for the quarter ended March  $31^{st}$  2023.

For the Financial Year 2022-23, Bank has provided an amount of Rs 85,17,16,645 for amortization of family pension.

The balance unamortized expenses of Rs 255,51,49,935- has been carried forward.

# 2. Gratuity:

**Particulars** 

Unamortised gratuity liabilities as on March 31st 2023 is Nil.

Provision for the employee benefits pertaining to Pension, Gratuity & Leave encashment have been made on the basis of Final Actuarial Valuation.

### 15. Letters of Comfort (LoC)

Banks should disclose the full particulars of all the letters of comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the "Notes to Accounts"

FY 2022-23

Letters of Comfort issued during the year

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Letters of Comfort outstanding as on 31.3.2023 - 3
Assessed Financial impact - NIL
Cumulative Assessed Financial Obligation - NIL

Cumulative position of LOC's outstanding as on March 31,2023:

1. During the year 2009-10, the Bank has issued a Letter of Comfort (LoC) undertaking to maintain a minimum CRAR of 12% in respect of Bangkok branch and to arrange to convert retained earnings to capital funds and/or infuse further capital in order to restore the CRAR to a minimum of 12%, subject to approval from Reserve Bank of India. The assigned capital of Bangkok Branch stands at THB 2200 Mio(25.97) as on March 31st 2023.

In the worst case scenario of the entire textile exposure of the branch becoming NPA. We may have to make additional provision to the extent of THB 92.854 Mio being unsecured portion of standard textile advances. If this contingency arises, there would be no additional capital to be remitted as existing reserves are adequate to cover the unsecured amount

During the year 2010-11 has issued a letter of Comfort favoring Bank Negara Malaysia. The Bank in association with other Joint Venture partners will provide support to India International Bank (Malaysia) Berhad in funding, provide support to India International (Malaysia) Berhad in funding, business and other matters as and when required and ensure that it complies with the requirements of the Malaysian laws, regulations and policies in the conduct of its business operations and management. The financial impact of the letter of Comport issued to bank Negara Malaysia is to the tune of our share of 35% of the paid up capital of MYR 330 Mio i.e., MYR 115.500 Mio on various dates

Based on the host country regulators guidelines, Bank has issued letter of Comfort favoring CBSL at its meeting held on 12.09.2019 for meeting all obligations and liabilities arising out of business carried on by IOB Srilanka Branch

16. In accordance with the Reserve Bank of India Circular No DBR No. BP. BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated 11.02.2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated 06.08.2020, on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)", the details of MSME restructured accounts from 01.04.2019 to 31.03.2023 are as under:

No. of Accounts	Aggregate exposure as on 31st March 2023	(Rs. in crore)
5117		294.85



17. Covid-19 pandemic has adversely impacted the economic activity across the globe including the indian economy for more than 2 years, however the Bank's results, operations and asset quality have not been affected much because of the pandemic. Further bank has made necessary provisions for all Covid related restructured loan. The bank is however keeping a close watch on developments on an ongoing basis

# 18. Amount of provisions made for Income Tax during the year:

 Amount in Rs. Crore

 Particulars
 2022-23
 2021-22

 Provision for Income Tax
 20.60
 31.71

 Provision for Deferred Tax
 228.85
 37.81

 Net Provision
 249.45
 69.52

#### 19. Comparative Figures

Previous year's figures have been regrouped / rearranged / reclassified wherever necessary.

#### DISCLOSURES UNDER ACCOUNTING STANDARDS

 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared following the same accounting policies and practices as those followed for the year ended March 31, 2022.

During the year, there were no material prior period income / expenditure items.

# 2. Accounting Standard 9 – Revenue Recognition

Revenue has been recognized as described in item No. 2 of Significant Accounting Policies – Schedule 17.

# 3. Accounting Standard 11 – The Effects of Changes In Foreign Exchange Rates

Particulars	2022-23	2021-22
Opening Balance	841.66	1160.73
Credited during the year	126.64	34 .23
Withdrawn during the year	2.59	353.30
Closing Balance	965.71	841 .666

# 4. Accounting Standard 15 – Employee Benefits

i. The Bank had adopted Accounting Standard 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India, with effect from 1st April, 2007.

ii. The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under: -

### (a) Defined Benefit Schemes:

Changes in the present value of the obligations

(Amount in Rs. crore)

Particulars		SION ded)		TUITY ded)	LEAVE ENCASHMENT (Un Funded)			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous year		
Present Value of obligation as at the beginning of the year	10 363.22	9 856.98	1 200.55	913.11	516.13	506.57		
Interest Cost	735.23	674.21	85.31	57.72	36.33	31.60		
Current Service Cost	279.52	256.02	78.70	72.68	56.88	43.37		
Benefits Paid	(1 067.96)	(1 166.10)	(120.21)	(186.44)	(60.75)	(111.59)		
Actuarial loss/(gain) on Obligations	1 004.24	742.11	57.83	343.48	27.68	46.18		
Present Value of Obligation at year end	11 314.24	10 363.22	1 302.17	1 200.55	576.27	516.13		

(b) Change in Fair Value of Plan Asset (Amount in Rs. crore)

Particulars		ISION nded)		ATUITY nded)	LEAVE ENCASHMENT (Un Funded)			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous year		
Fair Value of Plan Assets at the beginning of the year	10 363.23	9 856.98	1 225.20	1 295.29	0.00			
Expected return on Plan Assets	782.28	710.44	91.81	84.63	0.00			
Employer's contribution	1 202.74	915.48	124.65		60.75	111.59		
Benefit Paid	(1 067.96)	(1 166.10)	(120.21)	(186.44)	(60.75)	(111.59)		
Actuarial gain/(loss) on Obligations	33.96	46.43	5.37	31.72	0.00			
Fair Value of Plan Asset at the end of the year	11 314.25	10 363.23	1 326.82	1 225.20	0.00	-		
Unfunded Transitional Liability			-					

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# (g) Experience Adjustments

						_					(A	mou	nt in	Rs. C	rore)	
_	PENSION (Funded)						GRATUITY (Funded)					LEAVE ENCASHMENT (Unfunded)				
Particulars	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019	
Experience adjustment on Plan assets Loss/(Gain)	(33.96)	(46.43)	102.28	(32.05)	44.11	(5.37)	(31.72)	31.56	(20.96)	2.59	1	1	1	1	1	
Experience adjustment on Plan Liabilities Loss/(Gain)	1 004.24	742.11	864.20	430.22	336.01	90.99	375.22	39.11	(356.18)	(52.77)	32.00	90.89	11.82	18.52	29.71	

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market. In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

# h) The financial assumptions considered for the calculations are as under:

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated March 31st 2023).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs.100.00 crores.

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(g) Experience Adjustments

											(A	mou	nt in	Rs. C	rore)
*	PENSION (Funded)						GRATUITY (Funded)					LEAVE ENCASHMENT (Unfunded)			
Particulars	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Experience adjustment on Plan assets (Loss)/Gain	(33.96)	(46.43)	102.28	(32.05)	44.11	(5.37)	(31.72)	31.56	(20.96)	2.59	ł	1	1	1	1
Experience adjustment on Plan Liabilities Loss/(Gain)	1 004.24	742.11	864.20	430.22	336.01	90.99	375.22	39.11	(356.18)	(52.77)	32.00	90.89	11.82	18.52	29.71

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market. In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

### h) The financial assumptions considered for the calculations are as under:

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated March 31<sup>st</sup> 2023).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs.100.00 crores.

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# 5. Accounting Standard 17 – Segment Reporting

The Bank has adopted Reserve Bank of India's revised guidelines issued in April 2007 on Segment Reporting in terms of which the reportable segments have been divided into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

# Part A: Business Segments

(Amount in Rs. Crore)

Business Segments	Treas	ury	Corporate / Wholesale Banking		Retail Banking		Other Banking C	perations	TOTA	nt in Rs. Crore L
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	6 666.61	7 442.65	66 45.75	6 087.86	9 619.76	7 477.69	575.37	463.87	23507.49	21 472.07
Result	888.61	1 885.46	742.14	1 050.51	3909.84	2 343.90	400.07	322.54	5940.66	5 602.41
Unallocated Income									1.58	160.81
Unallocated Expenses									1.51	0.31
Operating Profit/Loss									5 942.17	5 762.91
Income Taxes									0	69.52
Provisions & Contingencies									3 593.95	3 983.85
Extraordinary profit / loss									0.00	0.00
Net Profit									2348.22	1 709.54
Segment Assets	103211.70	113 119.49	98 471.30	82 075.39	101 371.87	93 593.78	131.15	150.87	303 185.45	288 939.53
Unallocated Assets									10 559.80	10 437.63
Total assets									313 745.82	299 377.16
Segment Liabilities	102 119.91	106 809.35	91562.64	78 963.58	94590.37	90 376.63	151.16	181.53	288 424.08	276 328.09
Unallocated Liabilities									58.81	0.48
Total Liabilities									288 482.89	276 376.77

# Part B – Geographic segments

s In Crorol

Particulars	Domesti	С	Internatio	nal	Total	(1.3. 11 0/0/0)
Tunicolais	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	22 946.46	21 215.60	562.61	417.28	23 509.07	21 632.88
Assets	303 132.96	292 233.50	10 612.87	7 143.66	313 745.82	299 377.16

# 6. Accounting Standard 18 – Related Party Disclosures

The details are as follows:

(A) Name of the Related Parties and their relationship:

- (a) Associates Regional Rural Bank: Odisha Gramya Bank
- (b) Joint Venture: India International Bank (Malaysia) Berhad Ltd.
- (c) Key Management Personnel:
  - (i) Shri Ajay Kumar Srivastava, Managing Director and CEO (w.e.f 01.01.2023)
  - (ii) Shri Partha Pratim Sengupta, Managing Director and CEO (upto 31.12.2022)
  - (iii) Shri Ajay Kumar Srivastava, Executive Director (upto 31.12.2022)
  - (iv) Smt. S Srimathy, Executive Director
  - (v) Shri Sanjay Vinayak Mudaliar, Executive Director (w.e.f 01,01.2023)

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(B) Transaction with Related parties:

Details of Salary and Performance Incentive paid to Whole Time Directors during the year 2022-23 and 2021-22:

(Amount in Rs.)

		(Alliouti iii ka
NAME OF THE WHOLE TIME DIRECTOR	REMUNERATION * (2022-23)	REMUNERATION * (2021-22)
Shri Ajay Kumar Srivastava (ED)		
01.04.2022 to 30.09.2022	19,64,990.00	
01.10.2022 to 31.12.2022	15,35,700.00	
Total	35,00,690.00	32,65.002.00
Shri Ajay Kumar Srivastava (MD & CEO)		
01.01.2023 to 31.03.2023	9,12,876.00	
Shri Partha Pratim Sengupta (MD & CEO)		
01.04.2022 to 30.09.2022	22,76,284.00	34,71,378.00
01.10.2022 to 31.12.2022	16,20,280.78	34,71,370.00
Total	38,96,564.78	
Ms S Srimathy (ED)		
01.04.2022 to 30.09.2022	15,91,533.00	29,45,576.33
01.10.2022 to 31.03.2023	23,13,187.09	27,43,370.33
Total	39,04,720.09	
Shri Sanjay Vinayak Mudaliar (ED)		
01.01.2023 to 31.03.2023	10,58,964.00	NA
Total	10,58,964.00	

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

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<sup>\*\*</sup>Part of the year

(Amount in Rs Crore)



Relatives of Key Parent Key Management Personnel® **Management Personnel** Subsidiaries Items/Related Party (as per Associates/ Joint ventures Total ownership Outstanding Maximum Outstanding at Maximum Outstanding Maximum Maximum Outstanding at or control) at the year during the during the year at the year during the the year end during the the year end end year end year year 0.00 0.00 98.93 98.93 0.00 0.00 98.93 98.93 N.A. N.A. Borrowings# 0.28 623.68 625.42 0.74 2.39 0.19 622.75 622.75 N.A. N.A. Deposits# 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 N.A. N.A. Placement of deposits# 0.06 0.06 0.06 0.06 0.00 0.00 0.00 0.00 N.A. N.A. Advances# 830.76 832.67 0.00 0.00 0.00 0.00 830.76 832.67 N.A. N.A. Investments# 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 N.A. Non-funded commitments# N.A. Leasing/HP arrangements availed# 0.00 0.00 0.00 0.00 0.00 0.00 0.00 N.A. N.A. 0.00 Leasing/HP arrangements 0.00 0.00 0.00 0.00 0.00 0.00 0.00 N.A. 0.00 N.A. provided# 0.00 0.00 0.00 0.00 N.A. N.A. Purchase of fixed assets 0.00 0.00 N.A. 0.00 0.00 N.A. Sale of fixed assets 1.25 0.01 0.04 1.20 N.A. N.A. Interest paid 0.01 28.38 28.35 0.02 N.A. N.A. Interest received 0.00 0.00 0.00 0.00 N.A.

0.00

0.00

N.A. (Not Applicable)

N.A.

N.A.

N.A.

N.A.

N.A.

# 7. Accounting Standard 20 – Earnings per Share

Rendering of services\*

Receiving of services\*

Management contracts\*

Particulars	2022-23	2021-22
Net Profit after Tax available for Equity Shareholders (Rs. in Crore)	2098.78	1 709.54
Weighted Average Number of Equity Shares	18,90,24,12,256	1890 24 12,256
Basic & Diluted Earnings Per Share	Rs.0.34	Rs.0.92
Nominal value per Equity Share	Rs.10.00	Rs.10.00

0.00

0.00

0.00

0.00

0.00

0.00

<sup>#</sup> The outstanding at the year end and the maximum during the year are to be disclosed.

<sup>\*</sup> Contract services etc. and not services like remittance facilities, locker facilities etc.



# 8. Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard-23 - Accounting for Investments in Associates in Consolidated Financial Statements

The details of Subsidiaries, Associates and Joint Ventures of the Bank along with the percentage of share held are:-

Si. No	Name of the Company	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank	Associate	India	35.00%
2	India International Bank (Malaysia) Berhad	Joint Venture	Malaysia	35.00%
3	Universal Sompo General Insurance Company Limited*	Joint Venture	India	18.06%

Bank does not have any subsidiary.

The consolidated financial results are prepared in accordance with AS 21 on "Accounting for Consolidated Financial Statements", AS 23 on "Accounting for Investment in Associates" and AS 27 on "Financial Reporting of Interests in Joint Ventures" issued by the ICAI & guidelines issued by the Reserve Bank of India.

\*Since the shareholding in Universal Sompo General Insurance Company Ltd., is less than 25% the same has not been considered as Joint Venture as per extant Reserve Bank of India guidelines and thus not considered for preparation of consolidated financial statements.

### 9. Accounting Standard 22: Accounting for Taxes on Income -

(Rs. in Crore)

	31.03.2	023	31.03.2	2022
Particulars	DTA	DTL	DTA	DTL
Depreciation on Fixed Assets	0.00		19.88	
Provision for Employee Benefits	202.90		181.89	
Provision for Frauds	190.97		184.99	
Provision for Other Assets	28.79		28.92	
Provision for Restructured Advances	13.59		18.08	
Reserve for Severance Pay	0.93		0.82	
Provision for NPA	3 675.34		3 895.58	
Foreign Currency Translation Reserve	337.42		294.08	**
Others	1583.89		1 638.17	
Total	6033.83		6 262.41	
Net DTA	6033.83		6 262.41	

# 10. Accounting Standard 24 – Discontinuing Operations

The Bank has not closed any of its Overseas Branches during the currency financial year 2022-23. Hence the data relating to this disclosure may be treated as Nil. This standard establishes principles for reporting information about discontinuing operations. Merger/closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank may no be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger/closure of branches of Bank. Disclosures shall be required under the standard only when: (i) discontinuing of the operation has resulted in shedding of liability and relisation of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalized by the bank and (ii) the discontinued operation is substantial in its entirety.

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### 11. Accounting Standard 26 - Intangible Assets

The software acquired for core banking system is treated as intangible asset and amortized over a period of 3 years

### 12. Accounting Standard 27 – Financial Reporting of Interest in Joint Venture

Our Bank (with 35% share) has floated a Joint Venture at Malaysia along with Bank of Baroda (40%) and Union Bank of India (25%) (erstwhile Andhra Bank now merged with Union Bank of India) by name INDIA INTERNATIONAL BANK (MALAYSIA) BHD. IIBMB has an Authorized capital of MYR 500 Mio. The Joint Venture's paid up capital is MYR 330 Mio (previous year MYR 330 Mio).

As on March 31st 2023, Bank's Investment value in the Joint Venture as per Books stands at Rs 193.44 crore (original investment value Rs.199.58 crore as reduced by diminution in value of investment amounting to Rs 6.14 crores).

# 13. Accounting Standard 28 – Impairment of Assets

Fixed Assets owned by the Bank are treated as 'Corporate Assets' and are not 'Cash Generating Units' as defined by AS-28 issued by ICAI. In the opinion of the Management, there is no impairment of any of the Fixed Assets of the Bank.

# 14. Accounting Standard 29 – Provision for Contingent Liabilities and Contingent Assets:

The guidelines issued by the Institute of Chartered Accountant of India in this respect have been incorporated at the appropriate places.

SI No	Particulars	Brief Description
1	Claims against the bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material advise effect on the Banks financial conditions, results of operations or cash flows. The Bank is also a party to various taxation matters in respect of which appeals are pending
2	Liability on partly paid-up investments /venture funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchanges in its normal course of business to exchange currencies at a prefixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent liabilities, with respect to the transactions entered into with its customers, the Bank generally enters into off setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credits and guarantees on behalf on its customer. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurance that the bank will make payment in the event of the customer failing to fulfil its financial or performance obligations
5	Other items for which the Bank is contingently liable	The banks enter into currency options, forward rate agreements, currency swaps and interest rate swaps with inter bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the bank on behalf of associates & subsidiaries, banks liability under Depositors Education and Awareness Fund a/c and other sundry contingent liabilities.



#### 15. Particulars of Accounts Restructured

1	Amount	in	Rs.	Crore!	
- 1	,				

												2022-23										
	Type of Restructuring			Under C	DR Me	chanisi	m	Un	der SME Deb	t Restructurin	g Mechani	sm		Others In	cluding Corpor	rate				Total		
SI No.	Asset Classification  Details		Standard	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubtful	Loss	Total
		No. of Borrowers	-					36 994.00	3 550.00	2 984.00	16.00	43 544.00	94 827.00	8 858.00	7 954.00	2.00	111 641.00	131 821.00	12 408.00	10 938.00	18.00	155 185.00
1	Restructured Accounts as on April 1, 2022	Amount Outstanding	-	-	-			3 014.42	121.03	85.96	11.86	3 233.27	3 080.70	332.12	194.67	0.02	3 607.51	6 095.12	453.15	280.63	11.88	6 840.78
		Provision Thereon	-	-	-		-	273.78	30.26	85.96	11.86	401.86	263.86	66.30	60.22	0.02	390.40	537.64	96.56	146.18	11.88	792.26
	Fresh Restructuring	No. of Borrowers	-	-				2 266.00	0.00	0.00	0.00	2 266.00	9 463.00	14.00	772.00	2.00	10 251.00	11 729.00	14.00	772.00	2.00	12 517.00
2	during 01.04.2022 to 31.03.2023 including increase in exposure	Amount Outstanding			-			373.28	0.00	0.00	0.00	373.28	279.43	0.96	102.25	0.54	383.18	652.71	0.96	102.25	0.54	756.46
	for existing accounts	Provision Thereon	-	-	-			37.33	0.00	0.00	0.00	37.33	17.43	0.27	41.49	0.54	59.73	54.76	0.27	41.49	0.54	97.06
	Upgradation of	No. of Borrowers	-					74.00	(63.00)	(11.00)	0.00	0.00	283.00	(226.00)	(15.00)	0.00	42.00	357.00	(289.00)	(26.00)	0.00	42.00
3	restructured standard category during 01.04.2022 to	Amount Outstanding	-		-			3.26	(3.19)	(0.07)	0.00	(0.00)	8.14	(2.25)	(1.20)	0.00	4.69	11.40	(5.44)	(1.27)	0.00	4.69
	31.03.2023	Provision Thereon	-	-	-			0.33	(0.46)	(0.07)	0.00	(0.20)	0.51	(1.32)	(0.34)	0.00	(1.15)	0.84	(1.78)	(0.41)	0.00	(1.35)
	Restructured standard advances which cease to attract higher	No. of Borrowers					-	(1 176.00)	(172.00)	(28.00)	0.00	(1 376.00)	42.00	0.00	0.00	0.00	42.00	(1 134.00)	(172.00)	(28.00)	0.00	(1 334.00)
4	provisioning and /or additional risk weight at the end of FY and hence need	Amount Outstanding	-				-	(51.15)	(9.26)	(2.26)	0.00	(62.67)	4.69	0.00	0.00	0.00	4.69	(46.46)	(9.26)	(2.26)	0.00	( 57.98)
	not be shows as restructured standard advances at the beginning of the next FY	Provision Thereon					-	(5.11)	(1.39)	(2.26)	31.00	22.24	0.74	0.00	0.00	0.00	0.74	(4.37)	(1.39)	(2.26)	31.00	22.98

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# इण्डियन ओवरसीज़ बैंक आपकी प्रगति का सच्चा साथी



No.	Туре	of Restructuring		Unde	er CDR	Mech	anism		Under SM	AE Debt Rest	ructuring	Mechanism					Others					Total
SIN	Ass	set Classification  Details	Standard	Sub-standard	Doubfful	Loss	Total	Standard	Sub-standard	Doubfful	Loss	Total	Standard	Sub-standard	Doubfful	Loss	Total	Standard	Sub-standard	Doubiful	Loss	Total
	Downgradation	No. of Borrowers	-	-	-	-	-	(9 459.00)	6 432.00	2 996.00	1.18	( 29.82)	(21 316.00)	21 478.00	596.00	18.00	776.00	(30 775.00)	27 910.00	3 592.00	19.18	746.18
5	of the restructured accounts during	Amount Outstanding	-	-	-	-	-	( 370.10)	283.53	85.39	1.18	( 0.00)	( 578.46)	654.24	13.48	0.25	89.51	( 948.56)	937.77	98.87	1.43	89.51
	01.04.2022 to 31.03.2023	Provision Thereon	¥	-	-	-	-	(37.01)	42.53	85.39	0.00	90.91	( 49.55)	157.51	13.25	0.25	121.46	( 86.56)	200.04	98.64	0.25	212.37
	Write off/ sale/ closure/ exit from	No. of Borrowers	-	-	-			(6 031.00)	( 239.00)	( 583.00)	(1.02)	(6 854.02)	23 121.00	2 870.00	6 060.00	0.00	32 051.00	17 090.00	2 631.00	5 477.00	( 1.02)	25 196.98
6	CDR/ recovery action initiated in restructured	Amount Outstanding		-	=	-	-	( 474.81)	(21.58)	( 23.28)	(1.02)	( 520.69)	789.90	83.84	170.36	0.00	1 044.10	315.09	62.26	147.08	(1.02)	523.41
	accounts during 01.04.2022 to 31.03.2023	Provision Thereon		-	-	-	-	( 47.48)	( 3.24)	( 23.28)	47.00	( 27.00)	73.09	15.62	56.97	0.00	145.68	25.61	12.38	33.69	47.00	118.68
	Restructured	No. of Borrowers	-	-	-	-	-	22 668.00	9 508.00	5 358.00	12.02	37 546.02	60 174.00	25 646.00	3 220.00	22.00	89 062.00	82 842.00	35 154.00	8 578.00	34.02	126 608.02
7	Accounts as on March 31 of the 2023 (closing	Amount Outstanding	-	-	-	-	-	2 494.90	370.53	145.74	12.02	3 023.19	2 003.64	672.74	137.38	0.81	2 814.57	4 498.54	1 043.27	283.12	12.83	5 837.76
	Figures)	Provision Thereon	-	-	-	-	-	234.08	55.58	145.74	12.02	447.42	159.90	166.78	56.43	0.81	383.92	393.98	222.36	202.17	12.83	831.34

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	Type of Restructur	ring		Under	CDR Mech	nanis	im	Under SN	NE Debt i	Restructu	ing Me	chanism		Others In	cluding Cor	porate				Total		
SI No.	Asset Classification	on	Standard	Sub- standard	offul			Standard	Sub- standard	Doubfful			Standard	Sub- standard	Doubiful	SLEV	_	Standard	Sub- standard	Doubfful		_
	Details		Stan	Sub- stan	Doubfful	Loss	Total	Stan	Sub- stan	Dou	Loss	Total	Stan	Sub- stanc	Dou	Loss	Total	Stan	Sub	Dou	Loss	Total
	Destruction	No. of Borrowers	0	0	25	0	25.00	17029	1966	72	5	19072	44059	1323	1970	13	47365	61088.00	3289.00	2067.00	18.00	66 462.00
1	Restructured Accounts as on	Amount Outstanding		-	4 625.50	-	4 625.50	921.63	116.52	13.96	0.42	1 052.53	1 542.14	125.63	7 328.18	0.26	8 996.21	2 463.77	242.15	11 967.64	0.68	14 674.24
	April 1, 2021	Provision Thereon		-	7.37	-	7.37	50.76	23.30	5.58	0.42	80.06	208.47	6.39	27.05	0.26	242.17	259.23	29.69	40.00	0.68	329.60
	Fresh Restructuring	No. of Borrowers	0	0	0	0	0.00	2 6418	0	0	0	2 6418	12 4626	1526	0	0	12 6127	15 1044.00	1 526.00	0.00	0.00	152 545.00
	during 01.04.2021 to	Amount Outstanding	-	-	-	-	-	2,387.86	*	-	-	2,387.86	4,765.80	153.76	-	-	4,919.56	7153.66	153.76	0.00	0.00	7 307.42
2	31.03.2022 including increase in exposure for existing accounts	Provision Thereon		-	-	-	-	238.79	-	-	×	238.79	424.28	23.06			447.34	663.07	23.06	0.00	0.00	686.13
	Upgradation of restructured	No. of Borrowers	0.00	0.00	0.00	0	0.00	136	-136	0	0	0	55	-28	-27	0	0	191.00	-164.00	-27.00	0.00	0.00
3	standard category during	Amount Outstanding	-	-	-	-	-	5.65	(5.65)	-	-5	-	2.29	(1.06)	(1.23)	3302	=	7.94	-6.71	-1.23	0.00	0.00
	01.04.2021 to 31.03.2022	Provision Thereon	-	-	-	-	-	1.41	(1.41)	-	2	-	0.34	(0.16)	(0.18)		0.00	1.75	-1.57	-0.18	0.00	0.00
	Restructured standard	No. of Borrowers	0		0		0.00	0	0	0	0	0	0	0	-0	0	0	0.00	0.00	0.00	0.00	0.00
4	advances which cease to attract higher	Amount Outstanding	-			•	5/	-				ā					-	0.00	0.00	0.00	0.00	0.00

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provisioning and /or additional risk weight at the end of FY and hence need not be shows as restructured standard advances at the beginning of the next FY				0.00 0.00	0.00	0.00
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	Type of Restructu	ring		Unde	er CDR Mech	nanisr	n	Un	der SME M	Debt Re		ring			Others					Total		
	Asset Classification	on	ס	-standard	_			ס	andard	_			ס	standard	_			ס	-standard	_		
	Details		Standard	Sub-sta	Doubfful	Loss	Total	Standard	Sub-sta	Doubfful	Loss	Total	Standard	Sub-sta	Doubiful	Loss	Total	Standard	Sub-star	Doubiful	Loss	Total
	Downgradation of the	No. of Borrowers	0	0	0	0	0.00	-4662	1739	2912	- 11	0	-13778	7721	6104	5	52	-18440.00	9460.00	9016.00	16.00	52.00
5	restructured accounts during	Amount Outstanding	-	-		-	-	(95.54)	12.10	72.00	11.44	-	(302.33)	272.27	310.56	0.08	280.58	-397.87	284.37	382.56	11.52	280.58
	01.04.2021 to 31.03.2022	Provision Thereon	-		-	-	-	9.22	8.37	72.00	11.44	101.03	(82.92)	46.85	48.04	0.08	12.05	-73,70	55.22	120.04	11.52	113.08
	Write off/ sale/ closure/ exit from CDR/	No. of Borrowers	0	0	2	0	2.00	1927	19	0	0	1946	59995	1735	28	16	61774	61922.00	1754.00	30.00	16.00	63722.00
6	recovery action initiated in	Amount Outstanding	-		(1,056.47)		(1,056.47)	205.18	1.94	1		207.12	1,654.41	535.84	1,511.94	0.32	3,702.51	1859.59	537.78	455.47	0.32	2853.16
	restructured accounts during 01.04.2021 to 31.03.2022	Provision Thereon	-		(7.35)	-	(7.35)	7.96		-	-	7.96	138.05	20.58	7.69	0.32	166.64	146.01	20.58	0.34	0.32	167.25
	Restructured	No. of Borrowers	0	0	23	0	23.00	36994	3550	2984	16	43544	94855	8861	8073	2	111791	131849.00	12411.00	11080.00	18.00	155358.00
7	Accounts as on March 31 of the	Amount Outstanding	-	-	3,569.03	-	3,569.03	3,014.42	121.03	85.96	11.86	3,233.27	4,247.85	835.10	6,128.03	0.02	11,211.00	7262.27	956.13	9783.02	11.88	18013.30
	2022 (closing Figures)	Provision Thereon	140	=	0.02	2	0.02	273.78	30.26	85.96	11.86	401.86	406.26	79.26	67.58	0.02	553.12	680.04	109.52	153.56	11.88	955.00

S N NANDA & CO. Chartered Accountants

S N KAPUR & ASSOCIATES
Chartered Accountants

YOGANANDH & RAM LLP Chartered Accountants

NANDY HALDER & GANGULI Chartered Accountants

### **Independent Auditor's Report**

To the Members of Indian Overseas Bank

#### Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

- 1. We have audited the accompanying consolidated financial statements of Indian Overseas Bank (hereinafter referred as the 'the Bank') and its Joint Venture and Associates which comprise the consolidated Balance Sheet as at March 31, 2023, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements') which includes:
  - a) Audited Standalone Financial Statements of the Bank;
  - b) Audited Financial Statements of a foreign Joint Venture (India International Bank (Malaysia) Berhad and
  - c) Audited Financial Statements of an Associate (Odisha Gramya Bank)

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of such associate and joint venture as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of their consolidated state of affairs of the Bank, its Associate and Joint venture as at March 31, 2023, of its consolidated Profit and its consolidated Cash flows for the year then ended.









#### **Basis for Opinion:**

2. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' 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 Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### **Emphasis of Matter:**

- 3. We draw attention to the following notes appearing in Schedule 18 of Consolidated Financial Statements:
  - Note No. 7.2 regarding Tax paid in Advance (Net of provision) where amounts pending assessment, appeals and under dispute are under reconciliation.
  - ii. Note No. 7.3 relating non providing of any additional provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.
- iii. Note No. 9.3 of the statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 425.86 Crores. The Bank has charged an amount of Rs.85.17 crores to the profit and loss









account for the year ended 31st March 2023 and the balance unamortized expense of Rs. 255.52 crore has been carried forward in terms of RBI Circular No.RBI/2021-22/105 DOR.ACC. REC.57/ 21.04.018/ 2021-22 dated October 4, 2021.

iv. Note No.11 to the statement which explains that the extent to which the Covid-19 pandemic's impact on the bank's operation will depend on future developments, which are highly uncertain.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

#### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the Key Audit Matters to be communicated in our Report.

Sr. No	Key Audit Matter	Auditor's Response
L	Income Recognition, Asset Classification & Provisioning relating to Advances	Principal Audit Procedures
	Advances constitute 50.09 % of the Bank's total assets.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as under: -
	The recognition of income on accrual basis in respect of advances extended by the Bank, Classification of Advances	Evaluating the design of internal









into Performing and Non performing and provisioning thereof are in accordance with the extant prudential norms on Income Recognition and Asset Classification and provisioning (IRAC) norms and other circulars and directives issued by Reserve bank of India from time to time.

Taking into consideration the nature of transactions, compliance with the Reserve Bank of India guidelines, issues involved in the valuation of securities etc., in our opinion classification of Advances into performing and non-performing, recognition of income in respect of such advances and also provisioning relating to Performing/Non-Performing advances are considered to be one of the most significant matter in the audit and therefore determined to be a Key audit matter.

- related circulars/directives issued by RBI and also the internal policies and procedures of the Bank.
- Examining the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI inspection.
- Examining large advances/stressed advances and other advances on a sample basis including review of valuation reports of independent valuers as provided by the Bank's management.
- Relying on the audit reports of other Statutory Branch Auditors.
- Relying on the returns and financial statements shared by the branch head in respect of unaudited branches.
- Reviewing Memorandum of Changes suggested by the Branch Auditors and take appropriate action.
- Review of various audit and inspection reports made available to us in the relevant areas.
- Placing reliance on the opinions of domain experts on legal matters, titles, valuation and other aspects of securities charged to the bank.
- Review of files of the borrowers selected on sample basis and operations of such accounts.









# Performing relevant analytical procedures.

 Test checking of interest application, levying of other charges, commission etc.,

#### 2 Contingent Liability

The contingent liability as defined in AS 29 – Provisions, Contingent Liability and Contingent Assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by the management.

In view of associated uncertainty relating to the outcome of the matters relating to litigations involving Direct and Indirect taxes, various claims filed by other parties not acknowledged as debts, and as a result we have determined the above area as a Key audit matter

### **Principal Audit Procedures**

We have carried out the validation of information provided by the management by performing the following procedures

- Evaluating reasonableness of the underlying assumptions.
- Understanding the current status of the litigations/tax assessments.
- Examination of recent orders and /or communication received from various tax authorities/judicial forums and follow up action thereon.
- Examining the relevant documents on record.
- Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices.
- Getting management confirmation where-ever necessary.

# 3 IT Systems & Control

The entire Preparation of financial statements is highly dependent on CBS and other supporting software and

#### **Principal Audit Procedures**

We have carried out our audit procedures with standards on auditing guidelines towards implementation of IT









hardware controls. Adequate and appropriate Information Technology (IT) controls are required to ensure that these IT application process data as expected, and changes are made in an appropriate manner. Such controls ensure mitigating the expected risk of erroneous output data. Audit outcome is dependent on the extant IT controls and systems, and accordingly the above areas are determined to be a Key audit matter.

policies and procedures followed by the bank in order to effectively monitor, control, and evaluate the IT applications and controls to ensure effective implementation of such policies and procedures.

We have also relied on the report issued by the IS Auditor and obtained necessary inputs from IS experts wherever necessary and advised the management to implement the recommendations.

4 Classification and valuation of Investments, Identification of and Provisioning for Non-Performing Investments.

Investments constitute 26.49% of the total assets of the bank.

Valuation of Investments are done as per the guidelines, circulars and directives issued by RBI from time to time involving applying the rates quoted on BSE/NSE and other agencies, relying on the financial statements of unlisted companies etc. Taking into consideration the volume transactions. value of investments being carried in the books of the bank, complexities involved in the valuation of investments we have considered the above area as a Key audit matter.

#### **Principal Audit Procedures**

We evaluated and understood the Bank's internal control systems to comply with relevant RBI guidelines regarding valuation, classification, identification of Non-Performing Investments, provisioning and depreciation related to Investments.

Evaluating the process adopted for collection of data from various sources for determining the value of investments.

Assessing and evaluating the system of identification of Non-Performing Investments, income recognition on such investments and also ensuring creation of necessary provision in respect of non-performing investments.









Our opinion is not modified in respect of the above matters.

### Information other than the consolidated Financial Statements and Auditor's Report Thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Consolidated Financial Statements and our auditor's report thereon).

Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III disclosures and we do not, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard

# Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors are responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Bank including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions







of the Act for safeguarding of the assets of the Bank including its Associate and Joint Venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Bank and of its associate and Joint Venture are responsible for overseeing the financial reporting process of the Bank and of its associate and Joint Venture.

#### Auditor's Responsibilities for the audit of the consolidated Financial Statements

7. Our Objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:









- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 management.
- Conclude on the appropriateness of management's 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 Bank 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 statements 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 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 statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Bank and its Associate and Joint Venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and









performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.

We communicated with those charged with governance of the Bank and its associate and Joint Venture 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 provided 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

8.

i. We did not audit the Financial Statements of one Associate and one Foreign Joint Venture whose Financial Statement/Financial Information reflect Bank's share of total assets of Rs.295.92 crores, Bank's group share of total revenue of Rs.7.14 crores, Bank's group share of total Net Profit









after tax of Rs.5.55 Crore and Rs.5.20 crore for the quarter and year ended on 31st March 2023 respectively for the Associate and 31st December 2022 for the Foreign Joint Venture as considered in the consolidated Financial Statements, which have been audited by their respective Independent Auditors. The statements/Financial Information of these entities have been furnished to us and our opinion on the Consolidated Financial Statements, 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.

In respect of Foreign Joint Venture, the Financial Information has been prepared in accordance with Accounting Principles generally accepted in their country of incorporation and has been audited by other auditors under generally accepted Auditing Standards as applicable in their respective countries. The Bank's management has engaged a Consultant to convert the Financial Information from accounting principles generally accepted in their country to Accounting principles generally accepted in India and have been certified by the Management.

Our opinion in so far as it relates to the balances of such Associate and Foreign Joint Venture is based on the report of other auditors and conversion adjustments as provided by Bank's Management.

- ii. The independent auditor's reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the 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 as stated in Paragraph above.
- iii. In the case of Foreign Joint ventures, the financial information has been prepared in accordance with accounting principles generally accepted in the country of incorporation and has been audited by the other auditors under generally accepted Auditing standards as applicable in the country of incorporation. The management of the Bank has engaged consultant to convert the financial information of Joint venture to accounting principles generally accepted in India. Our







opinion in so far as it relates to the balances of such Joint Venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Bank.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

- 9. Subject to the matters indicated in paragraph 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, based on our audit and on the consideration of report of the other auditors on separate financial statements and other associates and joint ventures, as noted in the 'other matter' paragraph, we report, to the extent applicable, that;
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements and have found them to be satisfactory;
- b) The transactions of the bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 10. We further report that:
- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with









the books of account and with the returns received from branches not visited by us;

- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards except Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures issued by ICAI and to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- 11. As required by letter No.DOS.ARG.No.6270/09.91.001/2019-20 dated March 17,2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by RBI, we further report on the matters specified in Paragraph 2 of the aforesaid letter as under:
  - a. In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable Accounting Standards except Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - b. There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
  - c. As Bank is not registered under the Companies Act, 2013 the disqualification from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the Bank.
  - d. There are no qualification, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith of the Bank.



e. The Bank's internal financial controls over financial reporting is not applicable on the Consolidated Financial Statement.

#### For S N NANDA & CO

Chartered Accountants

FRN 000685N

PUNEETT NANDA

Partner

M No: 092435

UDIN: 23092435BGSVFA5289

New Delhi Chartered

For S N KAPUR & ASSOCIATES

**Chartered Accountants** 

FRN 001545C

SUYASH SN. KAPUR

Partner

M No: 403528

UDIN: 23403528BGWUDW9606

Place : Chennai Date :12.05.2023 For YOGANANDH & RAM LLP

Chartered Accountants FRN 005157S/S200052

N RAVISHANKAR

Partner

M No: 220436

UDIN: 23220436BGVYSR2489

For NANDY HALDER & GANGULI

**Chartered Accountants** 

FRN 302017E

RANA PRATAP NAN

Partner

M No: 051027

UDIN:23051027BHADNE6091



### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Rs in '000s	Rs in '000s
	Year ended	PY ended
CACHELOWERON	31.03.2023	31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) After Tax	21 03 98 96	17 09 27 48
Add: Provision for Tax	2 49 45 56	69 68 77
Net Profit / (Loss) before Income Tax	23 53 44 52	17 78 96 25
Adjustments for :		
Amortisation of HTM Investments	48 32 25	32 84 25
Loss on Revaluation of Investments	3 14 03 46	1 91 52 27
Depreciation on Fixed Assets	2 60 42 01	1 72 55 89
(Profit) / Loss on Sale of Assets	(15838)	(12005)
Transfer from Reserves	6 34 52	66 17 19
Provision for NPAs	29 32 97 61	34 70 16 92
Provision for Standard Assets	(4 62 36 52)	1 87 66 94
Depreciation on Investments (net)	3 43 49 00	2 54 01 18
Provision for Other Items	8 67 85 52	
Interest on IOB Bonds	1 83 40 80	1 36 88 24
	44 92 90 28	1 54 64 98
Adjustments for :	44 92 90 28	46 65 27 81
Increase / (Decrease) in Deposits	(12 40 17 31)	242.22.22.42
ncrease / (Decrease) in Borrowings	175 33 13 53	218 60 98 13
ncrease / (Decrease) in Other Liabilities & Provisions		(12 65 93 99)
Increase) / Decrease in Investments	(53 75 87 93)	15 29 30 15
Increase) / Decrease in Advances	32 92 42 04	(32 60 71 29)
Increase) / Decrease in Other Assets	(367 47 09 96)	(199 82 30 53)
, see and in the see and the s	7 49 18 60	9 61 95 79
	(217 88 41 03)	(1 56 71 74)
Direct Taxes (Net)	(6 41 47 98)	(7 48 37 00)
IET CASH FLOW GENERATED FROM /(USED IN) OPERATING ACTIVITIES (A)	(155 83 54 21)	55 39 15 31

	Year ended	PY ended
	31.03.2023	31.03.2022
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / disposal of Fixed Assets	22 72 75	6 93 80
Purchase of Fixed Assets	(5 82 36 40)	( 56 23 22
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	(5 59 63 65)	(49 29 41
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Equity Share Issue (including Share premium)		
Redemption of Tier I & Tier II Bonds (Net )		
Issue of Basel III Tier II Bonds	2 00 00 00	6 65 60 60
Interest Paid on Tier II Capital	(1 87 25 11)	6 65 00 00
Interest paid on perpetual (AT1) bonds	(167 25 11)	(1 86 03 85
Share Application Money received from GOI		
NET CASH GENERATED FROM/(USED IN) FROM FINANCING ACTIVITIES (C)	12 74 89	4 78 96 15
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) +(B) + (C)	(161 30 42 98)	59 68 82 05
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Cash & Balances with RBI	227 49 65 48	121 89 20 63
Balances with Banks & Money at Call	142 01 60 56	187 93 23 36
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash & Balances with RBI	171 50 18 08	207 10 25 12
Balances with Banks & Money at Call		227 49 65 48
,	36 70 64 98	142 01 60 55
IET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	(161 30 42 98)	59 68 82 05

This statement has been prepared in accordence with Indirect Method

The Previous year figures have been regrouped where ever necessary to confirm with the current year presentation and as per regulatory requirements.

VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

S SRIMATHY EXECUTIVE DIRECTOR

ANNIE GEORGE VIATHEW

SURESH KUMAR RUNGTA

B CHANDRA REDDY

SANJAY VINAVAK MUDALIAR
EXECUTIVE DIRECTOR

ta 200013

VIVEKAGGARWAL

SANJAYA RASTOGI

DEEPAK SHARMA

S N NANDA & CO FRN 000685N

(PUNEETT NANDA) Partner M No.092435

S N KAPUR & ASSOCIATES FRN 001545C

(SLYASH SN. KAPUR) Partner M No: 403528 YOGANANDH & RAM LLP

Rs in '000s

Rs in '000s

FRN 005157S/S200052

(N RAVISHANKAR)

Partner M No. 220436

NANDY HALDER & GANGULI FRN 302017E

FKN 30201/E

(RANA PRATAP NANDY)

Partner M No: 51027

CHENNAI 12.05.2023

DIRECTORS

506

CHARTERED ACCOUNTANTS



		AS AT		AS AT			YEAR ENDED	YEAR ENDED
	SCHEDULES	31.03.2023		31.03.2022		SCHEDULES	31.03.2023	31.03.2022
CAPITAL & LIABILITIES		(Rs. in	000's)		INCOME		(Rs. in 00	
Capital	01	18902 41 23		18902 41 23	Interest earned	13	19406 97 10	16735 84 21
Reserves and Surplus	02	5973 62 73		3695 33 93	Other income	14	4116 44 74	4905 33 28
Deposits	03	260973 59 64		262213 76 35	TOTAL		23523 41 84	21641 17 49
Borrowings	04	20803 77 19		3070 63 65	EXPENDITURE			- ''/ - ' - ' - ' - ' - ' - ' - ' - '
Other Liabilities & Provisions	05	6796 50 21		11147 82 21	Interest expended	15	11146 28 90	16419 48 58
TOTAL		313449 90 49		299029 97 37	Operating expenses	16	6429 81 39	5458 97 15
	-				Provisions & Contingencies (Net)		3843 32 59	4053 44 28
ASSETS					TOTAL		21419 42 88	19931 90 01
Cash & Balances with Reserve Bank of India	06	17150 18 98		22749 65 47	PROFIT / LOSS (-)			
Balances with Banks					Net Profit / Loss (-) for the year		2103 98 96	1709 27 48
and Money at Call and Short Notice	07	3679,64 98		14201 60 56	Profit /Loss (-) brought forward		-18010 24 03	-18824 54 73
Investments	08	93642 52 02		97640 78 78	TOTAL		-15906 25 07	-17115 27 25
Advances	09	178067 68 04		144253 55 69				
Fixed Assets	10	3710 73 87		3366 03 63	APPROPRIATIONS			
Other Assets	11	17208 13 41		16818 33 24	Transfer to Statutory Reserve		524 69 65	493 20 56
TOTAL		313449 90 40		299029 97 37	Transfer to Revenue and Other Reserves			
			1214-1-1-1		Transfer to Capital Reserve		23 50 06	111 76 22
Contingent Liabilities	12	196131 44.96		97998 90 15	Transfer to Invest. Fluctuation Reserve			290 00 00
Bills for Collection		19547 85 75		17216 22 01	Proposed Dividend (including Dividend Tax)			
Significant Accounting Policies	17		*		Balance carried over to Balance Sheet		-16454 44 78	-18010 24 03
Notes on Accounts	18				TOTAL		-15906 25 07	-1.7115 27 25
					Basic & Diluted Earnings per share (Rs.)		1.15	0.92
					Nominal Value per Equity Share (Rs.)		10.00	10.00
Schedules Form Part of the Balance Sheet					Schedules Form Part of the Profit & Loss Acc	count		

FOR AND ON BEHALF OF THE BOARD

AJAY KUMAR SRIVASTAVA MANAGING DIRECTOR & CEO

S SRIMATHY EXECUTIVE DIRECTOR

simathin ANNIE GEORGE MATHEW

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(N RAVISHANKAR)

Partner M No. 220436

NANDY HALDER & GANGULI

FRN 302017E

(RANA PRATAP NANDY)

Partner M No: 51027

CHARTERED ACCOUNTANTS

VIDE OUR REPORT OF EVEN DATE

**CHENNAI** 12.05.2023

DIRECTORS



Indi	an Overseas Bank				ASAT	ASAT
IIIQI		ASAT	ASAT	SCHEDULE - 2	31.03.2023	31.03.2022
	SCHEDULE - 1	31.03.2023	31.03.2022	RESERVES & SURPLUS	(Rs. in 000's)	
	CAPITAL	(Rs. in 000's)				
	CARITAI			B Special Reserve		
1	AUTHORISED CAPITAL 2500,00,00,000 Equity Shares of Rs.10/- each			Opening balance		
	2500,00,000,000 Equity Shares of Rs. 10/- each)  (Previous year-2500,00,00,000 Equity shares of Rs. 10/- each)	25000 00 00	25000 00 00	Add: Additions		
	ISSUED, SUBSCRIBED & PAID UP CAP!TAL			Less: Deductions		
	1900 24 12 256 Equity Shares of Rs. 10/- each.			Description in the second seco		
	(Includes 1821 83 26 570 Equity Shares of Rs.10/- each held by	10002 41 22	18902 41 23	TOTAL - B		
	Government of India) =	18902 41 23	10702 41 20	C Investment Reserve Account	07.05.59	97 95 5
	GOV.		40 AT	Opening Balance	97 95 58	91 75 5
	SCHEDULE - 2	AS AT	AS AT 31.03.2022	Add: Additions		
	RESERVES & SURPLUS	31.03.2023	31.03.2022	Less: Deductions	97 95 58	97 95 5
		(Rs. in 000's)		TOTAL - C	77,500	
	I. STATUTORY RESERVE	25(2.02.10	2926 77 62	D Foreign Currency Translation Reserve	854 49 79	1177 26 8
	Opening balance	3562 03 19 524 69 65	635 25 56	Opening balance	137 47 16	34 25 6
	Add: Additions	. 324 09 03		Add: Additions	2 88 39	357 02
	Less: Deductions	4086 72 84	3562 03 19	Less: Deduction	989 08 56	854 49
	TOTAL-II	1000 12 5		TOTAL - D	-	
				E. Investment Fluctuation Reserve Account	390 00 00	100 00
	II. CAPITAL RESERVE			Opening balance		290 00
	A. Revaluation Reserve	2749 56 13	2220 45 88	Add: Additions Less: Deductions		390 00
	Opening Balance	43 90 22	569 12 83	TOTAL - (E)	390 00 00	4541 81
	Add: Additions Less: Deductions / Depreciation	40 30 99	40 02 58	TOTAL - IV (A,B,C,D,E)	4719 62 57	4541 61
	TOTAL - A	2753 15 36	2749 56 13	10	16454 44 79	-18003 03
	B. On sale of Assets	I A ship da	2164 23 30	V. PROFIT AND LOSS ACCOUNT	-16454 44 78	-10000 00
	Opening Balance	2133 94 51	111 76 22		5973 62 73	3695 33
	Add: Additions	23 50 06	142 05 00	TOTAL (I, II, III, IV & V)	3713 62 10	
	Less: Deduction	2157 44 57	2133 94 51		AS AT	AS A
	TOTAL - B	2157 44 57	2133 74 01	SCHEDULE - 3	31.03.2023	31.03.20
	C. Others	152 12 62	153 09 32	DEPOSITS	(Rs. in 000's)	
	Opening Balance	153 12 62 9 45	3 30		(**************************************	
	Add: Additions	7.6		PERCEITC		
	Less: Deduction	153 22 07	153 12 62	A. I. DEMAND DEPOSITS	8 12 73	11 49
	TOTAL - C TOTAL - III (A,B,C)	5063 82 00	5036 63 26	i) From Banks	16675 44 49	17378 28
	101AL - III (A,b,c)			ii) From Others TOTAL - I	16683 57 22	17389 7
	OX A DE DDEMIUM			II. SAVINGS BANK DEPOSITS	97442 80 12	96501 20
	III. SHARE PREMIUM	8557 90 11	6923 32 50	III. SAVINGS BANK DEFOSITS		544 9
	Opening balance		1634 57 61	i) From Banks	570 93 19	147777 8
	Add: Additions Less: Deductions		9555 00 11	ii) From Others	146276 28 51	148322 7
	TOTAL -I	8557 90 11	8557 90 11	TOTAL - III	146847 21 70	140322 /
	27.27				260973 59 04	262213 7
	IV. REVENUE & OTHER RESERVES			TOTAL - A (I,II & III)	2009/3 39 04	
	A Other Revenue Reserves		3161 66 17		254324 09 53	256889 8
	Opening Balance	3199 35 83	37 69 67	B. I) Deposits of branches in India	6649 49 51	5323 8
		43 22 60	31 07 01	II) Deposits of branches outside India	260973 59 04	262213 7
	Add: Additions			TOTAL - B	200913 37 01	

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I Ovciocao Dank		ASAT	SCHEDULE - 6	ASAT	AS AT
SCHEDULE-4	AS AT		CASH AND BALANCES WITH	31.03.2023	31.03.2022
BORROWINGS	31.03.2023	31.03.2022	RESERVE BANK OF INDIA	(Rs. in 000's)	
	(Rs. in 000's	s)	I. Cash on hand (including Foreign	1125 07 45	1154 04 35
. BORROWINGS IN INDIA					
Reserve Bank of India			currency notes) II. Balances with Reserve Bank of India		
Other Banks				12222 84 82	13355 89 50
Other Institutions & Agencies	15428 82 35	184 00 00	i) in Current Account	3802 25 82	8239 71 63
Innovative Perpetual Debt Instruments ( IPDI )			ii) in Other Accounts		
Hybrid Debt Capital Instruments issued as Bonds				17150 18 08	22749 65 47
Subordinated Debt	2465 00 00	2265 00 00	TOTAL	17130 10 00	
Supor uniated Debt					
TOTAL (I)	17893 82 35	2449 00 00		AS AT	AS AT
101122 (1)			SCHEDULE - 7	31.03.2023	31.03.202
			BALANCES WITH BANKS AND	(Rs. in 000's)	31.03.202
II. BORROWINGS OUTSIDE INDIA	2909 94 83	621 63 66	MONEY AT CALL AND SHORT NOTICE	(RS. III 000 S)	
II. BORROWINGS OUTSIDE INDIA	27077100				
TOTAL (1.8.11)	20803 77 19	3070 63 66	I. In India		
TOTAL (I & II)	20003 77 17		i) Balances with banks		55300
		104.00.00	a) In Current Accounts	15 15 17	14 60 3
Secured borrowings included in I & II above	15428 82 35	184 00 00	b) In Other Deposit Accounts	1060 05 50	387 42 4
			b) in Other Deposit Accounts		4
			ii) Money at Call and Short Notice		
			a) With banks		
	10.17	AS AT	b) With other institutions		
SCHEDULE - 5	AS AT	31.03.2022	TOTAL - I	1075 20 67	402 02 8
OTHER LIABILITIES & PROVISIONS	31.03.2023		II. Outside India		
	(Rs. in 000	's)	a) In Current Accounts	475 12 12	2505 33 4
I. Bills Payable	818 79 34	700 76 90	b) In Other Deposit Accounts	1732 53 68	10959 37 6
II. Inter Office Adjustments ( Net)		3555 93 65		387 78 51	334 86
III. Interest Accrued	162 44 02	41 43 74	c) Money at Call and Short Notice		
IV. Others (including provisions)	5815 26 85	6849 67 92	TOTAL II	2595 44 31	13799 57
11. Others ( melading provisions)			TOTAL - II	20,02	
			momay (I - J III)	3670 64 98	14201 60 5
TOTAL	6796 50 21	11147 82 21	TOTAL (I and II)		

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# **Indian Overseas Bank**

AS AT	AS AT	SCHEDULE - 9	AS AT	AS AT
31.03.2023	31.03.2022	ADVANCES		31.03.2022
(Rs. in 000's)			(Rs. in 000's)	
			4500.00.01	2005 75 0
86603 00 74	88308 63 94			2905 75 04
98 95	98 95		77364 66 07	44605 23 51
730 75 81	960 44 83	스 그를 하게 되어 하는 하면 그 그들은 그 그들이 가는 것이 없는 것이었다면 없는 없는 것이었다면 없는 없었다면 없는 것이었다면 없는 것이었다면 없어요. 그런데 없는 것이었다면 없었다면 없었다면 없었다면 없었다면 없는 것이었다면 없었다면 없었다면 없었다면 없었다면 없었다면 없었다면 없었다면 없	04400 40 04	0/742 57 1
2214 23 50	3106 12 70	iii) Term Loans	96133 12 96	96742 57 14
			450075 (0.04	144252.55.60
88 83 28	1203 84 53	TOTAL	178067 68 04	144253 55 69
				44 (00 7 40 40
			135655 23 42	116825 49 19
		그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그		COMO CO O C
				6852 60 01
89637 82 28	93580 04 96	iii) Unsecured	30808 36 06	20575 46 49
		TOTAL	178067 68 03	144253 55 69
3744 15 69	3660 81 89			
		C. I) Advances in India		
45 85 91	42 28 93	i) Priority Sector	91803 94 00	82051 69 47
			24710 67 89	8971 66 67
		iii) Banks		
		iv) Others	47319 44 89	41693 29 21
3968 58 81	4019 93 79	TOTAL	163834 06 79	132716 65 35
93606 41 08	97599 98 75	II) Advances Outside India		
		i) Due from Banks		
91535 64 64	95803 45 58	ii) Due from Others		
2091 26 56	2416 84 81	a) Bills Purchased & Discounted		5762 40 66
		b) Syndicated Loans		1743 43 04
89444 38 08	93386 60 76	c) Others	5079 74 92	4031 06 64
4207 84 27	4273 55 64	1.00		1180 ( 00 0
9 70 33	19 37 63	TOTAL	14233 61 26	11536 90 34
4198 13 94	4254 18 02			
	31.03.2023 (Rs. in 000's)  86603 00 74 98 95 730 75 81 2214 23 50  88 83 28  89637 82 28  89637 82 28  3744 15 69 45 85 91 178 57 21  3968 58 81  93606 41 08  91535 64 64 2091 26 56  89444 38 08  4207 84 27 9 70 33	31.03.2023 (Rs. in 000's)  86603 00 74 88308 63 94 98 95 98 95 730 75 81 960 44 83 2214 23 50 3106 12 70  88 83 28 1203 84 53  89637 82 28 93580 04 96  3744 15 69 3660 81 89 45 85 91 42 28 93 178 57 21 316 82 98  3968 58 81 4019 93 79  93606 41 08 97599 98 75  91535 64 64 95803 45 58 2091 26 56 2416 84 81  89444 38 08 93386 60 76  4207 84 27 4273 55 64 9 70 33 19 37 63	31.03.2023 (Rs. in 000's)  86603 00 74 98 95 98 95 730 75 81 960 44 83 2214 23 50 3106 12 70  88 83 28  1203 84 53  TOTAL  B. i) Secured by Tangible Assets (includes advances against Book Debts) ii) Covered by Bank/Government Guarantees iii) Unsecured  TOTAL  3744 15 69 3660 81 89 45 85 91 42 28 93 178 57 21 316 82 98 178 57 21 316 82 98 191535 64 64 95803 45 58 2091 26 56 2416 84 81 89444 38 08 93386 60 76  4207 84 27 970 33 19 37 63  A. i) Bills Purchased & Discounted iii) Cash Credits, Overdrafts and Loans repayable on demand iiii) Term Loans  C. I) Advances against Book Debts ) ii) Covered by Bank/Government Guarantees iii) Unsecured  TOTAL  11) Advances in India i) Priority Sector ii) Public Sector iii) Banks iv) Others  TOTAL  11) Advances Outside India i) Due from Banks ii) Due from Courside India i) Due from Others a) Bills Purchased & Discounted b) Syndicated Loans c) Others  4207 84 27 4273 55 64 9 70 33 19 37 63  TOTAL	31.03.2023   31.03.2022   ADVANCES   31.03.2023   (Rs. in 000's)

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# **Indian Overseas Bank**

SCHEDULE - 10	AS AT	AS AT
FIXED ASSETS	31.03.2023	31.03.2022
, Indo	(Rs. in 000'	s)
I. Premises		1000
At cost / revalued as at beginning of the FY	4491 30 77	3973 49 58
Additions during the year *	80 65 22	517 82 24
SUB TOTAL	4571 95 99	4491 31 82
Deductions during the year *		1 05
	4571 95 99	4491 30 77
Depreciation to date	1325 92 48	1262 20 25
TOTAL-I	3246 03 51	3229 10 53
II. Capital work in progress	8 79	. 11 11
TOTAL - II	8 79	11 11
III. Other Fixed Assets (including Furniture &		
Fixtures)		
At cost as at beginning of the FY	2216 22 53	2126 18 10
Additions during the year	542 43 63	110 62 75
SUB TOTAL	2758 66 15	2236 80 85
Deductions during the year	41 56 35	20 58 32
•	2717 09 80	2216 22 53
Depreciation to date	2252 48 23	2079 40 54
TOTAL - III	464 61 57	136 81 99
Total (I, II & III)	3710 73 87	3366 03 63

<sup>\*</sup> Includes adjustment on account of conversion of figures relating to foreign branches at the rate of exchange at 31.03.2023

SCHEDULE - 11	AS AT	AS AT
OTHER ASSETS	31.03.2023	31.03.2022
O I I LA COMPANIA	(Rs. in 000's)	)
i) Inter Office Adjustments ( Net)	7469633.88	0.00
ii) Interest Accrued	3620 47 19	3092 78 58
iii) Tax paid in advance (Net of Provisions)	4523 00 18	4130 97 77
iv) Stationery & Stamps	3 94 07	3 43 65
v) Non Banking Assets acquired in satisfaction of claims	210 01 51	210 01 51
vi) Others (Include Deposits placed with NABARD)	8103 74 10	9381 11 74
TOTAL	17208 13 39	16818 33 24
SCHEDULE - 12	AS AT	AS AT
CONTINGENT LIABILITIES	31.03.2023	31.03.2022
	(Rs. in 000's)	
i) Claims against the Bank not acknowledged as debts	4 79 19	4 15 85
ii) Liability for partly paid investments	11 60	11 60
iii) Liability on account of outstanding forward	165634 95 19	68771 74 82
exchange contracts		
iv) Guarantees given on behalf of constituents		40.000
a) In India	11746 40 32	12704 85 48
b) Outside India	371 76 19	414 52 80
v) Acceptances, Endorsements &Other obligations vi) Other items for which the bank is contingently liable	5530 28 60	5818 66 41
a) Estimated amount of contracts remaining		
to be executed on capital accounts	52 46 12	46 81 79
b) Banks liability under currency swaps		1093 13 00
c) Interest rate swaps (USD)		
d) Interest rate swaps (INR)		
e) Bank's Liability under Currency Options		
f) Credit Default Swaps/FRAs/Receivable charges		
g) Amount in DEAF with RBI	1822 20 80	1595 20 53
h) Disputed IT demands	10968 40 67	7549 61 57
i) Others	6 29	6 29
TOTAL	196131 44 96	97998 90 15

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# **Indian Overseas Bank**

SCHEDULE - 13	Year Ended	Year Ended	SCHEDULE - 15 INTEREST EXPENDED	Year Ended 31.03.2023	Year Ended 31.03.2022
INTEREST EARNED	31.03.2023	31.03.2022 1 000's)	INTEREST EXTENDED	(Rs. in 000's	s)
	(Rs. III	1 000 'S)			
The state of the s	13151 35 40	10665 88 10	i) Interest on Deposits	10536 45 22	10220 35 04
i) Interest / discount on advances / bills	5850 30 90	5675 81 98	ii) Interest on Reserve Bank of India /	609 80 40	199 12 28
ii) Income on investments	405 30 80	234 52 20	Inter-Bank Borrowings		
iii) Interest on Balances with Reserve Bank	403 30 80	254 52 20	iii) Others	3 28	1 26
of India and Other Inter-Bank Funds		159 61 93			
iv) Others		10,01,0			
TOTAL	19406 97 10	16735 84 21	TOTAL	11146 28 90	10419 48 58
					4
	Year Ended	Year Ended	SCHEDULE - 16	Year Ended	Year Ended
SCHEDULE - 14	31.03.2023	31.03.2022	OPERATING EXPENSES	31.03.2023	31.03.2022
OTHER INCOME	(Rs. in 000's)		(Rs. in 000's)		
<ul><li>i) Commission, Exchange and Brokerage</li><li>ii) Profit/Loss on Sale of Investments</li></ul>	1221 00 41 249 57 50	1039 84 09 933 66 42	i) Payments to and provisions for employees ii) Rent, Taxes and Lighting	4102 36 60 493 23 94	3488 89 39 445 92 66
iii) Profit/Loss on Revaluation of Investments	-314 03 46	-191 52 27	iii) Printing and Stationery	24 68 66	19 53 9
iv) Profit on sale of land, Building & other Assets	1 58 38	1 20 05	iv) Advertisement and Publicity	1 42 49	44 09
v) Profit/Loss on exchange	564.50.26	898 47 76	v) Depreciation on Bank's property	260 42 01	172 55 8
transactions	564 70 36	2223 67 23	vi) Directors' fees, allowances and expenses	90 73	40 5
vi) Miscellaneous Income	2393 61 55 4116 44 74	4905 33 28	vii) Auditors' fees and expenses	32 12 14	39 11 3
TOTAL	4110 44 /4	4903 33 20	(including Branch auditor's Fees and Expenses)		
			viii) Law charges	24 71 14	24 25 9
			ix) Postages, telegrams, telephones, etc.	67 53 72	67 51 6
			x) Repairs and Maintenance	27 20 20	22 93 3
			xi) Insurance	340 97 46	322 99 2
			xii) Other Expenditure	1054 22 32	854 39 2
			TOTAL	6429 81 39	5458 97 1

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### **SCHEDULE 17**

### SIGNIFICANT ACCOUNTING POLICIES (CONSOLIDATED ACCOUNTS)

Annexed to and forming part of the Consolidated Accounts for the year ended 31st March 2023.

### 1. Basis of Preparation

1.1 The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI), circulars and guidelines issued by RBI from time to time. Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

The financial statements have been prepared on going concern basis with accrual concept and in accordance with the accounting practices consistently followed unless otherwise stated.

#### **Basis of Consolidation**

- i. Consolidated financial statements (CFS) of the Bank (comprising of Joint Venture and Associate) have been prepared on the basis of:
  - a) Audited financial statements of Indian Overseas Bank (Bank).
  - b) Consolidation of Joint Venture 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI.

The Exchange rate used for the preparation of CFS of Overseas Joint Venture are as below:

Profit & Loss – Quarterly Average Rate
Balance Sheet – Spot Rate at the end of the Year.

- c) Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.
- ii. The difference between cost to the Bank of its investment in the overseas Joint venture is accounted under translation reserves.
- iii. The Joint Venture and Associate follow Accounting Policies as prescribed by the respective regulatory authorities and as per statutory requirements. In view

of such diverse accounting policies required to be followed, the consolidated financial statements have been prepared by adopting the respective accounting policies of the mandated / statutory requirements. No adjustments are made to the financial statements when they are used in preparing consolidated financial statements.

### Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

### Significant Accounting Policies followed by the Bank.

### 2. Revenue Recognition and Expense Accounting

- 2.1 Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning).
- 2.2 Interest on bills purchased/Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- 2.3 Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.
- 2.4 Expenditure is accounted for on accrual basis, unless otherwise stated.
- 2.5 In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI guidelines.
- 2.6 Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss Account. Such amount when recovered is treated as income.
- 2.7 In respect of foreign branches, Income and Expenditure are recognized/ accounted for as per local laws of the respective countries.

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### Foreign Currency Transactions

- 3.1 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 3.2 Transactions in respect of Treasury(Foreign):
  - a) Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
  - b) Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each quarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
  - c) The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/" Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.
  - d) Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.
- 3.3 Translation in respect of overseas branches:
  - a) As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
  - b) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - c) Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - d) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

#### 4. Investments

- 4.1 Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz.,
  - a) Government Securities
  - b) Other Approved securities including those issued by local bodies,

- c) Shares,
- d) Bonds & Debentures,
- e) Subsidiaries / Joint Ventures and
- f) Units of Mutual Funds and Others.
- 4.2 Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- 4.3 Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
- 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored except for the depreciation on Non-Performing Investments, which is not netted off against appreciation available in the basket. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.

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- 4.4 Investments are subject to appropriate provisioning / de -recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- 4.5 Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- 4.6 Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based on the difference between the holding cost and the face value i.e. discount income.
- 4.7 Repo / Reverse Repo transactions are accounted as per RBI guidelines.
- 4.8 Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.
- 4.9 All the investments are held by adopting the Weighted Average Pricing Method.
- 4.10 All the investments are held in the book on settlement date basis only.
- 4.11 Dividend income on investments is accounted on cash basis.
- 4.12 Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments.
- 4.13 Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14 An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI).
- 4.15 As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/ 21.04.048/ 2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR)

is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following: -

- a) Net Profit on sale of investments during the year or
- b) Net profit for the year less mandatory appropriations,

until the amount of IFR is atleast 2% of the HFT and AFS Portfolio, on a continuing basis.

### Advances

- Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.
- 5.2 Advances are stated net of provisions, except general provisions for standard advances.
- 5.3 For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators.

#### Derivatives

- The Bank enters into Derivative Contracts in order to hedge interest bearing assets/liabilities, and for trading purposes.
- In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assets/ liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is designated with an asset/ liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/ liability.

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6.3 Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

## 7. Fixed Assets (Property, Plant and Equipment)

7.1 Fixed Assets, except revalued premises, are stated at historical cost.

7.2 Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

Premises	2.50%
Furniture	10%
Electrical Installations, Vehicles & Office Equipment	20%
Computers	33 1/3 %
Fire Extinguishers	100%
Computer Software	33 1/3%

Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- 7.3 Depreciation is provided for the full year irrespective of the date of acquisition / revaluation.
- 7.4 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 7.5 In respect of leasehold properties, premium is amortized over the period of lease.
- 7.6 Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

### 8. Staff Benefits

- 8.1 Contribution to Provident Fund is charged to Profit and Loss Account.
- 8.2 Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Fund. Provision for encashment of accumulated leave payable on retirement or otherwise is made based on actuarial valuation at the year-end.
- 8.3 In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 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 comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

### Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

### 11. Impairment of Assets

The bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

### Segment Reporting

The Bank recognizes 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.

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# 13. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

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### Schedule 18

## NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS 2022-23

The consolidated financial statements (CFS) are prepared in accordance with Accounting Standard 21 (AS 21) on "Accounting for Consolidated Financial Statements", Accounting Standard 23 (AS 23) on "Accounting for Investment in Associates" and Accounting Standard 27 (AS 27) on "Financial Reporting of Interests in Joint Venture" issued by the ICAI, to the extent they are not inconsistent with RBI guidelines.

1. The Consolidated Financial Statements comprise the financial statements of Indian Overseas Bank (Bank) and the following Associates and Joint Ventures of the Bank:

SI. No	Name of the Company	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank	Associate	India	35%
2	India International Bank (Malaysia) Berhad	Joint Venture	Malaysia	35%

The Bank is holding 18.06% in Universal Sompo General Insurance Company Ltd. Since the shareholding in the Company is less than 25%, the same has not been considered as Joint Venture as per extant RBI guidelines and thus not considered for preparation of consolidated Financial Statements.

The consolidated financial statements include the interest in JV which has been accounted in proportionate consolidation method as per AS 27 (Financial reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of Rs 23.37 crore in JV representing FCTR is reported under reserves and surplus, this represents the translation difference.

Bank does not have any subsidiary.

### 2. Financial Statements of Associates / Joint Venture:

a. The audited financial statements of the Associate have been drawn up to the same reporting date as that of the Bank i.e. 31.03.2023 and in case of JV viz: India International Bank (Malaysia) Bhd. (IIBMB), which have been drawn up to 31.12.2022. As certified by the Management, there are no significant transactions or other events during the period from 01.01.2022 to 31.03.2022 requiring adjustment therein.

The disclosures in respect of Joint venture is given to the extent details available with the management. In the case of non-grailability of such details, the

management is of the view that the details would not materially impact disclosures under the consolidated financial statements.

- b. The investment in Associate, which has been accounted under equity method as per AS 23 (Accounting for investment in Associates), the carrying amount of investment in equity share of Rs 575.37 crore is adjusted against IOB 's share of net assets of Rs 170.84 crore and the balance of Rs 404.53 Crore is adjusted against the balance in Reserves and Surplus to recognize the decline in the value.
- c. The consolidated financial statement includes the interest in JV which has been accounted in proportionate consolidated method as per AS 27 (Financial Reporting of Interest in JV). Accordingly, the share of excess of net asset over the carrying cost of investment of Rs 23.37 Crore in JV representing FCTR is reported under reserves and surplus, this represents the translation difference.
- d. The amount of IOB's share in contingent liability of Associate/JV has been removed since it is not the liability of IOB.

#### 3. Reconciliation

Reconciliation of Inter Branch transactions has been completed up to 31.03.2023 and steps for elimination of outstanding entries are in progress. The Management does not anticipate any material consequential effect on reconciliation / elimination of outstanding entries.

### 4. Capital and Reserves

During the Financial Year 2022-23 Bank has issued Basel III Tier II Bonds aggregating to Rs. 1,000 Crore (Previous year Rs.665 Crore) through private placement subscribed by Qualified Institutional Buyers (QIBs).

During the current financial year 2022-23, Bank has not raised any equity capital. The paid up capital of the Bank stands at Rs.18902.41 crores as on March 31st 2023. The Government of India shareholding stands at 96.38% as on March 31st 2023. During the financial year 2022-23, there is no revaluation of immovable properties. The Revaluation Reserve as on March 31st 2023 stands at Rs.2753.15 Crore.

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## Composition of Regulatory Capital

C.	(Amount in	Rs. crore)	
Sr. No.	Particulars	2022-23	2021-22
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	16736.13	12 428.11
ii)	Additional Tier 1 capital*/ Other Tier 1 capital®	0.00	0.00
iii)	Her I capital (i + ii)	16736.13	12 428.11
iv)	Tier 2 capital	4188.83	3 622.20
v)	Total capital (Tier 1+Tier 2)	20924.96	16 050.31
vi)	Total Risk Weighted Assets (RWAs)	129980.80	116 069.83
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid- up share capital and reserves as percentage of RWAs@	12.88%	10.71%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.88%	10.71%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.22%	3.12%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.10%	13.83%
xi)	Leverage Ratio	5.14%	4.0707
	Percentage of the shareholding of	5.14/6	4.07%
xii)	a) Government of India	96.38%	0/ 2007
	b) State Government (specify name)\$	N.A	96.38% NA
	c) Sponsor Bank\$	N.A	NA NA
xiii)	Amount of paid-up equity capital raised during the year	Nil	2 465.42#
xiv)	Amount of non-equity Tier 1 capital raised during the year	Nil	0.00
xv)	Amount of Tier 2 capital raised during the year, of which Basel III Tier II Bonds	1000.00	665.00

\$ Percentage of shareholding of State Government and Sponsor Bank is applicable only for RRBs.

#The Bank received a capital infusion of Rs.4100 crore (Rupees Four Thousand One Hundred Crore Only) from Government of India on 31.03.2021 and the equity shares were issued and allotted on 02.06.2021 i.e. 246,54,23,932 equity shares of face value of Rs.10 each for cash at issue price of Rs.16.63 per equity shares (including premium of Rs.6.63 per equity share)

### Provisions and contingencies

Particulars	2022-23	2021-22
Provisions for depreciation on Investment / Written back	PARTICIPATION OF THE PARTIES.	
Provision towards NPA	1.35	249.25
	2857.74	3 401.01
Provision towards Standard Assets	(462.45)	187.66
Provision for Restructured accounts	(12.85)	
Provision made towards Income Tax		4.18
(including Deferred Tax)	249.46	69.52
Other Provision and Contingencies	1210.12	141.75
Total		
	3843.38	4 053.37

5. Investment Fluctuation Reserve

As per RBI circular number RBI/2017-18/147 DBR. No. BP BC .102/ 21.04.048/2017-18 dated April 2, 2018, from the year 2018-2019, an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to IFR is to be the lower of the following –

- a. Net profit on sale of Investments during the year or
- b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

### 6. Draw down from Reserves

Drawdown from the reserves during the financial year 2022-23 is NIL. However, to comply with the RBI-RAR 2021 observations regarding appropriation of 25% of Net Profit of FY 2020-21 to Statutory Reserve, Bank with the approval of Reserve Bank of India vide their letter dated 18.02.2022 has effected the draw-down of reserve as given below:

From	То	Amount (Rs. in crores)
Capital Reserve (Excluding Revaluation Reserve)	Statutory Reserve	
Profit & Loss Account	Statutory Reserve	65.82

### 7. Taxes

- 7.1 In the opinion of management provisions under section 115 JB (Minimum Alternate Tax ) of the Income Tax Act ,1961 are not applicable to the Bank. Therefore, bank has not provided any amount towards provision for Income tax.
- 7.2 Tax paid in advance (Net of provisions) is under reconciliation. This is on account of amounts pending assessment/under appeal/ tax paid under dispute. [Refer Schedule 11(iii)1.
- Taking into consideration the decisions of Appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs. 9081.37 Crore (previous year Rs. 7409.24 Crore), Service Tax aggregating to Rs.220.52 Crore (previous year Rs.122.33 crore) and Goods and Service Tax aggregating to Rs.1648.68 Crore ( Previous year Nil).
- Tax expense for the year amounting to Rs.249.45 crore includes Current Tax expense of RS.20.60 crore and Deferred Tax expense of Rs 228.85 crore – refer note no.18.8.

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7.5 The Bank based on internal evaluation presently has decided to continue with the existing tax regime. Further, the Bank has recognized net Deferred Tax liability as on March 31st 2023 aggregating to Rs.228.85 crore (PY Rs.37.81 crore) on timing differences in accordance with Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and adjustments if any to be carried out on reassessment at appropriate stage.

Amount of provision made for Income Tax during the year:

-	10		•	
- (	KS	In	Crores)	
- 1			0101031	

Particulars	2022-23	2021-22
Provision for Income Tax	20.60	31.71
Provision for Deferred Tax	228.85	37.81
Net Provision	249.45	69.52

## 8. Status on Letters of Comfort (LoC)

Banks should disclose the full particulars of all the letters of comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the "Notes to Accounts"

Particulars	FY	2022-23
Letters of Comfort issued during the year Letters of Comfort outstanding as on 31.3.2023 -	-	NIL
Assessed Financial impact	-	3 NIL
Cumulative Assessed Financial Obligation	4	NII

Cumulative position of LOC's outstanding as on March 31,2023:

1. During the year 2009-10, the Bank has issued a Letter of Comfort (LoC) undertaking to maintain a minimum CRAR of 12% in respect of Bangkok branch and to arrange to convert retained earnings to capital funds and/or infuse further capital in order to restore the CRAR to a minimum of 12%, subject to approval from Reserve Bank of India. The assigned capital of Bangkok Branch stands at THB 2200 Mio(25.97) as on March 31st 2023.

In the worst case scenario of the entire textile exposure of the branch becoming NPA. We may have to make additional provision to the extent of THB 92.854 Mio being unsecured portion of standard textile advances. If this contingency arises, there would be no additional capital to be remitted as existing reserves are adequate to cover the unsecured amount

During the year 2010-11 has issued a letter of Comfort favoring Bank Negara Malaysia. The Bank in association with other Joint Venture partners will provide support to India International Bank (Malaysia) Berhad in funding, provide support to India International (Malaysia) Berhad in funding, business and other matters as and when required and ensure that it complies with the requirements of the Malaysian laws, regulations and policies in the conduct of its business operations and management. The financial impact of the letter of Comport issued to bank

Negara Malaysia is to the tune of our share of 35% of the paid up capital of MYR 330 Mio i.e., MYR 115.500 Mio on various dates

Based on the host country regulators guidelines, Bank has issued letter of Comfort favoring CBSL at its meeting held on 12.09.2019 for meeting all obligations and liabilities arising out of business carried on by IOB Srilanka Branch

- 9. Disclosure in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI)
- 9.1 Accounting Standard 5 Net Profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared following the same accounting policies and practices as those followed for the year ended March 31, 2022.

## 9.2 Accounting Standard 9 – Revenue Recognition

Revenue has been recognized as described in item No. 2 of Significant Accounting Policies - Schedule 17.

# 9.3. Accounting Standard 15 – Employee Benefits (Parent Bank)

- i. The Bank had adopted Accounting Standard 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India, with effect from 1st April, 2007.
- ii. The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under: -

### (a) Defined Benefit Schemes:

# Changes in the present value of the obligations

Particulars		ISION nded)	1 2 2 2 2 2 2 2	ATUITY nded)	(Rs. In Crore LEAVE ENCASHMEN (Un Funded)		
_	2023	2022	2023	2022	2023	2022	
Present Value of obligation as at the beginning of the year	10 363.22	9 856.98	1 200.55		516.13	506.57	
Interest Cost	735.23	674.21	85.31	57.72	36.33	31.60	
Current Service Cost	279.52	256.02	78.70	72.68	56.88	43.37	
Benefits Paid	(1 067.96)	(1 166.10)	(120.21)	(186.44)	(60.75)	(111.59)	
Actuarial loss/(gain) on Obligations	1 004.24	742.11	57.83	343.48	27.68	46.18	
Present Value of Obligation at year end	11 314.24	10 363.22	1 302.17	1 200.55	576.27	516.13	



## (b) Change in Fair Value of Plan Asset

	DENICIO	M /F11				Crores)
Particulars		N (Funded)		ATUITY nded)	ENCAS	AVE SHMENT unded)
	2023	2022	2023	2022	2023	2022
Fair Value of Plan Assets at the beginning of the year	10 363.23	9 856.98	1 225.20	1 295.29	0.00	
Expected return on Plan Assets	782.28	710.44	91.81	84.63	0.00	
Employer's contribution	1 202.74	915.48	124.65		60.75	111.59
Benefit Paid	(1 067.96)	(1 166.10)	(120.21)	(186.44)	(60.75)	(111.59)
Actuarial gain/(loss) on Obligations	33.96	46.43	5.37	31.72	0.00	
Fair Value of Plan Asset at the end of the year	11 314.25	10 363.23	1 326.82	1 225.20	0.00	-
Unfunded Transitional Liability	-	-	-			_

# (c) Amount recognized in Balance Sheet

					(Rs. In	Crores)
Particulars		N (Funded)		ATUITY ided)	LE. ENCAS	AVE SHMENT unded)
	2023	2022	2023	2022	2023	2022
Estimated Present value of obligations as at the end of the year	11 569.76	10 703.91	1 302.17	1 200.55	576.27	516.13
Actual Fair value of Plan Assets as at the end of the year	11314.25	10 363.23	1 326.82	1 225.20	0.00	
Unfunded Net Liability recognized in Balance Sheet	*(255.51)	*(340.68)	0.00		576.27	516.13
Funded Net Assets to be recognized in Balance Sheet	0.00		24.65	24.65	0.00	

<sup>\*</sup> The additional liability on account of enhancement in family pension on account of Government guidelines, works out of Rs 425,85,83,225 as per the Actuarial valuation. As per Reserve Bank of India circular RBI/2021-22/105/DOR.ACC.REC.57/21.04.018/2021-22 dated 04.10.2021 banks are permitted to amortise the total liabilities over the period of five years. The Banks has opted the said provision of Reserve Bank of India and has charged minimum amount of Rs 85,17,16,645 for the year ended March 31st 2023. The Balance unamortized expenses of Rs 255,51,49,935 has been carried forward.

**Expenses Recognized in Profit & Loss** 

IRs In Craraci

				(Rs. In Cro	ores)	
Particulars	PENSION	(Funded)	GRAT (Fund		LEA ENCAS (Un Fu	HMENT
	2023	2022	2023	2022	2023	2022
Current Service Cost	279.52	256.02	78.70	72.68	56.88	43.37
Interest Cost	735.23	674.21	85.31	57.72	36.33	31.60
Expected return on Plan Asset	(782.28)	(710.44)	(91.81)	(84.63)	0.00	0.00
Net Actuarial (Gain)/Loss recognized in the year	970.28	695.68	52.46	311.76	27.68	46.18
Total expenses chargeable in Profit & Loss Account	1 202.74	915.47	124.65	357.53	120.89	121.15
Amount received from Il Pension optees/ employer's contribution of PF	N.A	N.A.	N.A	N.A.	N.A	N.A.

(e) Investment percentage maintained by Pension & Gratuity Trust: (Figures in %)

Particulars	Pensio	n Trust	Gratuit	y Trust
	2023	2022	2023	2022
a) Debt Instruments				
Central Government Securities	3.41	3.06	8.67	8.09
State Government Securities	2.58	1.85	17.32	24.32
Investment in PSU /PFI / Corporate Bonds	4.50	3.47	12.75	12.18
Other Investments	88.83	91.16	58.95	53.42
b) Equity Instruments	0.68	0.46	2.31	1.99

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(f) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted average)

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(Figures in %) LEAVE PENSION GRATUITY **ENCASHMENT Particulars** (Funded) (Funded) (Unfunded) 2023 2022 2023 2022 2023 2022 Discount Rate 7.48 7.27 7.56 7.48 7.56 7.48 Expected rate of return on Plan 7.50 7.30 7.48 7.04 0 Assets Expected Rate of Salary increase 5.00 5.00 5.00 5.00 5.00 5.00 Pension increase 4.00 4.00 Attrition rate 1.00 1.00 3.00 3.00 3.00 3.00 Mortality 2012-14 Modified 2012-14 Ultimate 2012-14 Ultimate Ultimate Method used Projected unit Projected unit Projected unit

credit

### (g) Experience Adjustments

(Rs. In Crores)

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Particulars			Fund						TUITY ded)			ENC	LEAV CASH/	E MENI	,
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Experience adjustment on Plan assets Loss/(Gain)	(33.96)	(46.43)	102.28	(32.05)	44.11	(5.37)	(31.72)	31.56	(20.96)	2.59	1	Î	1	1	1
Experience adjustment on Plan Liabilities Loss/(Gain)	1 004.24	742.11	864.20	430.22	336.01	99.00	375.22	39.11	(356.18)	(52.77)	32.00	68.06	11.82	18.52	29.71

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

## h) The financial assumptions considered for the calculations are as under: -

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated 31.03.2022).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled. Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs.126.00 crores.

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# 9.4 Accounting Standard 17 – Segment Reporting on the Consolidated Financials

The Bank has adopted Reserve Bank of India's revised guidelines issued in April 2007 on Segment Reporting in terms of which the reportable segments have been divided into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

## Part A: Business Segments

Business Segments	Treas	Treasury		Wholesale ing	Retail Banking		Other Banking	Operations	TOTAL	(Rs. In Crores
Particulars	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22			IOIAL	
Revenue					2022-20	2021-22	2022-23	2021-22	2022-23	2021-22
	6 666.61	7 442.65	66 45.75	6 087.86	9 619.76	7 477 (0				
Result	888.61	1 885.46	742.14	1 050.51		7 477.69	575.37	463.87	23507.49	21 472.07
Unallocated Income	THE COURT OF		7 72.14	1 030.31	3909.84	2 343.90	400.07	322.54	5940.66	5 602.41
Unallocated Expenses									1.58	160.81
Operating Profit/Loss	Elimentor								1.51	0.31
Income Taxes	METATER SE								5 942.17	5 762.91
Provisions & Contingencies	\$30 Buchen								0	69.52
Extraordinary profit / loss									3 593.95	3 983.85
Net Profit	SEASON DESCRIPTION								0.00	0.00
OTHER INFORMATION									2348.22	1 709.54
Segment Assets	103211.70	113 119.49	98 471.30	00.075.00						1707.54
Unallocated Assets		110117.47	70 4/1.30	82 075.39	101 371.87	93 593.78	131.15	150.87	303 185.45	288 939.53
Total assets								97.376.0	10 559.80	10 437.63
Segment Liabilities	102 119.91	106 809.35	0157074						313 745.82	
Unallocated Liabilities	102 117.71	100 007.33	91562.64	78 963.58	94590.37	90 376.63	151.16	181.53	288 424.08	299 377.16
Total Liabilities										276 328.09
Note No.1 – The segment report of JV-IIB	MP doos not be an all								58.81	0.48
e Consolidated Sogmant Danie	win does not have it	ne aetails of Sec	gment Assets and	Liabilities Henc	e the figure of Da	112110 40			288 482.89	276 376.77

the details of Segment Assets and Liabilities. Hence, the figure of Rs.113119.49 crores regarding Treasury Operations (Assets) of Standalone has been retained in the Consolidated Segment Result.

Note No.2 – The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs. 106809.35 crores regarding Treasury Operations (Liabilities) of Standalone has been retained in the Consolidated Segment Result.

# Part B – Geographic segments

Particulars	Domesti	С	Internatio	mail		(Rs. In Crores)
	2022-23	2021-22			Total	
Revenue	22 946.46	21 215.60	2022-23	2021-22	2022-23	2021-22
Assets	303 132 94	200,000,50	562.61	417.28	23 509.07	21 632.
Figures for FY 2022-23	are based on Standalone financia	272 233.30	10 612.87	7 143.66	313 745.82	299 377.

9.5 Accounting Standard 18 – Related Party Disclosures

The details are as follows:

(A) Name of the Related Parties and their relationship:

- (a) Associates Regional Rural Bank: Odisha Gramya Bank
- (b) Joint Venture: India International Bank (Malaysia) Berhad Ltd.
- (c) Key Management Personnel:
  - (i) Shri Ajay Kumar Srivastava, Managing Director and CEO (w.e.f 01.01.2023)
  - (ii) Shri Partha Pratim Sengupta, Managing Director and CEO (upto 31.12.2022)
  - (iii) Shri Ajay Kumar Srivastava, Executive Director (upto 31,12.2022)
  - (iv) Smt. S Srimathy, Executive Director
  - (v) Shri Sanjay Vinayak Mudaliar, Exequitive Director (w.e.f 01.01.2023)



# B ) Transaction with Related parties:

Details of Salary and Performance Incentive paid to Whole Time Directors during the year 2022-23 and 2021-22:

NAME OF THE WHOLE TIME DIRECTOR	REMUNERATION * (2022-23)	(Amount in Rs.
Shri Ajay Kumar Srivastava (ED)	(2022-23)	REMUNERATION * (2021-22)
01.04.2022 to 30.09.2022	19,64,990.00	
01.10.2022 to 31.12.2022	15,35,700.00	
Total	35,00,690.00	32,65.002.00
Shri Ajay Kumar Srivastava (MD & CEO)	11/10/07/07/07	32,03.002.00
01.01.2023 to 31.03.2023	9,12,876.00	
Shri Partha Pratim Sengupta (MD & CEO)		
01.04.2022 to 30.09.2022	22,76,284.00	
01.10.2022 to 31.12.2022	16,20,280.78	34,71,378.00
Total	38,96,564.78	
Ms S Srimathy (ED)		
01.04.2022 to 30.09.2022	15,91,533.00	
01.10.2022 to 31.03.2023	23,13,187.09	29,45,576.33
Total	39,04,720.09	
Shri Sanjay Vinayak Mudaliar (ED)		
01.01.2023 to 31.03.2023	10,58,964.00	NA
Total	10,58,964.00	13/3

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

\*\*Part of the year

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Items/Related Party	Parent (as per ownership or	Subsidiaries	Associates/ J	oint ventures	Key Manager	ment Personnel®		es of Key ent Personnel		n Rs. Crore Ital
Porrougings	control)		Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the	Outstandin g at the	Maximum during the
Borrowings	N.A.	N.A.	98.93	98.93	0.00	0.00		year	year end	year
Deposits	N.A.	N.A.	622.75	622.75	0.74		0.00	0.00	98.93	98.93
Placement of deposits	N.A.	N.A.	0.00			2.39	0.19	0.28	623.68	625.42
Advances	N.A.	N.A.		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments	N.A.	N.A.	0.00	0.00	0.00	0.00	0.06	0.06	0.06	0.06
Non-funded commitments	N.A.		830.76	832.67	0.00	0.00	0.00	0.00	830.76	832.67
Leasing/HP arrangements	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
availed	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00			0.00
Leasing/HP arrangements provided	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of fixed assets	N.A.	N.A.	0	100			0.00	0.00	0.00	0.00
Sale of fixed assets	N.A.	N.A.		0.00		0.00	0.0	00	0.00	
nterest paid		1 - 2 - 1 - 1		0.00		0.00	0.0	00	0.00	
nterest received	N.A.	N.A.		.20		0.04	0.0		1.25	
Rendering of services*	N.A.	N.A.	28	.35	(	0.02	0.0		28.38	
	N.A.	N.A.	0	.00	(	0.00	0.0			
Receiving of services*	N.A.	N.A.	0	.00					0.00	
Management contracts*	N.A.	N.A.		.00		0.00	0.0		0.00	
N.A. (Not Applicable)		7 112 11	0.	.00	(	0.00	0.0	0	0.00	

N.A. (Not Applicable)

# 9.6 Accounting Standard 20 – Earnings per Share

Particulars	2022-23	2021-22
Net Profit after Tax available for Equity Shareholders (Rs. in Crores)	2098.78	1 709.54
Weighted Average Number of Equity Shares	18090 24 12 256	1890 24 12,256
Basic & Diluted Earnings Per Share (in Rs)	0.34	0.92
Nominal value per Equity Share (in Rs)	10.00	10.00

<sup>#</sup> The outstanding at the year end and the maximum during the year are to be disclosed.

\* Contract services etc. and not services like remittance facilities, locker facilities etc.



# 9.7 Accounting Standard 22: Accounting for Taxes on Income

(Rs. in Crores)

			(Rs. in Crore	es)
Particulars	31.03.2	023	31.03.2	2022
	DTA	DTL	DTA	DTL
Depreciation on Fixed Assets	0.00		19.88	
Provision for Employee Benefits	202.90		181.89	
Provision for Frauds	190.97		184.99	
Provision for Other Assets	28.79		28.92	
Provision for Restructured Advances	13.59		18.08	
Reserve for Severance Pay	0.93		0.82	_
Provision for NPA	3 675.34		3 895.58	
Foreign Currency Translation Reserve	337.42		294.08	
Others	1583.89		1 638.17	
Total	6033.83		6 262.41	
Net DTA	6033.83		6 262.41	

### 9.8 AS 24 – Discontinuing Operations

The Bank has not closed any of its Overseas Branches during the currency financial year 2022-23. Hence the data relating to this disclosure may be treated as Nil. This standard establishes principles for reporting information about discontinuing operations. Merger/closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank may no be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger/closure of branches of Bank. Disclosures shall be required under the standard only when: (i) discontinuing of the operation has resulted in shedding of liability and relisation of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalized by the bank and (ii) the discontinued operation is substantial in its entirety.

## 9.9 Accounting Standard 26 – Intangible Assets

The software acquired for core banking system is treated as intangible asset and amortized over a period of 3 years.

## 9.10 Accounting Standard 28 – Impairment of Assets

Fixed Assets owned by the Bank are treated as 'Corporate Assets' and are not 'Cash Generating Units' as defined by AS-28 issued by ICAI. In the opinion of the Management, there is no impairment of any of the Fixed Assets of the Bank.

# 9.11 Accounting Standard 29 – Provision for Contingent Liabilities and Contingent Assets:

SI No	Particulars	Brief Description
	acknowledged	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material advise effect on the Banks financial conditions, results of operations or cash flows. The Bank

		is also a party to various taxation matters in respect of which appeals are pending
2	Liability on partly paid-up investments /venture funds	This item represents amounts remaining unpaid towards liability for partly paid investments. This also includes undrawn commitments for Venture Capital Funds.
3	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchanges in its normal course of business to exchange currencies at a prefixed price at a future date. Forward exchange contracts are commitments to buy of sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent liabilities, with respect to the transactions entered into with its customers, the Bank generally enters into off setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues documentary credits and guarantees on behalf on its customer. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurance that the bank will make payment in the event of the customer failing to fulfil its financial or performance obligations
	Other items for which the Bank is contingently liable	The banks enter into currency options, forward rate agreements, currency swaps and interest rate swaps with inter bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities, are typically amounts used as a benchmark for the calculation of the interest component of the contracts. Further, these also include estimated amount of contracts remaining to be executed on capital account and not provided for, letter of comforts issued by the bank on behalf of associates & subsidiaries, banks liability under Depositors Education and Awareness Fund a/c and other sundry contingent liabilities.

10. There has been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small & Medium Enterprises.

11. COVID-19 pandemic has adversely impacted the economic activity across the globe including the Indian economy for more than two years. However, the bank's results, operations and asset quality have not been affected much because of the pandemic. Further, bank has made necessary provisions for all COVID related.

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restructured loans. The Bank is however keeping a close watch on developments on an ongoing basis and taking proactive measures continuously to maintain and improve asset quality. The bank, therefore, believes that there may not be any significant impact on Bank's future financial results.

### 12. Comparative Figures

Previous year's figures have been regrouped / rearranged / reclassified wherever necessary.

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Chartered Accountants

S N KAPUR & ASSOCIATES

YOGANANDH & RAM LLP Chartered Accountants

NANDY HALDER & GANGULI
Chartered Accountants

#### INDEPENDENT AUDITORS' REPORT

To the Members of Indian Overseas Bank

Report on the Audit of the Standalone Financial Statements

#### Opinion

- 1. We have audited the accompanying standalone financial statements of Indian Overseas Bank ("the Bank"), which comprise the Balance Sheet as at 31st March 2022, the Profit and Loss Account and the Statement of Cash Flows for the year then ended and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Central Office.
  - (i) 20 branches audited by us and
  - (ii) 1203 branches including 2 Regional Offices, audited by the Statutory Branch Auditors.
  - (iii) 3 foreign branches audited by 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 incorporated in the Balance Sheet, the Profit and Loss account and Statement of Cash Flows are the returns from 2049 branches (which includes 46 regional offices and Singapore Branch) which have not been subjected to audit for the current year. These unaudited branches account for 21.55% of advances, 41.74% of deposits, 22.09% of Interest Income and 43.51% 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 statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March, 2022;
- (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date; and









(iii) the Cash Flow Statement gives a true and fair view of the Cash Flows for the year ended on that date.

#### **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 Standalone Financial Statements 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 ethical requirements that are relevant to our audit of the Standalone financial statements prepared in accordance with the Accounting Principles generally accepted in India including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circular and guidelines issued by the Reserve Bank of India ("RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

- 3. We draw attention to the following:
  - i. Note No. 7.3 of Schedule 18 detailing the fact that the bank has decided to continue with the existing tax regime and has recognized Net Deferred Tax Assets during the year on timing differences in accordance with Accounting Standard -22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.
  - ii. Note No.7.1 of Schedule 18 relating to non-providing of any additional liability provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.
  - iii. Note No.14.h(1) of Schedule 18 of the financial statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 425.86 Crores. The Bank has charged an amount of Rs.85.17 Crores to the profit and loss account for the year ended 31st March 2022 and the balance unamortized expense of Rs.340.69 Crores has been carried forward in terms of RBI Circular No.RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021. Had the bank charged the entire additional liability to the profit and loss account, the net profit for the year ended March 31, 2022 would have been lower by Rs.340.69 Crores.

Our Opinion is not modified in respect of the above matters.









### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the Key Audit Matters to be communicated in our Report.

Income Recognition, Asset Classification & Provisioning relating to Advances  Advances constitute 48.18% of the Bank's total assets.  The recognition of income on accrual basis in respect of advances extended by the Bank. Classification of advances into Performing and Non performing and provisioning thereof are in accordance with the extant prudential norms on Income Recognition and Asset Classification and provisioning (IRAC) norms and other circulars and directives issued by Reserve bank of India from time to time (Refer 2.1 of Schedule 17, read with Note 2 of Schedule 18 to the financial statements).  Taking into consideration the nature of transactions, compliance with the Reserve Bank of India guidelines, issued in the valuation of securities etc., in our opinion classification of Advances into performing and non performing, recognition of income in respect of such advances and also provisioning relating to Performing/Non-Performing advances are considered to be one of the most significant matter in the audit and therefore determined to be a Key audit matter.  Principal Audit Procedures  Our audit approach consisted testing the design and operating effective of the leding number of the design and operating effective of the edsign and operating effective of the internal controls and substant testing as under:  Evaluating the design of inter controls Prelating to implementation of prudential norms on IRAC controls over advances of Examining the efficacy of variations and provedures of the Bar Examining the efficacy of variations of the substantive procedures of the Bar Examining the efficacy of variations of the substantive procedures of the Bar Examining the efficacy of variations of the substantive procedures of the Bar Examining the efficacy of variations of the substantive procedures of the Bar Examining the efficacy of variations of the substantive procedures of the Bar Examining the efficacy of variations of the substantive procedures of the Bar Examining the efficacy of variations of the substantive p
The recognition of income on accrual basis in respect of advances extended by the Bank. Classification of advances into Performing and Non performing and provisioning thereof are in accordance with the extant prudential norms on Income Recognition and Asset Classification and provisioning (IRAC) norms and other circulars and directives issued by Reserve bank of India from time to time (Refer 2.1 of Schedule 17, read with Note 2 of Schedule 18 to the financial statements).  Taking into consideration the nature of transactions, compliance with the Reserve Bank of India guidelines, issues involved in the valuation of securities etc., in our opinion classification of Advances into performing and non performing, recognition of income in respect of such advances and also provisioning relating to Performing/Non-Performing advances are considered to be one of the most significant matter in the audit and therefore determined to be a Key audit matter.
Reviewing Memorandum of Chang suggested by the Branch Auditor and take appropriate action.  Review of various audit are

- inspection reports made available to us in the relevant areas.
- Placing reliance on the opinions of domain experts on legal matters, titles, valuation and other aspects of securities charged to the bank.
- Review of files of the borrowers selected on sample basis and operations of such accounts.
- Performing relevant analytical procedures.
- Test checking of interest application, levying of other charges, commission etc

### 2 Contingent Liability

The contingent liability as defined in AS 29 – Provisions, Contingent Liability and Contingent Assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by the management.

(Refer 13 of Schedule 17, read with Note 8(AS 29) of Schedule 18 to the financial statements)

In view of associated uncertainty relating to the outcome of the matters relating to litigations involving Direct and Indirect taxes, various claims filed by other parties not acknowledged as debts, and as a result we have determined the above area as a Key audit matter.

#### **Principal Audit Procedures**

We have carried out the validation of information provided by the management by performing the following procedures

- Evaluating reasonableness of the underlying assumptions.
- Understanding the current status of the litigations/tax assessments.
- Examination of recent orders and /or communication received from various tax authorities/judicial forums and follow up action thereon.
- Examining the relevant documents on record.
- Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices.
- Getting management confirmation where-ever necessary.

#### 3 IT Systems & Control

The entire Preparation of financial statements is highly dependent on CBS and other supporting software and hardware controls. Adequate and appropriate Information Technology(IT) controls are required to ensure that these IT application process data as expected and changes are made in an appropriate manner. Such controls ensure mitigating the expected risk of

#### **Principal Audit Procedures**

We have carried out our audit procedures with standards on auditing guidelines towards implementation of IT policies and procedures followed by the bank in order to effectively monitor, control, and evaluate the IT applications and controls to ensure effective implementation of such policies and procedures.









erroneous output data. Other compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. Audit outcome is dependent on the extant IT controls and systems, and accordingly the above areas are determined to be a Key audit matter.

We have also relied on the report issued by the IS Auditor and obtained necessary inputs from IS experts wherever necessary.

4 Classification and Valuation of Investments, Identification of and Provisioning for Non Performing Investments.

(Refer 4 of Schedule 17, read with Note 1 of Schedule 18 to the financial statements)

Investments constitute 32.79% of the total assets of the bank.

Valuation of Investments are done as per the guidelines, circulars and directives issued by RBI from time to time involving applying the rates quoted on BSE/NSE and other agencies, relying on the statements financial unlisted companies etc. Takina into consideration the volume transactions, value of investments being carried in the books of the bank, complexities involved in the valuation of investments, the above area has been considered as a Key audit matter.

#### **Principal Audit Procedures**

We evaluated and understood the Bank's internal control systems to comply with relevant RBI guidelines regarding valuation, classification, identification of Non Performing Investments, provisioning and depreciation related to investments.

Evaluating the process adopted for collection of data from various sources for determining the value of investments.

Assessing and evaluating the system of identification of Non Performing Investments, income recognition on such investments and also ensuring creation of necessary provision in respect of Non performing investments.

Our opinion is not modified in respect of the above matters.

# Information Other than the Standalone Financial Statements and Auditors' Report thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance report (but does not include the Standalone Financial Statements and our auditors' report thereon).

Our opinion on the Standalone Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III Disclosure and we do not and will not express any form of assurance conclusion thereon.









In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors are responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

7. Our Objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 management.
- Conclude on the appropriateness of management's 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

8. We did not audit the financial statements / information of 1206 branches (including 2 Regional Offices and 3 overseas branches) included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets ofRs.1,83,310.63 (in crores) as at 31st March 2022 and total revenue of Rs.12,526.64 (in crores) for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 46.16% of advances, 55.35% of deposits, and 20.95% of Non-performing assets as at 31st March 2022 and 35.80% of revenue for the year ended 31st March 2022. The financial statements / information of these branches, have been audited by the branch auditors and 3 overseas Branches audited by Independent Auditor's 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 branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949.

Subject to the limitations of the audit indicated in paragraph 6 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:









- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 10. As required by letter No. DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
  - a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
  - c) On the basis of the written representations received from the directors as on March 31, 2022, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
  - d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
  - e) Our Audit report on the adequacy and operating effectiveness of the bank's internal financial controls over financial reporting is given in Annexure-A to this report. Our Report Expresses an unmodified opinion on the Bank's Internal financial control over financial reporting as at 31<sup>st</sup> March, 2022.

#### 11. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far it appears from our examination of those books.
- b) the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.









c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

 in our opinion, the Balance Sheet, the statement of Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the

accounting policies prescribed by RBI.

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Lucknow

Chartered

Accountants

For S N NANDA & CO

Chartered Accountants

FRN 000685N

GAURAV NANDA

Partner

M No: 500417

UDIN: 22500417AJEDRC1627

For S N KAPUR & ASSOCIATES

Chartered Accountants

FRN 001545C / /

AVICHAL SN. KAPUR

Partner

M No: 400460

UDIN: 22400460AJEDHP4141

Place: Chennai Date :18.05.2022 For YOGANANDH & RAM LLP

MDH

302017E

Kolkata

Charlered

Chartered Accountants

FRN 005157S/S200052

MANOJ KUMAR JAIN

Partner

M No: 218610

UDIN: 22218610AJEDKU7414

For NANDY HALDER & GANGULI

**Chartered Accountants** 

FRN 302017E

PARTHASARATHI CHANDA

Partner

M No: 056653

UDIN: 22056653AJEEXF2640

S N KAPUR & ASSOCIATES Chartered Accountants YOGANANDH & RAM LLP Chartered Accountants

NANDY HALDER & GANGULI Chartered Accountants

#### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 11(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS. ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the Internal Financial Controls Over Financial Reporting of Indian Overseas Bank ("the Bank") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes Internal Financial Controls Over Financial Reporting of the Bank's branches.

#### Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's Internal Financial Controls Over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to









obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's Internal Financial Controls Over Financial Reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Bank's Internal Financial Controls Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's Internal Financial Controls Over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.









#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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 branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls Over Financial Reporting and such Internal Financial Controls Over Financial Reporting were operating effectively as at March 31, 2022, based on "the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI".

#### Other Matters

Our aforesaid report insofar as it relates to operating effectiveness of internal financial controls over financial report of 1206 branches is based on the corresponding reports of the respective branch auditors of those branches.









In our opinion, the Bank needs to strengthen the process including testing and adoption of the RCMs covering branches, specialized branches and all controlling office departments and processes. Our communication in this regard has been submitted to the Management to further strengthen the Internal Financial Controls over Financial Reporting of the Bank.

Our Opinion is not modified in respect of this matter.

FRN 001545C Lucknow Chartered Accountants

For S N NANDA & CO

Chartered Accountants

FRN 000685N

GAURAV NANDA

Partner

M No: 500417

UDIN: 22500417AJEDRC1627

For S N KAPUR & ASSOCIATES

Chartered Accountants

FRN 001545C

AVICHAL SN. KAPUR

Partner

M No: 400460

Place: Chennai Date:18.05.2022

UDIN:22400460AJEDHP4141

For YOGANANDH & RAM LLP

Chartered Accountants

FRN 005157S/S200052

MANOJ KUMAR JAIN

Partner

M No: 218610

UDIN:22218610AJEDKU7414

For NANDY HALDER & GANGULI

Chartered Accountants

FRN 302017E

PARTHASARATHI CHAN

Partner

M No: 056653

UDIN:22056653AJEEXF2640



BALANCE SHEET AS AT 31.03.2022				PROFIT & LOSS ACCOUNT FOR TH	HE YEAR ENDEL	31.03.2022	
		AS AT	AS AT			YEAR ENDED	YEAR ENDED
	SCHEDULES	31.03.2022	31.03.2021		SCHEDULES	31.03.2022	31.03.2021
CAPITAL & LIABILITIES		(Rs. in 00	0's)	INCOME	- 19	(Rs. in 00	
Capital	01	18902 41 23	16436 98 83	Interest earned	13	16729 86 62	16965 53 25
Reserves and Surplus	02	4097 98 46	507 82 25	Other income	14	4903 01 99	5559 01 83
Deposits	03	262158 92 48	240288 29 56	TOTAL		21632 88 61	22524 55 08
Borrowings	04	3070 63 66	3671 57 65	EXPENDITURE	-		
Other Liabilities & Provisions	05	11147 21 07	13105 67 06	Interest expended	15	10418 72 85	11067 02 42
TOTAL	-	299377 16 90	274010 35 35	Operating expenses	16	5451 24 36	5561 72 12
				Provisions & Contingencies (Net)		4053 37 13	5064 33 53
ASSETS				TOTAL	-	19923 34 34	21693 08 07
Cash & Balances with Reserve Bank of India	06	16705 99 35	12188 25 39	PROFIT / LOSS (-)	_		
Balances with Banks			700000000000000000000000000000000000000	Net Profit / Loss (-) for the year		1709 54 27	831 47 01
and Money at Call and Short Notice	07	20067 19 93	18588 08 30	Profit /Loss (-) brought forward		-18813 86 23	-18977 12 39
Investments	08	98179 31 28	95494 22 37	Less: Set off against Share Premium		0	0
Advances	09	144243 52 45	127720 65 26	TOTAL	1.0	-17104 31 96	-18145 65 38
Fixed Assets	10	3364 89 66	2918 77 96				10116 00 00
Other Assets	11	16816 24 22	17100 36 07	APPROPRIATIONS			
TOTAL		299377 16 90	274010 35 35	Transfer to Statutory Reserve		493 20 56	0
	_			Transfer to Revenue and Other Reserves		175 20 50	0
Contingent Liabilities	12	97998 90 15	68276 44 51	Transfer to Capital Reserve		111 76 22	568 20 85
Bills for Collection		17216 22 01	15547 89 10	Transfer to Invest. Fluctuation Reserve		290 00 00	100 00 00
Significant Accounting Policies	17			Proposed Dividend (including Dividend Tax)		270 00 00	0
Notes on Accounts	18			Balance carried over to Balance Sheet		-17999 28 74	-18813 86 23
				TOTAL	-	-17104 31 96	-18145 65 38
				Basic & Diluted Earnings per share (Rs.)		0.92	931
				Nominal Value per Equity Share (Rs.)		10.00	10.00
Schedules Form Part of the Balance Sheet				Schedules Form Part of the Profit & Loss Acc	ount		

FOR AND ON BEHALF OF THE BOARD

K AND ON BEHALF OF THE BOARD

PARTHA PRATIM SENGUPTA MANAGING DIRECTOR & CEO

AJAY KUMARSRIVASTAVA EXECUTIVE DIRECTOR

S SRIMATHY
EXECUTIVE DIRECTOR

ANNIE GEORGE MATHEW DIRECTOR

SURESTI KUMAR RUNGTA

NAVIN PRAKASH SINHA

DEEPAK SHARMA DIRECTOR

B CHANDRA REDDY DIRECTOR

S N NANDA & CO

/ oawar

(&AURAV NANDA)
Partner

M No.500417

YOGANANDH & RAM LLP

FRN 005157S/S200052

(MANOJ KUMAR JAIN)

Partner M No. 218610

S N KAPUR & ASSOCIATES

(AVICHAL SN. KAPUR)

FRN 001545C

Partner

M No: 400460

NANDY HALDER & GANGULI FRN 302017E

FRN 302017E

(PARTHASARATHI CHANDA)

Partner

M No: 056653

CHARTERED ACCOUNTANTS

VIDE OUR REPORT OF EVEN DATE

CHENNAI DIRECTORS
18.05.2022

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SCHEDULE - 1 CAPITAL	AS AT 31.03.2022 (Rs. in 000's)	AS AT 31.03.2021	SCHEDULE - 2 RESERVES & SURPLUS	AS AT 31.03.2022 (Rs. in 000's	AS AT 31.03.202
AUTHORISED CAPITAL				(2.57.50	-
500,00,00,000 Equity Shares of Rs.10/- each			B Special Reserve	5-	
Previous year-2500,00,00,000 Equity shares of Rs. 10/- each)	25000 00 00	25000 00 00	Opening balance	0	
SSUED, SUBSCRIBED & PAID UP CAPITAL			Add: Additions	0	
890 24 12 256 Equity Shares of Rs. 10/- each.			Less: Deductions		
Includes 1821 83 26 570 Equity Shares of Rs.10/- each held by	10.000 10.00	71.785 4.25			
Government of India)	18902 41 23	16436 98 83	TOTAL - B	0	
Previous year 1643 69 88 324 Equity Shares of Rs.10/- each.					
Includes 1575,29,02,638 Equity Shares of Rs.10/- each held by					
Government of India)			C Investment Reserve Account		
SCHEDULE - 2	AS AT	AS AT	Opening Balance	97 95 58	97 95 5
RESERVES & SURPLUS	31.03.2022	31.03.2021	Add: Additions	0	
. SHARE PREMIUM	(Rs. in 000's)		Less: Deductions	0	07.05.5
	(022 22 50	(022 22 50	TOTAL - C	97 95 58	97 95 5
Opening balance Add: Additions	6923 32 50	6923 32 50	D Foreign Currency Translation Reserve	11(0.72.24	1200 05
Less: Deductions	1634 57 61		Opening balance Add: Additions	1160 73 24	1200 05 6
TOTAL -I	8557 90 11	6923 32 50	Less: Deduction	34 22 96 353 30 24	107 88 5
I. STATUTORY RESERVE	6557 70 11	0923 32 30	TOTAL - D		147 20 9
Opening balance	2926 77 62	2026 75 62		841 65 96	1160 73 2
Add: Additions	635 25 56	2926 77 62	E. Investment Fluctuation Reserve Account	100.00.00	
Less: Deductions	033 23 30	U	Opening balance Add: Additions	100 00 00 290 00 00	100 00 0
TOTAL -II	3562 03 19	2926 77 62	Less : Deductions		100 00 0
II. CAPITAL RESERVE	3302 03 17	2720 77 02	TOTAL - (E) 390 00 00		100 00 0
A. Revaluation Reserve			TOTAL - (E)	390 00 00	100 00 0
Opening Balance	2220 45 88	2331 36 26	TOTAL - IV (A,B,C,D,E)	4940 70 65	4933 79 8
Add: Additions	569 12 83	1 92 33	101AL-1+ (A,B,C,D,E)	4940 70 03	4933 /9 0
Less: Deductions / Depreciation	40 02 58	112 82 71	V. PROFIT AND LOSS ACCOUNT	-17999 28 75	-18813 86 2
FOTAL - A	2749 56 13	2220.45 88	V. TROTTI AND BOSS ACCOUNT	-1/777 20 /3	-16313 80 2
B. On sale of Assets	2742.50 15	2220.42.00	TOTAL (I, II, III, IV & V)	4097 98 46	507 92 2
Opening Balance	2164 23 30	1596 02 45	TOTAL (1, 11, 111, IV & V)	4097 98 40	507 82 2
Add: Additions	111 76 22	568 20 85	SCHEDULE - 3	AS AT	AS AT
Less: Deduction	142 05 00	300 20 33	DEPOSITS	31.03.2022	31 03.202
TOTAL - B	2133 94 51	2164 23 30	DEFOSITS	(Rs. in 000's)	
C. Equity Revaluation Reserve AFS		21012000		(113. III 000 3)	
Opening Balance	0	0	A. I. DEMAND DEPOSITS		
Add: Additions**	0		i) From Banks	11 49 29	25 21 9
TOTAL - C			ii) From Others	17364 34 39	16181 60 8
D. Others			TOTAL - I	17375 83 68	16206 82 8
Opening Balance	153 09 32	153 13 58	II. SAVINGS BANK DEPOSITS	96500 83 40	85958 15 0
Add: Additions	3 30		III. TERM DEPOSITS		74.11
Less: Deduction		4 26	i) From Banks	544 96 77	266 01 1
TOTAL - D	153 12 62	153 09 32	ii) From Others	147737 28 64	137857 30 62
TOTAL - III (A,B,C,D)	5036 63 26	4537 78 50	TOTAL - III	148282 25 40	138123 31 73
V. REVENUE & OTHER RESERVES A Other Revenue Reserves			TOTAL - A ( I,II & III )	262158 92 48	240288 29 56
Opening Balance	3575 11 03	3466 47 40		202100 /2 10	
Add: Additions	35 98 08	108 63 63	B. I) Deposits of branches in India	256889 88 19	235544 81 90
Less: Deduction	0		II) Deposits of branches outside India	5269 04 29	4743 47 66
TOTAL - A	3611 09 12	3575 11 03	TOTAL - B	262158 92 48	240288 29 50
If the Company					



SCHEDULE - 4	AS AT	AS AT	SCHEDULE - 6	AS AT	AS AT
BORROWINGS	31.03.2022	31.03.2021	CASH AND BALANCES WITH	31.03.2022	31.03.2021
	(Rs. in 000'	s)	RESERVE BANK OF INDIA	(Rs. in 000's)	
I. BORROWINGS IN INDIA			I. Cash on hand ( including Foreign	1153 89 98	959 83 36
Reserve Bank of India			currency notes & ATM cash)		
Other Banks	0	0	II. Balances with Reserve Bank of India		
Other Institutions & Agencies	184 00 00	506 50 00	i) in Current Account	13355 89 50	11239 21 21
Innovative Perpetual Debt Instruments ( IPDI )	0	0	ii) in Other Accounts	2196 19 87	-10 79 18
Hybrid Debt Capital Instruments issued as Bonds	0	0			
Subordinated Debt	2265 00 00	1600 00 00	TOTAL	16705 99 35	12188 25 39
TOTAL (I)	2449 00 00	2106 50 00			
<del>-</del>			SCHEDULE - 7	AS AT	AS AT
			BALANCES WITH BANKS AND	31.03.2022	31.03.2021
II. BORROWINGS OUTSIDE INDIA	621 63 66	1565 07 65	MONEY AT CALL AND SHORT NOTICE	(Rs. in 000's)	
TOTAL (I & II)	3070 63 66	3671 57 65	I. In India		
			i) Balances with banks		
III. Secured borrowings included in I & II above	184 00 00	506 50 00	a) In Current Accounts	14 57 45	17 36 30
_			b) In Other Deposit Accounts	387 42 48	204 90 84
			ii) Money at Call and Short Notice		
			a) With banks	6043 00 00	12218 00 00
SCHEDULE - 5	AS AT	AS AT	b) With other institutions	0	0
OTHER LIABILITIES & PROVISIONS	31.03.2022	31.03.2021	TOTAL - !	6444 99 93	12440 27 14
	(Rs. in 000'	s)	II. Outside India		
I. Bills Payable	700 76 90	659 26 00	a) In Current Accounts	2504 72 15	1012 92 26
II. Inter Office Adjustments ( Net)	3555 93 65	2252 35 93	b) In Other Deposit Accounts	10957.87.85	4421 18 90
III. Interest Accrued	41 43 74	40 22 35	c) Money at Call and Short Notice	159 60 00	713 70 00
IV. Others (including provisions)	6849 06 78 .	10153 82 78	and the same and a same and a same and a same a		
			TOTAL - II	13622 20 00	6147 81 16
TOTAL	11147 21 07	13105 67 06	TOTAL (I & II)	20067 19 93	18588 08 30

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SCHEDULE - 8	AS AT	AS AT	SCHEDULE - 9	AS AT	AS AT
INVESTMENTS	31.03.2022	31.03.2021	ADVANCES	31.03.2022	31.03.2021
	(Rs. in 000	's) .		. (Rs. in 000's)	
I. INVESTMENTS IN INDIA					
i) Government Securities	88308 63 94	85580 50 17	A. i) Bills Purchased & Discounted	2902 69 97	1642 01 07
ii) Other Approved Securities	98 95	98 95	ii) Cash Credits, Overdrafts and	44600 77 20	45662 92 54
iii) Shares	1372 18 12	1142 97 99	Loans repayable on demand		
iv) Debentures and Bonds	3106 12 70	3403 43 34	iii) Term Loans	96740 05 28	80415 71 65
v) Subsidiaries/ Joint Ventures	0	0			
vi) Other Investments	1203 84 53	1647 04 63	TOTAL	144243 52 45	127720 65 26
(Investments in Mutual Funds, Venture Capital Funds Certificate of Deposits and CP)					
			B. i) Secured by Tangible Assets	116825 49 19	100737 35 95
			(includes advances against Book Debts)		
			ii) Covered by Bank/Government Guarantees	6852 60 01	3673 63 71
TOTAL - I	93991 78 24	91774 95 07	iii) Unsecured	20565 43 25	23309 65 60
W. INVESTMENTS OF TRUITS IN DAY					
II. INVESTMENTS OUTSIDE INDIA			TOTAL	144243 52 45	127720 65 26
i) Government Securities (including					
Local Authorities)	3634 96 94	3225 59 32			
ii) Other Approved Securities	0	0	C. I) Advances in India		
iii) Shares	42 28 93	7 48	i) Priority Sector	82051 69 47	83068 89 12
iv) Debentures and Bonds	316 82 98	300 16 31	ii) Public Sector	8971 66 67	5596 29 51
v) Subsidiaries/ Joint Ventures	193 44 19	193 44 19	iii) Banks		
vi) Other Investments	0	0	iv) Others	41693 29 21	30594 88 81
TOTAL - II	4187 53 04	3719 27 30	TOTAL	132716 65 35	119260 07 44
TOTAL (I & II)	98179 31 28	95494 22 37	II) Advances Outside India		
=	901/9 31 20	73474 22 31		0	
0 1	07.400.72.07	04/02 55 4/	i) Due from Banks	0	
Gross Investments in India	96408-63 05	94682 55 46	ii) Due from Others	57(2.40.66	2011 00 ((
Less: Depreciation	2416 84 81	2907 60 39	a) Bills Purchased & Discounted	5762 40 66	3011 00 66
Less: Interest on Restructured Investments	0	0	b) Syndicated Loans	1743 43 04	1346 64 32
Net Investments	93991 78 24	91774 95 07	c) Others	4021 03 40	4102 92 84
Gross Investments Outside India	4206 90 67	3725 44 10			
Less: Depreciation	19 37 63	6 16 80	TOTAL	11526 87 10	8460 57 82
Net Investments	4187 53 04	3719 27 30			
Total Net Investments	98179 31 28	95494 22 37	TOTAL (C-I & C-II)	144243 52 45	127720 65 26

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(Rs. in 000's)

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AS AT

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31.03.2021

3464 51 82

3452 06 14

4 06 58

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9969 70 01



SCHEDULE - 11

OTHER ASSETS

vi) Others (Include Deposits placed with NABARD)

i) Inter Office Adjustments (Net)

v) Non Banking Assets acquired in

iii) Tax paid in advance (Net of Provisions)

ii) Interest Accrued

iv) Stationery & Stamps

satisfaction of claims

SCHEDULE - 10	AS AT	AS AT
FIXED ASSETS	31.03.2022	31.03.2021
	(Rs. in 000)	's)
I. Premises		
At cost / revalued as at beginning of the FY	3973 49 58	3977 45 10
Additions during the year *	517 82 24	2 93 45
SUB TOTAL	4491 31 82	3980 38 55
Deductions during the year *	105	6 88 97
	4491 30 77	3973 49 58
Depreciation to date	1262 20 25	1209 35 54
TOTAL -I	3229 10 53	2764 14 04
II. Capital work in progress	1111	1 11 63
TOTAL - II	11 11	1 11 63
III. Other Fixed Assets (including Furniture &		
Fixtures)		
At cost as at beginning of the FY	2113 53 42	2069 90 84
Additions during the year	109 52 81	67 73 59
SUB TOTAL	2223 06 23	2137 64 43
Deductions during the year	20 58 32	24 43 02
	2202 47 91	2113 21 41
Depreciation to date	2066 79 89	1959 69 12
TOTAL - III	135 68 02	153 52 29
Total (I, II & III)	3364 89 66	2918 77 96

<sup>\*</sup> Includes adjustment on account of conversion of figures relating to foreign branches at the rate of exchange at 31.03.2022

TOTAL	16816 24 22	17100 36 0
SCHEDULE - 12	AS AT	AS AT
CONTINGENT LIABILITIES	31.03.2022	31.03.202
	(Rs. in 000's)	
i) Claims against the Bank not acknowledged	4 15 85	4 20 09
as debts	4	
ii) Liability for partly paid investments	11 60	11 6
iii) Liability on account of outstanding forward exchange contracts	68771 74 82	43584 52 9
iv) Guarantees given on behalf of constituents		
a) In India	12704 85 48	11610 46 4
b) Outside India	414 52 80	398 52 0
v) Acceptances, Endorsements & Other obligations	5818 66 41	4390 45 2
vi) Other items for which the bank is contingently liable		
a) Estimated amount of contracts remaining		
to be executed on capital accounts	46 81 80	57 07 8
b) Banks liability under currency swaps	1093 13 00	1093 13 0
c) Interest rate swaps (USD)	0	
d) Interest rate swaps ( INR )	0 -	
e) Bank's Liability under Currency Options	0	
f) Credit Default Swaps/FRAs/Receivable charges	0	
g) Amount in DEAF with RBI	1595 20 53	1372 15 99
h) Disputed IT demands	7549 61 57	5755 60 99
i) Others	6 29	10 18 2
TOTAL	97998 90 15	68276 44 51

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SCHEDULE - 13	Year Ended	Year Ended	SCHEDULE - 15	Year Ended	Year Ended
INTEREST EARNED	31.03.2022	31.03.2021	INTEREST EXPENDED	31.03.2022	31.03.2021
	(Rs. in	1 000's)		(Rs. in 000's	)
i) Interest / discount on advances / bills	10665 16 79	10838 20 41	i) Interest on Deposits	10219 59 75	10701 35 79
ii) Income on investments	5674 58 52	5711 67 94	ii) Interest on Reserve Bank of India /	199 11 84	365 64 76
iii) Interest on Balances with Reserve Bank	230 49 38	304 50 38	Inter-Bank Borrowings		
of India and Other Inter-Bank Funds			iii) Others	1 26	1 87
iv) Others	159 61 93	111 14 52			
TOTAL	16729 86 62	16965 53 25	TOTAL	10418 72 85	11067 02 42
			- 50	.0	
SCHEDULE - 14	Year Ended	Year Ended	SCHEDULE - 16	Year Ended	Year Ended
OTHER INCOME	31.03.2022	31.03.2021	OPERATING EXPENSES	31.03.2022	31.03.2021
<del></del>	(Rs. in	1 000's)		(Rs. in 000's)	)
i) Commission, Exchange and Brokerage	1039 61 79	948 52 54	i) Payments to and provisions for employees	3485 76 54	3702 78 44
ii) Profit on Sale of Investments (Net)	933 66 42	1820 37 94	ii) Rent, Taxes and Lighting	445 39 59	417 64 42
iii) Profit/Loss on Revaluation of Investments	-191 52 27	- 13 90	iii) Printing and Stationery	19 52 09	17 39 85
iv) Profit on sale of land, Building & other Assets	1 20 05	1 49 24	iv) Advertisement and Publicity	42 02	33 97
v) Profit on exchange transactions ( Net )	898 10 41	602 86 63	v) Depreciation on Bank's property	172 18 61	257 99 74
vi) Miscellaneous Income	2221 95 59	2185 89 39	vi) Directors' fees, allowances and expenses	. 26 77	23 41
TOTAL	4903 01 99	5559 01 84	vii) Auditors' fees and expenses	38 97 19	36 18 46
			(including Branch auditor's Fees and Expenses)		
			viii) Law charges	24 24 42	30 12 17
			ix) Postages, telegrams, telephones, etc.	67 18 50	66 32 01
			x) Repairs and Maintenance	20 87 49	17 89 74
	*		xi) Insurance	322 88 85	300 16 27
			xii) Other Expenditure	853 52 30	714 63 64
			TOTAL	5451 24 36	5561 72 12

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#### **SCHEDULE 17**

#### SIGNIFICANT ACCOUNTING POLICIES OF THE BANK

#### **Basis of Preparation** 1.

The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory / Reserve Bank of India (RBI) guidelines, Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

#### Use of Estimates

1.2 The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### Revenue Recognition and Expense Accounting

- 2.1 Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning).
- Interest on bills purchased/Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.

- Expenditure is accounted for on accrual basis, unless otherwise stated.
- Interest payable on Overdue Term Deposits is provided @ Savings Bank rate, till such time it is transferred to Unclaimed Term Deposits. In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI auidelines.
- Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss 2.6 Account. Such amount when recovered is treated as income.
- In respect of foreign branches, Income and Expenditure are recognized/ 2.7 accounted for as per local laws of the respective countries.

#### **Foreign Currency Transactions** 3.

- Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- Transactions in respect of Treasury (Foreign):
  - a) Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
  - b) Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each guarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
  - c) The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/"Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.
  - d) Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.

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- 3.3 Translation in respect of overseas branches:
  - a) As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
  - b) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - c) Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - d) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

#### 4. Investments

- 4.1 Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz.,
  - a) Government Securities
  - b) Other Approved securities including those issued by local bodies,
  - c) Shares,
  - d) Bonds & Debentures,
  - e) Subsidiaries / Joint Ventures and
  - f) Units of Mutual Funds and Others.
- 4.2 Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- 4.3 Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
- 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

- 4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.
- 4.4 Investments are subject to appropriate provisioning / de –recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- 4.5 Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- 4.6 Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based on the difference between the holding cost and the face value i.e. discount income.
- 4.7 Repo / Reverse Repo transactions are accounted as per RBI guidelines.
- Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.
- 4.9 All the investments are held by adopting the Weighted Average Pricing Method.

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- 4.10 All the investments are held in the book on settlement date basis only.
- 4.11 Dividend income on investments is accounted on cash basis.
- 4.12 Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments.
- 4.13 Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14 An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI).
- As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/21.04.0489/2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following: -

a) Net Profit on sale of investments during the year or

b) Net profit for the year less mandatory appropriations,

until the amount of IFR is atleast 2% of the HFT and AFS Portfolio, on a continuing basis.

#### Advances

5.1 Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.

- 5.2 Advances are stated net of provisions, except general provisions for standard advances.
- 5.3 For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators.

#### 6. Derivatives

- 6.1 The Bank enters into Derivative Contracts in order to hedge interest bearing assets/liabilities, and for trading purposes.
- In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assels/ liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is designated with an asset/ liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/ liability.
- 6.3 Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

### Fixed Assets (Property, Plant and Equipment)

- 7.1 Fixed Assets, except revalued premises, are stated at historical cost.
- 7.2 Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

  Premises 2.50%

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Furniture	10%
Electrical Installations, Vehicles & Office Equipments	20%
Computers	33 1/3 %
Fire Extinguishers	100%
Computer Software	33 1/3%

Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- 7.3 Depreciation is provided for the full year irrespective of the date of acquisition /
- 7.4 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 7.5 In respect of leasehold properties, premium is amortized over the period of lease.
- 7.6 Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

#### 8. Staff Benefits

- 8.1 Contribution to Provident Fund is charged to Profit and Loss Account.
- 8.2 Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Fund. Provision for encashment of accumulated leave payable on retirement or otherwise is made based on actuarial valuation at the year-end.
- 8.3 In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 9. 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 comprises of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

#### 10. Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

#### 11. Impairment of Assets

The bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

### 12. Segment Reporting

The Bank recognizes 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. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the

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Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

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#### Schedule 18

#### **NOTES TO ACCOUNTS**

#### 1. Investments:

1.1 In accordance with RBI guidelines, the investments portfolio of the bank has been classified into three categories, as given below:

Category	Gross Boo (Rs. in o		Percentage to Total Investments (%)		
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	
Held to Maturity	79 958.83	74 703.05	79.47	75.91	
Available for Sale	20 656.71	23 708.69	20.53	24.09	
Held for Trading	0.00	0.00	0.00	0.00	

- 1.2 SLR Securities (domestic) under "Held to Maturity" accounted for 20.91% (previous Year 20.16%) of bank's Demand and Time liabilities as at 31st March 2022 as against ceiling of 22.00% (previous year 22%) stipulated by RBI
- 1.3 In respect of Held to Maturity category of Investments, premium of Rs.32.84 Crore was amortized during the year (previous year Rs.40.67 Crore).

Further, a sum of Rs.4100 Crore being Non–Interest bearing GOI Recapitalization Bonds investments are held under HTM category at carrying cost are maturing from March 2031 to March 2036.

- 1.4 Securities of Face Value for Rs.1639.00 Crore (previous year Rs.1305.50 Crore) towards CCIL Settlement Guarantee Fund/Default Fund and securities for Rs.7518.00 Crore (previous year Rs.4914.50 Crore) towards collateral for borrowing under TREPS/Default Fund have been kept with Clearing Corporation of India Limited. The Bank has placed securities of face value Rs 1500 Crore (previous year Rs.1500 Crore) with RBI for intraday borrowing. The Bank has also placed Securities to the extent Rs. 2800 Crore (previous year Rs.3065 Crore) with Reserve Bank of India for borrowing under the LAF window. Besides, securities to the extent of Rs.123.10 Crore (previous year Rs.95.73 Crore) has been lodged with CCIL towards default fund for Forex operations and Rs. 15.00 Crore (previous year Rs.12.50 Crore) held for Currency derivative segment.
- 1.5 Shares under Investments in India in Regional Rural Banks is Rs.575.37 Crore (previous year Rs.301.58 Crore) including amount towards share application money pending allotment.
- 1.6 The Bank sold Government Securities from HTM category during the year, both outright and under RBI's Open Market Operations (OMO). The extent of sale by the Bank under OMO was Rs.3682.97 Crore (BV) [previous year: Rs.14002.39 Crore] and earned a profit of Rs.15.40 Crore [previous year: Rs.654.04 Crore]. The Bank has also sold Government Securities (other than OMO), to the extent of Rs.2314.59 Crore (BV) [previous year Rs.1963.02 Crore] (within 5%, prescribed limit of RBI) and booked a profit of Rs.124.77 Crore [previous year Rs.217.66 Crore].

#### Investment Fluctuation Reserve

As per RBI circular number RBI/2017-18/147 DBR. No. BP BC .102/ 21.04.048/2017-18 dated April 2, 2018, from the year 2018-2019, an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to IFR is to be the lower of the following -

- a. Net profit on sale of Investments during the year or
- b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

Accordingly, in compliance with extant RBI Guidelines, Bank had provided Rs.390 crore being 2% of Trading book as on 31.03.2022.

#### 2. Advances

- 2.1 The Classification for advances and provisions for possible loss has been made as per prudential norms issued by Reserve Bank of India.
- 2.2 Claims pending settlement and claims yet to be lodged with Guarantee Institutions identified by the branches have been considered for provisioning requirements on the basis that such claims are valid and recoverable.
- 2.3 In assessing the realis-ability of certain advances, the estimated value of security, Central Government Guarantees etc. have been considered for the purpose of asset classification and income recognition.
- 2.4 The classification of advances, as certified by the Branch Managers have been incorporated, in respect of unaudited branches.
- 2.5 In terms of RBI Letter RBI/2021-22/28 DOR.STR.REC.10/21.04.048/2021-22 dated 05.05.2021, Bank has utilized the balance outstanding under Counter Cyclical Provision Buffer (CCP Buffer) of Rs.338.22 crores towards specific provisions for non-performing assets, with the approval of the Board. As on 31.03.2022, there is no outstanding under CCP Buffer.

#### 3. Fixed Assets (Property, Plant and Equipment)

The Profit on sale of land & building for the year 2021-22 is Rs.1.20 crores.

### 4. Rupee Interest Rate Swap

Deferred income on account of gains on termination of Rupee Interest Rate Swaps taken for hedging as on 31st March 2022 is NIL (previous year NIL). This amount, if any, is to be recognized over the remaining contractual life of Swap or life of the Assets/Liabilities, whichever is earlier.



#### 5. Reconciliation

Reconciliation of Inter Branch transactions has been completed up to 31.03.2022 and steps for elimination of outstanding entries are in progress. The Management does not anticipate any material consequential effect on reconciliation / elimination of outstanding entries.

#### 6. Capital and Reserves

During the Financial Year 2021-22 Bank has issued Basel III Tier II Bonds aggregating to Rs,665 crore through private placement subscribed by QIBs.

During the Financial year 2021-22, the Bank on 02.06.2021 had issued and allotted upto 246,54,23,932 equity shares of Rs.10/- each for cash at Issue Price of Rs.16.63 per Equity Share (including a premium of Rs.6.63 per equity share amounting to Rs.1634.58 crores) aggregating to Rs.4100 crore on preferential basis to Government of India (President of India) for capital infusion and share application money was received by the Bank on 31.03.2021. The Government of India shareholding has increased from 95.84% to 96.38%. The paid up capital of the Bank increased from Rs.16436.99 crore to Rs.18902.41 crore.

On account of revaluation of immovable properties during the year FY 2021-22, the Revaluation Reserve of the Bank increased by Rs.529.10 crores and stands at Rs.2,749.56 crore as at 31.03.2022.

#### 7. Taxes

- 7.1 Taking into consideration the decisions of appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs.7409.24 crore (previous year Rs.5,734.33 crore) and Service Tax aggregating to Rs.122.33 crore(previous year Rs.122.33 crore).
- 7.2 Tax expense for the year is Rs.69.52 crore consisting of Current Tax expense of Rs.31.71 crore and Deferred Tax expense of Rs.37.81 crore refer note No.11 under Disclosures under Accounting Standards.
- 7.3 The Bank, based on internal evaluation, presently has decided to continue with the existing tax regime. Further, the Bank has recognized net Deferred Tax Asset as on 31st March, 2022 aggregating to Rs.6262.41 crore (Previous year Rs.6300.40 crore) on timing differences in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and adjustments if any to be carried out on reassessment at appropriated stage.
- **8**. The 11<sup>th</sup> Bipartite Settlement and Eight Joint Note dated 11.11.2020 is operational for five years from 01.11.2017. The Bank has already implemented the 11<sup>th</sup> Bipartite Settlement, hence NO provision towards wage revision is held as on 31.03.2022.

**9.** Information relating to vendors registered under Micro, Small and Medium Enterprises Development Act, 2006 and from whom goods and services have been procured by the Bank has been disclosed to the extent information was made available to the Bank by the vendors. There are no overdue pending of principal amount and/ or interest and accordingly no additional disclosures have been made for the FY 2021-22.

#### **DISCLOSURES AS PER RBI REQUIREMENTS:**

#### 1. REGULATORY CAPITAL

#### a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	2021-22	2020-21
i)	Common Equity Tier 1 capital (CET 1)* / Paid up share capital and reserves <sup>®</sup> (net of deductions, if any)	12 428.11	14 462.20
ii)	Additional Tier 1 capital*/ Other Tier 1 capital®	0.00	0.00
iii)	Tier 1 capital (i + ii)	12 428.11	14 462.20
iv)	Tier 2 capital	3 622.20	2 695.47
Sr. No.	Particulars	2021-22	2020-21
v)	Total capital (Tier 1+Tier 2)	16 050.31	17 157.67
vi)	Total Risk Weighted Assets (RWAs)	116 069.83	112 005.35
vii)	CET 1 Ratio * (CET 1 as a percentage of RWAs)* / Paid- up share capital and reserves as percentage of RWAs@	10.71%	12.91%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	10.71%	12.91%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.12%	2.41%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	13.83%	15.32%
xi)	Leverage Ratio*	4.07%	5.22%
	Percentage of the shareholding of		
xii)	a) Government of India	96.38%	95.84%
	b) State Government (specify name)\$	NA	NA
	c) Sponsor Bank\$	NA	NA
xiii)	Amount of paid-up equity capital raised during the year	2 465.42#	0.00#
xiv)	Amount of non-equity Tier 1 capital raised during the year	0.00	0.00
xv)	Amount of Tier 2 capital raised during the year, Basel III compliant Tier II Bonds	665.00	0.00

#The Bank received a capital infusion of Rs.4100 crore (Rupees Four Thousand One Hundred Crore Only) from Government of India on 31.03.2021 and the equity shares were issued and allotted on 02.06.2021 i.e. 246,54,23,932 equity shares of face value of Rs.10 each for cash at issue price of Rs.16.63 per equity shares (including premium of Rs.6.63 per equity share)

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3671.58 28 992.59 28 992.59



\$ Percentage of shareholding of State Government and Sponsor Bank is applicable only for RRBs.

\* Capital to Risk Weighted Assets Ratio (CRAR) is arrived at after considering the Net Present Value (NPV) of non-interest bearing recapitalization Bond infused as Capital by the Govt. of India during the FY ended 31st March 2021. Without considering the said adjustment, the CRAR is 15.75% (CET 1 ratio of 12.63%) as on 31st March 2022.

#### b) Draw down from Reserves

To comply with the RBI-RAR 2021 observations regarding appropriation of 25% of Net Profit of FY 2020-21 to Statutory Reserve, Bank with the approval of Reserve Bank of India vide their letter dated 18.02.2022 has effected the draw-down of reserve during the current financial year as given below:

		From		То	Amount (Rs. in crores)
Capital Reserve)	Reserve	(Excluding	Revaluation	Statutory Reserve	142.05
Profit & L	oss Accour	nt		Statutory Reserve	65.82

#### 2. Asset liability management

### a) Maturity pattern of certain items of assets and liabilities as at March 31,2022

(Amount in ₹ crore)

Particulars	Deposits	Advances (Gross)	Investments (Net)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	2903.00	2 568.14	25 573.95	318.73	4 446.79	2 399.94
2 to 7 days	6218.09	2 732.04	2 424.07	0.00	1 724.50	842.78
8 to 14 days	6862.09	3 460.08	1 457.71	0.00	2 073.75	2 437.69
15 Days – 30 Days	5486.80	2 328.62	1 330.71	0.00	3 829.54	4 616.05
31 Days – 2 Months	9487.30	9 981.92	2 734.04	0.00	6 266.46	6 095.62
2 Months – 3 Months	10549.00	11 168.10	3 506.14	0.00	6 835.68	5 697.70
3 Months – 6 Months	26778.48	13 102.44	6 688.80	479.61	7 335.48	10 609.79
Over 6 Months & Upto 1 year Months	49691.20	29 477.94	12 071.21	7.30	4 556.64	5 189.03
Over 1 year & up to 3 years	32 652.62	46 776.20	9 741.03	0.00	1 036.33	745.18
Over 3 years & up to 5 years	5 569.67	12 048.08	2 892.99	800.00	1 180.14	628.62
Over 5 years	105 960.69	22 157.16	29 758.67	1 465.00	2 213,95	2 236.86

Total	262 158.92	155 800.71	98 179.31	3 070.64	41 499.26	41 499.26
Maturity po	attern of assets and	liabilities as	at March 31 2	2021		

(Amount in ₹ crore) Foreign Foreign Advances Investments Borrowings Currency **Particulars Deposits** Currency (Gross) (Net) Assets Liabilities Day 1 1 649.98 1 997.83 26 413.01 0.00 3 760.34 3 030.25 2 to 7 days 5 428.71 1 951.29 2 290.9 0.00 774.96 850.11 8 to 14 days 6 432.83 2 832.07 1 479.24 1 184.68 0.00 3 131.99 15 Days - 30 5724.14 1 435.30 1 317.36 0.00 3744.00 2 933.35 Davs 31 Days - 2 9 543.8 8 283.81 2 199.32 0.00 3 759.63 2 641.58 Months 2 Months - 3 10 014.52 9 930.48 2 392.94 0.00 2 929.15 3 656.52 Months 3 Months - 6 24 741.75 12 062.94 5736.12 0.00 4 882.94 6 173.76 Months Over 6 Months 44 578.41 26 966.19 11 881.83 255.35 3 127.91 2 433.51 Upto 1 year Months Over 1 year & up to 3 29 324.62 46 746.68 11 333.06 627.47 2 197.53 1 813.76. vears Over 3 years & up to 5 5 649.35 10 711.04 1 900.54 0.00 253.81 628.15 years Over 5 years 97 200.2 16 679.03 28 549.92 1 650.27 2 426.98 2788.76

### b) Liquidity coverage ratio (LCR)

240 288.31

139 596.66

Total

555

RBI had introduced the Liquidity Coverage Ratio (LCR) vide circular NoRBI/2014-15/529 DBR. No. BP.BC.80/21.06.201/2014-15 dated March 31,2015 which has been modified from time to time, in order to ensure short term resilience of banks to potential liquidity disruptions by ensuring that bank have sufficient high quality liquid assets (HQLA) to survive an acute stress scenario lasting for 30 days. The minimum LCR requirement set out in the RBI guidelines for the bank effective January 1, 2019 is 100%

95 494.24

Definition of LCR: Stock of high quality liquid assets (HQLAs)

Total net cash outflows over the next 30 calendar days

In the stock of high quality liquid assets (HQLA), there are two categories of assets, viz. Level 1 and Level 2 assets. Level 2 assets are sub-divided into Level 2A and Level 2B assets on the basis of their price-volatility. Assets included in each category are those that the bank is holding on the first day of the stress period. Level 1 assets are with 0% haircut while in Level 2, 2A assets are with a minimum 15% haircut and Level 2B Assets, with a minimum 50% haircut.



The total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down. Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows.

Details of LCR for FY 2021-22 (Four Quarters) & Quarter Ended March 2021:

(Rs. In Crore)

Details	Quarter Ended March 31 2022	Quarter Ended December 31 2021	Quarter Ended September 30 2021	Quarter Ended June 30 2021	Quarter Ended March 31 2021
HQLA	72,048.89	69,720.72	68,066.62	62,208.66	63,651.97
Total Net cash Outflows	40,499.29	39,433.57	38,480.49	37,400.10	37,684.21
LCR in %	177.90	176.81	176.89	166.33	165.91

Bank has calculated LCR for all working days over the March 2022 guarter. Bank's LCR for the guarter ended 31st March 2022 stands at 177.90% based on daily average of three months (Q4 FY 2021-22) and is well above the present minimum requirement prescribed by RBI of 100% for the Quarrer ended March, 2022. The Minimum requirement as on 31.03.2021 was 90%, the same was revised by RBI to 100% w.e.f 01.04.2022. Bank is having enough liquidity to meei sudden cash outflows.

The detailed Quantitative disclosure is placed below:

Liquidity Management in the Bank is driven by the ALM Policy of the Bank and regulatory prescriptions. The Domestic and Overseas Centers are reporting to the Asset Liability Management Committee (ALCO). The ALCO has been empowered by the Bank's Board to formulate the Bank's funding strategies to ensure that the funding sources are well diversified and is consistent with the operational requirements of the Bank. All the major decisions of ALCO are being reported to the Bank's Board periodically. In addition to daily/monthly LCR reporting, Bank prepares daily Structural Liquidity statements to assess the liquidity needs of the Bank on an ongoing basis.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, and such funding sources are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future short term requirements.

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### Annexure to the Quantitative Disclosure:

										D 01		Dag 00		Mar 22	IVIIIOO	nt in ₹ crore)	
		Jun-21		Jun-20		Sep-21	7.1.1	Sep-20	7-4-1	Dec-21	Total	Dec-20 Total	Total	Mar-22 Total	Total	Mar-21 Total	Total
		Total Unweighte d Value [average]	Total Weighted Value (average	Total Unweighte d Value [average]	Total Weighted Value (average	Total Unweighte d Value [average]	Total Weighte d Value (average	Total Unweight ed Value [average ]	Total Weighted Value (average)	Total Unweighte d Value [average]	Weighted Value (average	Unweighte d Value [average]	Weighted Value (average	Unweighte d Value [average]	Weighted Value (average	Unweighte d Value [average]	Weighted Value (average
High	Quality Liquid Assets			A CARLES													
1	Total High Quality Liquid Assets (HQLA)		62208.66	6	55401.80	d	68066.62		58996.15		69720.72		56605.49		72048.89		63651.97
Cash	n Outflows																
2	Retail deposits and deposits from small business customers, of which:	189031.09	17616.92	159169.06	15490.00	191690.05	17881.60	161760.93	15244.25	170147.01	15968.30	202497.98	19124.63	196375.47	18335.17	187881.38	17502.37
(i)	Stable deposits	25723.73	1286.19	8538.05	426.90	25748.04	1287.40	18636.91	931.85	20927.87	1046.39	22503.44	1125.17	260,47.53	1302.38	25715.30	1285.77
(ii)	Less stable deposits	163307.36	16330.74	150631.01	15063.10	165942.01	16594.20	143124.02	14312.40	149219.14	14921.91	179994.54	17999.45	170327.94	17032.79	162166.08	16216.61
3	Unsecured wholesale funding, of which:	42567.30	21432.99	59839.05	14469.74	47141.84	23367.76	58727.81	12905.68	71082.58	26112.16	23143.98	10912.56	49446.36	24943.52	43370.14	21693.47
(i)	Operational deposits (all counterparties)	0.13	0.03	0.13	0.03	0.13	0.03	0.13	0.03	0.13	0.03	0.18	0.04	0.13	0.03	0.13	0.03
(ii)	Non-operational deposits (all counterparties)	42567.17	21432.96	59838.92	14469.71	47141.71	23367.73	58727.68	12905.65	71082.45	26112.13	23143.80	10912.52	49446.23	24943.49	43370.01	21693.44
(iii)	Unsecured debt	0	0		0	0	0	0	0	0	0	0	0	. 0	0	0	0
4	Secured wholesale funding	437.67	409.01	329.50	0	1352.74	285.79	462.92	0	1649.38	677.20	426.39	355.96	724.21	474.09	443.85	352.56
5	Additional requirements, of which	12127.36	1195.50	485.06	440.17	11656.89	1246.30	284.71	225.05	26451.30	1652.22	4341.80	724.42	11239.77	1254.99	12304.55	1276.82
(i)	Outflows related to derivative exposures and other collateral requirements	99.49	99.49	435.31	435.31	207.82	207.82	219.01	219.01	217.78	217.78	362.31	362.31	250.24	250.24	169.41	169.41
(ii)	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0	0	0	0	. 0	. 0	0	0	0
(iii)	Credit and liquicity facilities	12027.87	1096.01	49.75	4.86	11449.07	1038.48	65.70	6.04	10704.91	968.53	3979.49	362.11	10989.53	1004.75	12135.14	1107.41
6	Other contractual funding obligations	0	0	63.19	63.19	0	0	83.27	83.27	0	0	57.88	57.88	. 0	. 0	11.62	11.62
7	Other contingent funding obligations	14383.62	719.18	41809.22	2090.47	14931.09	475.67	47541.58	2377.08	16528.61	465.92	39836.05	1991.80	15225.23	456.98	14663.67	733.18
8	TOTAL CASH OUTFLOWS		41373.60		32553.57		43257.12	A. C.	30835.33	, I	44409.89	ethic with	33167.25		45464.75		41570.02
Cash	n Inflows		200 No.											Marie Salata	12212		
9	Secured lending (e.g. reverse repos)	8351.21	0	8316.43	0	4197.92	0.00	5663.94	0	3473.33	0	12477.31	0	3930.26	0	6993.39	0
10	Inflows from fully performing exposures	6624.81	3707.35	12082.85	6351.65	8396.27	4621.84	10734.00	5697.50	8827.61	4814.60	8064.56	4350.53	8296.79	4658.92	6645.54	3595.49
11	Other cash inflows	284.14	266.15	745.66	545.90	200.40	154.79	997.22	804.09	197.78 .	163.84	633.61	450.70	308.64	306.54	340.66	290.32
12	TOTAL CASH INFLOWS	15260.16	3973.50	21144.94	6897.55	12794.59	4776.63	17395.16	6501.59	12498.72	4978.44	21175.48	4801.23	12535.69	4965.46	13979.59	3885.81
13	TOTAL HQLA	<b>,</b>	62208.66		55401.80	aft.	68066.62		58996.15	<b>FELL 75.</b>	69720.72		56605.49		72048.89	四次是各种	63651.97
14	TOTAL NET CASH OUTFLOWS	<b>注题</b> 法的是	37400.10		25656.02	4	38480.49	10 10 10 10 10 10 10 10 10 10 10 10 10 1	24333.74		39433.57	数点を記録的	28366.02	<b>科學學學</b> 其例	40499.29		37684.21
15	LIQUIDITY COVERAGE RATIO	North Control	166.33%		216.00%	A Section	176.89%		242.45%		176.81%		199.55%		177.90%	San San	168.91%

1. Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the Circular and LCR template.

2. Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

3. Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows).

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#### c) Net Stable Funding ratio (NSFR)

RBI introduced the Net Stable Funding Ratio (NSFR) vide circular No. RBI/2017-18/178 DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17,2018 which has been modified from time to time in order to promote resilience of Banks over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The minimum NSFR requirement set out in the RBI guidelines effective from October 1, 2021 is 100%

Definition of NSFR:

Available Stable Fund (ASF)
Required Stable Fund (RSF)

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of required stable funding (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

Details of NSFR for the quarter ended Dec'2021 & Mar'2022:

(Rs. In Crore)

Details	Dec'2021 Quarter	Mar'2022 Quarter
Available stable funding (ASF) (Weighted Value)	226423.49	230113.72
Required Stable Fund (RSF) (Weighted Value)	148366.44	152491.93
NSFR in %	152.61%	150.90%

Bank has calculated NSFR for 31st March 2022 which stands at 150.90% which is well above the RBI prescribed minimum requirement of 100%. Bank's majority funding is from Retail and Small Business customers, which provide high stability with regard to stability of Funding. Bank is having enough stable sources of funding to fund their activities on an ongoing basis over a longer-term time horizon.

The detailed Quantitative disclosure is placed below:

			For (	Quarter Ended I	Dec'2021			For	Quarter Ended i	Mar'2022	
			NS	FR Disclosure Te	mplate	7 7		: NS	FR Disclosure Te	mplate	
		Unwei	ghted value	e by Residual M	aturity		Unwe	ighted value	e by Residual M	aturity	
	( Rs.in Crore)	No maturity	< 6 months	6 months to < 1yr	One Yr and More	Weighted value	No maturity	< 6 months	6 months to	One Yr and More	Weighted value
ASF It	em										
1	Capital: (2+3)	17284.67	0	0	0	17284.67	16050.31	0	0	0	16050.31
2	Regulatory capital	17284.67	0	0	0	17284.67	16050.31	0	0	0	16050.31
		0	0	0	0	0	. 0	0	0	0	0
	Retail deposits and deposits from small business customers: (5+6)	65887.24	45599.47	42960.28	29434.92	169710.14	86694.95	60460.48	52427.63	1136.47	182095.58
	Stable deposits	10860.69	7516.50	7081.47	4851.98	29037.71	11592.33	8084.41	7010.31	1136.47	26489.18
	Less stable deposits	55026.55	38082.96	35878.81	24582.94	140672.43	75102.62	52376.06	45417.32	0.00	155606.40
7	Wholesale funding: (8+9)	39500.16	3095.06	2915.92	17646.51	39428.67	27181.85	19684.56	17069.25	0.00	31967.83
8	Operational deposits	0.13	0	0	0	0.07	0.13	0	0	0	0.06
9	Other wholesale funding	39500.02	3095.06	2915.92	17646.51	39428.61	27181.72	19684.56	17069.25	0.00	31967.77
10	Other liabilities: (11+12)	3837.27	2655.71	2704.15	1714.29	0	3292.56	2296.21	2062.65	0.00	0
11	NSFR derivative liabilities	THE PERSON NAMED IN	0	202.15	0			0	71.52	0	

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			For Qu	arter Ended De	ec'2021			For Qu	uarter Ended M	ar'2022	
	All other liabilities and equity not included										
	in the above categories	3837.27	2655.71	2502.00	1714.29		3292.56	2296.21	1991.13	0.00	C
13	Total ASF (1+4+7+10)					226423.49		212-13374			230113.72
RSF Ite	em .										
14	Total NSFR high-quality liquid assets (HQLA)					3561.82					4168.36
	Deposits held at other financial institutions										
15	for operational purposes	644.44	0.00	0.00	0.00	322.22	1229.83	0.00	0.00	0.00	614.91
	Performing loans and securities:										
16	(17+18+19+21+23)	35931.94	27775.33	10035.52	82155.89	110994.13	29505.63	30714.81	12243.10	81198.78	110526.97
1.2	Performing loans to financial institutions							12.2.2.2			
17	secured by Level 1 HQLA	0.00	3026.00	0.00	0.00	302.60	0.00	6043.00	0.00	0.00	604.30
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	264.03	1240.39	5348.69	6008.49	0.00	123.38	1329.54	9639.34	10322.62
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	35931.94	24485.31	8795.14	31884.32	68983.75	29505.63	24548.43	10913.56	25907.26	63263.02
	With a risk weight of less than or equal to										
	35% under the Basel I Standardised		1				1				
20	Approach for credit risk	4622.99			4102.23	5671.39	4177.00	0.00	0.00	3667.60	5098.99
	Performing residential mortgages, of										
21	which.	0.00	0.00	0.00	16608.42	11632.00	0.00	0.00	0.00	17528.67	12432.04
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	12425.77	8076.75	0.00	0.00	0.00	12336.66	8018.83
	Securities that are not in default and do				1						
	not qualify as HQLA, including exchange-										
23	traded equities	0.00	0.00	0.00	28314.46	24067.29	0.00	0.00	0.00	28123.51	23904.98
24	Other assets: (sum of rows 25 to 29)	15116.25	480.43	172.57	12898.55	32829.73	19158.94	1054.00	468.58	15457.93	36115.74
25	Physical traded commodities, including gold	0.00		See John		0.00	0.00		Park	Carried States	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	of the same	0.00	0.00	138.10	117.39		0.00	0.00	158.10	134.39
_	NSFR derivative assets		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	NSFR derivative liabilities before deduction										
28	of variation margin posted		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	All other assets not included in the above				15				7		
29	categories	15116.25	480.43	172.57	12760.45	32712.34	19158.94	1054.00	468.58	15299.83	35981.35
30	Off-balance sheet items		3335.15	1197.99	10660.04	658.54	<b>是外流区域</b>	4437.58	1972.83	16522.47	1065.95
31	Total RSF (14+15+16+24+30)					148366.45					152491.93
32	Net Stable Funding Ratio (%)					152.61%					150.90%

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3. Investments

a) Composition of Investment Portfolio As at 31.03.2022

(Amount in ₹ crore)

			Ir	vestments in Ind	lia				Investments out	side India		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	75 963.68	1.01	575.37	427.50	0	3.49	76 971.06	2 701.49	199.57	86.73	2 987.79	79 958.85
Less: Provision for non-performing investments (NPI)	0	0.02	0	0	0	0	0.02	0.00	6.13	0.00	6.13	6.15
Net	75 963.68	0.99	575.37	427.50	0	3.49	76 971.04	2 701.49	193.44	86.73	2 981.66	79 952.70
Available for Sale				1								
Gross	12 601.28	0	2 323.54	3 070.05	0	1 494.22	19 489.10	1 029.07	0	190.05	1 219.12	20 708.22
Less: Provision for depreciation and NPI	256.32	0	1 526.74	391.43	0	293.87	2 468.36	11.13	0	2.11	13.24	2 481.60
Net	12 344.96	0	796.80	2 678.62	0	1 200.35	17 020.74	1 017.94	0	187.94	1 205.88	18 226.62
Held for Trading												
Gross	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0
Total Investments	88 564.96	1.01	2 898.91	3 497.55	0	1 497.71	96 460.16	3 730.56	199.57	276.78	4 206.91	100 667.07
Less: Provision for non-performing investments #	0	0.02	0	0	0	0	0.02	0	0	0	0	0.02
Less: Provision for depreciation and NPI	256.32	0	1 526.74	391.43	0	293.87	2 468.36	11.13	6.13	2.11	19.37	2 487.73
Net	88 308.64	0.99	1 372.17	3 106.12	0	1 203.84	93 991.78	3 719.43	193.44	274.67	4 187.54	98 179.32

# The Bank is holding equity and NCDs issued by M/s. TCI Sanmar Chemicals SAE under NPI investments of Hong Kong Branch as shown under Schedule -8 Investment Overseas) as certified by the SCAs. Since the account is under substandard category, the Bank is holding provision against the said investment exposure as under:

Type of Investment	Amount of provision as on 31.03.2022 (INR)
TCI SANMAR CHEM.SAE – EQUITY	42,23,75,793.84
TCI SANMAR CHEM.SAE – NCD	27,74,88,795.50
TOTAL	69,98,64,589.34

The above mentioned provision is held in C.O. books.

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			In	vestments in Inc	lia				Investments out	sido India		ount in ₹ crore
	C	041				011	T 1 1					
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	70 850.25	1.01	301.58	1 022.50	0	8.99	72 184.33	2 232.04	199.57	87.13	2 518.74	74 703.07
Less: Provision for non-performing investments (NPI)	0	0.02	0	0	0	0	0.02	0	6.13	0.03	6.16	6.18
Net	70 850.25	0.99	301.58	1 022.50	0	8.99	72 184.31	2 232.04	193.44	87.10	2 512.58	74 696.89
Available for Sale												
Gross	14 981.92	0	2 451.85	2715.14	0	2 514.09	22 663.00	993.52	0	213.18	1 206.70	23 869.70
Less: Provision for depreciation and NPI	251.66	0	1 610.46	334.21	0	876.03	3 072.36	0	0	0.01	0.01	3 072.37
Net	14 730.26	0	841.39	2 380.93	. 0	1 638.06	19 590.64	993.52	0	213.17	1 206.69	20 797.33
Held for Trading			1 = 1 = 1 = 1									
Gross	0	0	Ü	0	0	0	0	0	0	0	0	C
Less: Provision for depreciation and NPI	0	0	0	0	0	0	0	0	0.	0	0	0
Nei	0	0	0	0	0	0	0	0	C	0	. 0	0
Total Investments	85 832.17	1.01	2 753.43	3 737.64	. 0	2 523.08	94 847.33	3 225.56	199.57	300.31	3 725.44	98 572.77
Less: Provision for non- performing investments	0	0.02	0	0	0	0	0.02	0	0	0	0	0.02
Less: Provision for depreciation and NPI	251.66	0	1 610.46	334.21	0	876.03	3 072.36	0	6.13	0.04	6.17	3 078.53
Net	85 580.51	0.99	1 142.97	3 403.43	0	1 647.05	91 774.95	3 225.56	193.44	300.27	3 719.27	95 494.22

### b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

	(Amount in	R Crore)
Particulars	2021-22	2020-21
i) Movement of provisions held towards depreciation on investments		
a. Opening Balance	2 913.77	2 595.87
b. Add: Provisions made during the year	325.34	962.40
<ul> <li>c. Less: Write off/write back of excess provisions during the year</li> </ul>	802.88	650.67
d. Closing Balance	2 436.23	2 907.60
ii) Movement of Investment Fluctuation Reserve		
a. Opening Balance	100.00	0
<ul> <li>b. Add: Amount transferred during the year</li> </ul>	290.00	100.00
c. Less. Drawdown		0
d. Closing balance	390.00	100.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category (Book value)	2.00%	0.44%

#### c) Sale and transfers to/from HTM category

Sale from HTM category (above the prescribed limit of 5%) during the current year: NIL [previous year: NIL] Transfer to/from HTM Category other than the category transfer allowed by RBI at the beginning of the year: NIL.

As per Master Circular – Prudential Norms for Classification Valuation and Operation of Investment portfolio by Banks dated July 7,2015 issued by RBI, Banks are permitted to shift investments to/from HTM once in a year, normally at the beginning of the accounting year. No further shifting will be allowed during remaining part of that accounting year, except when explicitly permitted by RBI.

#### d) Non-SLR Investment Portfolio

i) Non-performing non-SLR investments (Amount in ₹ crore)

Sr. No.	Particulars	2021-22	2020-21
a)	Opening balance as on 1st April	2 670.54	1 948.34
b)	Additions during the year since 1st April	451.42	827.14
c)	Reductions during the above period*	580.85	104.94
d)	Closing balance as on 31st March	2 541.11	2 670.54

e) Total provisions held\*\* 2 252.21 2 411.41

\* Including Technically written off accounts

\*\*of which Rs.1230.82 crores held towards MTM on equity shares classified as NPI as on 31.03.2022 against Rs.1522.06 crores as on 31.03.2021.

#### ii) Issuer composition of non-SLR investments

(Amount in ₹ crore)

Sr. No.	Issuer	Amo	ount	xtent of Place	7 - 17 - 17 - 17 - 17	'Be Invest Gro	nt of low tment ide' prities	Extent 'Unrate Securit	ed'	Exten 'Unlist Secur	ed'
(1)	(2)	(3)		(4)		(5)		(6		(7)	
		21-22	20-21	21-22	20-21	21- 22	20-21		20- 21	21-22	20-21
a)	PSUs	23703.05	24212.68	23621.13	24023.01		0	0	0	0	. 0
b)	FIs	431.22	212.45	409.40	188.10	. 0	0	0	0	0	C
c)	Banks	1344.48	638.77	1109.12	380.33	127.24	182.98	8.75	8.75	8.75	8.75
d)	Private Corporates	5188.68	6666.28	4771.98	6146.54	113.20	123.33	71.92	89.13	18.80	37.57
e)	Subsidiaries/ Joint Ventures	199.58	199.58	. 0	0	0	0	0	0	0	· · · · · · · · · · · · · · · · · · ·
f)	Others	3646.09	3225.59	0	0	0	0	0	0	- O	
g)	Provision held towards depreciation	(2179.90)	(2826.87)	(1998.49)	(2582.86)	. 0	0	0	0	O	C
	Total *	32333.20	32328.48	27913.14	28155.12	240.44	306.31	80.67	97.88	27.55	46.32

#### Note:

- \* For Commercial Banks, the Total under column 3 shall match with the sum of total
  of Investments included under the following categories in Schedule 8 to the balance
  sheet:
  - i) Investment in India in:
- a) Shares
- b) Debentures and Bonds
- c) Subsidiaries and/or Joint Ventures
- d) Others
- ii) Investment outside India in (where applicable)
  - i) Government securities (including local authorities)
  - ii) Subsidiaries and/or joint ventures abroad
  - iii) Other investments
- 2. \*For UCBs, the total shall match the total of non-SLR investments held by the bank.
- 3. Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

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e) Repo transactions (in face value terms)

			(Amount in ₹	crore)
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
<ul> <li>i) Securities sold under repo</li> <li>a) Government securities</li> <li>b) Corporate debt securities</li> <li>c) Any other securities</li> </ul>	Nil	Nil	Nil	Nil
ii) Securities purchased under reverse repo a) Government securities b) Corporate debt securities	Nil	Nil	Nil	Nil

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## इण्डियन ओवरसीज़ बैंक आपकी प्रगति का सच्चा साथी



#### 4. Asset quality

#### Classification of advances and provisions held

(Amounts in ₹ crore) Standard Non-Performing Total Total Non-Sub-Standard Total Doubtful Loss Performing standard Advances Advances Gross Standard Advances and NPAs Opening Balance 123 273.47 2 599.76 11 973.28 1 750.15 16 323.18 139 596.66 Add: Additions during the year 5 030.84 Less. Reductions during the year 6 051.33 Closing balance\*\* 140 502.09 2 695.42 10 751.15 1 852.05 15 298.62 155 800.71 Reductions in Gross NPAs due to: i) Upgradation 966.77 966.77 ii) Recoveries (excluding recoveries from upgraded accounts) 1 374.63 1 374.63 iii) Technical/ Prudential Write-offs 3 129.39 3 129.39 iv) Write-offs other than those under (iii) above 639.62 639.62 Provisions (excluding Floating Provisions) Opening balance of provisions held 1 884.94 677.56 9 096.24 1 656.29 11 430.09 13 315.03 Add: Fresh provisions made during the year 3 604.30 3 588.67 Less: Excess provision reversed/ Write-off loans 3 885.05 3 686.76 Closing balance of provisions held 2 067.60 1 066.18 8 391.79 1 691.37 11 149.34 13 216.94 Net NPAs Opening Balance 1 922.20 2 561.53 93.86 4 577.59 Add: Fresh additions during the year 3 783.33 · 神经 : \*\*\* Less: Reductions during the year 4 536.29 Closing Balance 1 629.28 2 034.71 3 824.62 160.64 Floating Provisions Opening Balance Add: Additional provisions made during the year Less: Amount drawn down during the year Closing balance of floating provisions Technical write-offs and the recoveries made thereon Opening balance of Technical/Prudential written-off accounts 31 067.47 Add: Technical/Prudential write-offs during the year 2 930.48 Less: Recoveries made from previously technical/prudential written-off The way the said 3 417.91 accounts during the year Closing balance 30 580.04

<sup>\*\*</sup>Includes the addition under Standard Advances.

Ratios (in Percent)	2021-22	2020-21
Gross NPA to Gross Advances	9.82%	11.69%
Net NPA to Net Advances	2.65%	3.58%
Provision coverage ratio	91.66%	90.34%



### b) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

			2021-22			2020-21	
Sr. No.	Sector*	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector					•	
a)	Agriculture and allied activities	38 708.88	2 905.94	7.51%	30 404.58	2 606.93	8.57%
b)	Advances to industries sector eligible as priority sector lending Services	14 457.03	1 763.99	12.20%	12 752.93	1 674.84	13.13%
c)	Services	16 874.79	1 522.12	9.02%	14 920.99	1 311.78	8.79%
d)	Personal loans	12 439.01	778.89	6.26%	10 312.29	896.77	8.70%
	Subtotal (i)	82 479.71	6 970.94	8.45%	68 390.79	6 490.31	9.49%
ii)	Non-priority Sector						
a)	Agriculture and allied activities	944.10	133.55	14.15%	6 067.54	9.10	0.15%
b)	Industry	25 547.71	5 322.48	20.83%	14 489.99	7 583.56	52.34%
c)	Services	10.516.78	2 358.89	22.43%	16 248.84	1 825.93	11.24%
d)	Personal loans	35 037.03	512.76	1.46%	32 975.24	414.27	1.26%
	Food Credit	1 275.37	0.00	0.00%	1 424.26	0.00	0.00%
	Sub-rofal (ii)	73 320.99	8 327.68	11.36%	71 205.87	9 832.87	13.81%
	Total (I + ii)	155 800.70	15 298.62	9.82%	139 596.66	16 323.18	11.69%

\*Banks shall also disclose in the format above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

### c)Overseas assets, NPAs and revenue

(Amounts in ₹ crore)

Particulars	2021-22	2020-21
Total Assets	18,353:11	15,852.71
Total NPAs	1 639.12	1 519.29
Total Revenue	417.28	462.92

### d) Particulars of resolution plan and restructuring

i) Particulars of Resolution Plan

The RBI Circular No. RBI/2018-19/2013 DBR No. BP.BC.45/21.04.048/2018-19 dated 07.06.2019 on resolution of stressed assets - Revised framework:

(Amounts in ₹ crore)

				(, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Amount of loans impacted by RBI	Amount of loans to be classified as	Amount of Loans as on 31.03.2022,	Addl. Provision required for loans	Provision out of (d) already made
Circular	NPA	out of (b) classified as NPA	covered under RBI circular	by 31.03.2022
(a)	(b)	(c)	(d)	(e)
1 667.76	1 667.76	1 667.76	272.41	272.41

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### e) Divergence in asset classification and provisioning

/Amounts in ₹ crorel

	(Amounts in ₹ cro	
Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 2021* as reported by the bank	16,323
2.	Gross NPAs as on March 31, 2021 as assessed by Reserve Bank of India	17,023
3.	Divergence in Gross NPAs (2-1)	700
4.	Net NPAs as on March 31, 2021 as reported by the bank	4,578
5.	Net NPAs as on March 31, 2021 as assessed by Reserve Bank of India	5,278
6.	Divergence in Net NPAs (5-4)	700
7.	Provisions for NPAs as on March 31, 2021 as reported by the bank	11,430
8.	Provisions for NPAs as on March 31, 2021 as assessed by Reserve Bank of India	11,615
9.	Divergence in provisioning (8-7)	185
10	Reported Profit before Provisions and Contingencies for the year ended March 31, 2021	5,896
11.	Reported Net Profit after Tax (PAT) for the year ended March 31,2021	831
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2021 after considering the divergence in provisioning	646

<sup>\*</sup>March 31, 2021 is the close of the reference period in respect of which divergences were assessed.

### f) Disclosure of transfer of loan exposures

(all amounts in ₹ crore)	(all amounts in ₹ crore) To ARCs		To other transfer ees (please specify)
No: of accounts	8 accounts + portfolio of 20897 Unsecured Education Loan NPAs + Portfolio of 285 MSME Loan NPAs	Nil	Nil
Aggregate principal outstanding of loans transferred	1 519.70	Nil	Nil
Weighted average residual tenor of the loans transferred	5 years	Nil	Nil
Net book value of loans transferred (at the time of	0	Nil	Nil

transfer)			
Aggregate consideration	725.605	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	ed in respect of onts transferred in		Nil
Details of loans acquired duri	ng the year		
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AlFls, SFBs and NBFCs including Housing Finance Companies (HFCs)		From ARCs
Aggregate principal outstanding of loans acquired			8
Aggregate consideration paid	NIL		
Weighted average residual tenor of loans acquired			

The Bank has reversed the amount of Rs.491.791 crore of excess provision to the Profit & Loss account on account of sale of stressed loans.

#### g) Fraud accounts

Advance related fraud:

	2021-22	2020-21
Number of frauds reported	70	105
Amount involved in fraud (₹ crore)	1 450.51	3 738.90
Amount of provision made for such frauds (₹ crore)	1 450.51	3 738.90
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	Nil	Nii

- 1. During the quarter ended 31.03.2022,14 number of advance related frauds reported, having amount outstanding (net off deductions) of Rs.157.65 crores and for which the Bank is holding 100% provision.
- 2. Bank has opted to provide full provision for the liability towards frauds for the financial year ended 31.03.2022 instead of spilling over a period of four quarters.

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Other than Advance related frauds:

	2021-22	2020-21
Number of frauds reported	25	25
Amount involved in such Frauds - Outstanding as on 31st March (₹ crore)	11.36	1.10
Quantum of Provision made for the outstanding amount as on 31st March (₹ crore)	11.36	1.10
Cumulative Provision as on 31st March since beginning, including Burglary/Dacoity/Robbery and etc	478.70	477.06

\*Bank has opted to provide full provision for the liability towards frauds for financial year ended 31.03.2022 instead of spilling over a period of four quarters.

During the quarter ended 31.03.2022, eight frauds under other than advances category has been reported to RBI, where likely loss is Rs.1.29 crores and for which the Bank is holding 100% provision.

Cyber Frauds:

Particulars	2021-22	2020-21
Number of frauds reported	217	328
Amount involved in such Frauds - Outstanding as on 31st March (₹ crore)	0.46	0.78
Quantum of Provision made for the outstanding amount as on 31st March (₹ crore)	0.46	0.78
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	0	0

Bank has opted to provide full provision for the liability towards frauds for financial year ended 31.03.2022 instead of spilling over a period of four quarters.

During the quarter ended 31.03.2022, 35 frauds under Digital Banking category have been reported to Reserve Bank of India, where the likely loss is Rs.0.07 crore and for which Bank is holding 100% provision.

#### h) Disclosure under Resolution Framework for COVID-19-related Stress

			(An	nounts in ₹	crore)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan— Position as at the end of the previous half- year (A)	Of (A), aggregate debt that slipped into NPA during the half- year	Of (A) amount written off during the half- year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	3 036.52	421.70	0	1 003.84	2 454.38
Corporate persons*	1 151.12	NIL	NIL	98.33	1 052.79
Of which MSMEs	2 458.13	126.73	0	117.68	2 461.17
Others	400.43	26.56	0.00	30.66	364.76
Total	7 046.20	574.99	0.00	1 250.51	6 333.10

<sup>\*</sup> As defines in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

#### 5. Exposure

#### a. Exposure to real estate

(Amounts in ₹ crore) 2021-22 2020-21 Category il Direct exposure a) Residential Mortgages -21,968.01 18,932.57 Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Out of which, Individual housing loans eligible for 9,488.79 9,794.61 inclusion in priority sector advances. 1,577.10 2,307.52 b) Commercial Real Estate -Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also include non-fund based (NFB) limits;

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Category	2021-22	2020-21
c) Real estate other: Hotels, Hospitals and Liquirent not under CRE	1,448.42	1,580.67
d) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –  i. Residential	0.00	0.00
ii. Commercial Real Estate		
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	3,877.23	2,400.24
Total Exposure to Real Estate Sector	28,870.76	25,221.00

### b. Exposure to capital market

021-22	2020-21
439.30	426.57
0.18	0.26
0.36	0.53
789.56	834.81
0.60	0.59
0.00	0.00
	0.60



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Total exposure to capital market	1 358.16	1 361.16
xi) Other financial Guarantee	6.06	0.00
<ul> <li>x) All exposures to Venture Capital Funds (both registered and unregistered)</li> </ul>	121.69	98.00
ix) Financing to stockbrokers for margin trading;	0.41	0.40
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
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
resources;		

### c. Risk category-wise country exposure

(Amounts in ₹ crore)

Risk Category*	Exposure (net) as at 31.03.2022	Provision held as at 31.03.2022	Exposure (net) as at 31.03.2021	Provision held as at 31.03.2021
Insignificant	14 570.96	9.04	8 739.40	3.07
Low	13 624.86	5.15	7 232.65	5.01
Moderately Low	63.73	Nil	2 557.99	Nil
Moderate	238.47	Nil	325.15	Nil
Moderately High	757.87	Nil	0.74	Nil
High	· Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Total	29 255.89	14.19	18 855.93	3.08

\*Till such time, as banks move over to internal rating systems, banks shall use the sevencategory classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

#### d. Unsecured advances

(Amounts in ₹ crore)

Particulars	2021-22	2020-21
Total unsecured advances of the bank	40 879.21	35 752.82
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken		5 373.30
Estimated value of such intangible collateral	4 282.72	5 373.30

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#### e. Factoring exposures

		(Amounts in ₹ crore)
Particulars	FY 2021-22	FY 2020-21
Exposure of our Bank under Factoring	562.65	31.84

#### f. Intra-group exposures

i. With the developments of financial markets in India, banks have increasingly expanded their presence in permitted financial activities through entities that are owned by them fully or partly. As a result, banks' exposure to the group entities has increased and may rise further going forward. In order to ensure transparency in their dealings with group entities, banks should make the following disclosures for the current year with comparatives for the previous year:

(Amounts in ₹ crore)

Particulars	2021-22	2020-21
Total amount of intra-group exposures		
Total amount of top 20 intra-group exposures		
% of intra-group exposures to total exposure of the bank on borrowers/ customers	-	
Details of breach of limits on intra-group exposures and regulatory action thereon, if any		-

#### g. Unhedged foreign currency exposures

As per RBI circular ref to RBI/2013-14/620 & RBI/2013-14/448, data relating to UFCE of borrowers from individual branches is obtained through online and consolidated working of the required additional provision and capital for Exposures to entities with Unhedged Foreign Currency Exposure is done at Risk Management Department.

The Bank has estimated the provision towards Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular DBOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 at Rs.24.14 crore. The Bank holds provision of Rs.24.14 crore as on 31.03.2022 against the same.

### 6. Concentration of deposits, advances, exposures and NPA

#### a. Concentration of Deposits

(Amounts in ₹ crore)

Particulars	2021-22	2020-21
Total Deposits of twenty largest depositors	12 636.30	10 853.40
Percentage of Deposits of twenty largest deposits to Total Deposits of the Bank	4.82%	4.52%

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oncentration of advances*	(Amo	unts in ₹ crore)
Particulars	2021-22	2020-21
Total Advances to the twenty largest borrowers	18 975.92	15 543.11
Percentage of advances to twenty largest borrowers to total advances of the bank	12.18%	11.13%

<sup>\*</sup>Advances shall be computed based on credit exposure including derivatives furnished in our Master Circular on Exposure norms.

#### c. Concentration of exposures (Credit and Investment Exposure) (Amounts in ₹ crore)

Particulars	2021-22	2020-21
Total exposure to the twenty largest borrowers/customers	24 243.25	22 759.71
Percentage of exposures to the twenty largest		
borrowers/ customers to the total exposure of the bank	9.21%	9.32%
on borrowers/customers		

#### d. Concentration of NPAs

(Amounts in ₹ crore)

	2021-22	2020-21
Total Exposure to the top twenty NPA accounts	3 773.70	3 890.10
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	24.67%	

# Concentration of NPAs FY 2021-22 (Top Twenty Accounts excludes Technical write off accounts)

S NO	BORROWER NAME	GROSS NPA O/S IN CRORES
1	M/S AMW MOTORS LIMITED	395.25
2	LANCO RESOURCES INTERNATIONAL PTE LTD	360.52
3	SREI EQUIPMENT FINANCE LTD	338.23
4	RABIRUN VINIMAY PVT LTD	243.74
5	SREI INFRASTRUCTURE FINANCE LTD	233.25
6	PIONEER GAS POWER LIMITED	190.95
7	GAYATRI PROJECTS LIMITED	182.14
8	PC JEWELLER LIMITED	181.51
9	M/S GVK DEOLI KOTA EXPRESS WAY P LTD	157.09
10	CHENANI NASHRI TUNNELWAY LIMITED	154.53
11	JET AIRWAYS (INDIA) LIMITED	154.47
12	PUNJ LLOYD LIMITED	153.43
13	SUZLON ENERGY LIMITED	150.83
14	ESSAR POWER GUJARAT LTD	148.18
15	SAI REGENCY POWER CORPORATION PRIVATE LIMITED	138.58
16	NAGAI POWER PRIVATE LIMITED	134.71
17	M/S LUDHIANA TALWANDI TOLL ROADS PVT LTD	118.80
18	SEL TEXTILES LIMITED	118.12
19	VARAHI DIAMONDS & FINANCE LTD	116.29
20	NAGARJUNA FERTILIZER AND CHEMICALS LTD	103.09
	TOTAL	3773.70

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#### 7. Derivatives

#### a. Forward rate agreement/Interest rate swap

(Amounts in ₹ crore)

	Particulars	2021-22	2020-21
i)	The notional principal of swap agreements		
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
iii)	Collateral required by the bank upon entering into swaps	Nil	Nil
iv)	Concentration of credit risk arising from the swaps\$		
v)	The fair value of the swap book@		

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps shall also be disclosed.

\$ Examples of concentration could exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the bank would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value would be its mark to market value.

#### b. Exchange traded interest rate derivatives

(Amounts in ₹ crore)

Sr. No.	Particulars	2021-22	2020-21	
Notional principal amount of exchange in itraded interest rate derivatives undertaken during the year (instrument wise)		Nil	Nil	
įi)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument wise)	Nil	Nil	
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil	
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	Nil	Nil	

#### c. Disclosures on risk exposure in derivatives

#### Qalitative disclosures

#### Treasury (Foreign)

The Bank uses Interest Rate Swaps (IRS), Currency Swaps and Options for hedging purpose to mitigate interest rate risk and currency risk in banking book. Such transactions are entered only with Clients and Banks having agreements in place.

- a) The Risk Management Policy of the Bank allows using of derivative products to hedge the risk in Interest/Exchange rates that arise on account of overseas borrowing/FCNR(B) portfolio/the asset liability mis-match, for funding overseas branches etc.
- b) The Bank has a system of evaluating the derivatives exposure separately and placing appropriate credit lines for execution of derivative transactions duly reckoning the Net Worth and security backing of individual clients.
- c) The Bank has set in place appropriate control systems to assess the risks associated in using derivatives as hedge instruments and proper risk reporting systems are in place to monitor all aspects relating to derivative transactions. The Derivative transactions were undertaken only with the Banks and counterparties well within their respective exposure limit approved by appropriate credit sanctioning authorities for each counter party.
- d) The Bank has set necessary limits in place for using derivatives and its position is continuously monitored.
- e) The Bank has a system of continuous monitoring appraisal of resultant exposures across the administrative hierarchy for initiation of necessary follow up actions.
- f) Derivatives are used by the Bank to hedge the Bank's Balance sheet exposures.
- g) The income from such derivatives are amortized and taken to profit and loss account on accrual basis over the life of the contract. In case of early termination of swaps undertaken for Balance Sheet Management, income on account of such gains would be recognized over the remaining contractual life of the swap or life of the assets/liabilities whichever is lower.
- h) All the hedge transactions are accounted on accrual basis. Valuations of the outstanding contracts are done on Mark to Market basis. The Bank has duly approved Risk Management and Accounting procedures for dealing in Derivatives.
- i) The derivative transactions are conducted in accordance with the extant guidelines of Reserve Bank of India.

Bank shall discuss their Risk Management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. Also to include:

- a) The structure and organization for management of risk in derivatives trading;
- b) The scope and nature of risk measurement, risk reporting and risk monitoring systems;
- c) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants; and



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d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

#### Treasury (Domestic)

The Bank uses Rupee Interest Rate Swaps (IRS) for hedging purpose to mitigate interest rate risk in Government Securities and to reduce the cost of Subordinated Debt. In addition, the bank also enters into rupee interest rate swaps for trading purposes as per the policy duly approved by the Board. Swap transactions are entered only with Banks having ISDA agreements in place.

- a) The bank has put in place an appropriate structure and organization for management of risk, which includes Treasury Department, Asset Liability Management Committee and Risk Management Committee of the Board.
- b) Derivative transactions carry Market Risk (arising from adverse movement in interest rates), Credit risk (arising from probable counter party failure), Liquidity risk (arising from failure to meet funding requirements or execute the transaction at a reasonable price), Operational risk, Regulatory risk and Reputation risk. The Bank has laid down policies, set in place appropriate control systems to assess the risks associated in using derivatives and proper risk reporting and mitigation systems are in place to monitor all risks relating to derivative transactions. The IRS transactions were undertaken with only Banks as counter party and well within the exposure limit approved by the Board of Bank for each counter party.
- c) Derivatives are used by the bank for trading and hedging. The bank has an approved policy in torce for derivatives and has set necessary limits for the use of derivatives and the position is continuously monitored. The value and maturity of the hedges which are used only as back to back or to hedge bank's Balance Sheet has not exceeded that of the underlying exposure.
- d) The accounting policy for derivatives has been drawn up in accordance with RBI guidelines, as disclosed in Schedule 17 Significant Accounting Policies (Policy No.6).

### ii) Quantitative disclosures

(Amounts in ₹ crore)

SNo		2021-22		2020-21		
		Currency Derivatives	Interest rate derivat ives	Currency Derivatives	Interest rate derivati ves	
a)	Derivatives (Notional Principal Amount)					
	i) For hedging	1093.13	Nil	1093.13	NII	
	ii) For trading	0.00	INII	0.00	Nil	
b)	Marked to Market Positions			,		

	i) Asset (+)	0.00	0.00	
	ii) Liability (-)	194.53	171.03	
c)	Credit Exposure	21.86	109.31	
d)	Likely impact of one percentage change in interest rate (100*PV01)			
	i) on hedging derivatives	8.96	23.75	
	ii) on trading derivatives	0.00	0.00	
e)	Maximum and Minimum of 100*PV01 observed during the year			
	i) on hedging	a) Max:24.06 Min:8.96	a) Max:36.11 Min:21.48	
	ii) on trading	b) Max:0.00 Min:0.00	b) Max:0.00 Min:0.00	

- a. The net position shall be shown either under asset or liability, as the case may be, for each type of derivatives.
- b. Banks may adopt the Current Exposure Method on Measurement of Credit Exposure of Derivative Products as per extant Reserve Bank of India instructions.

#### d. Credit default swaps

Credit Default Swaps - Nil (previous year - Nil)

### 8. Disclosures relating to securitization

In the annual Notes to Account, the originators should indicate the outstanding amount of securitised assets as per books of the Special Purpose Entities (SPEs) and total amount of exposures retained by the originator as on the date of balance sheet to comply with the MRR. These figures should be based on the information duly certified by the SPE's auditors obtained by the originator from the SPE. These disclosures should be made in the format given in the table below.

SI. No.	Particulars	Mar 31 (Current Year)	Mar 31 (Previous Year)
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	Nil	Nil
2.	Total amount of securitised assets as per books of the SPEs	Nil	Nil
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
	a) Off-balance sheet exposures • First loss	Nil	Nil . A Ca

# इण्डियन ओवरसीज़ बैंक आपकी प्रगति का सच्चा साथी

	• Others		
	b) On-balance sheet exposures		
	• First loss		
	• Others		
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures	Nil	Nii
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	b) On-ipalance sheet exposures	Nil	Nil
	i) Exposure to own securitisations		
	• First loss		
	• Others		
	ii) Exposure to third party securitisations		
	• First loss		
	• Others		
	Sale consideration received for the	Nil	Nil
5.	securitised assets and gain/loss on sale on		
	account of securitisation		
	Form and quantum (outstanding value) of	Nil	Nil
6.	services provided by way of, liquidity support, post- securitization asset servicing, etc.		
	Performance of facility provided. Please provide	Nil	Nil
	separciely for each facility viz. Credit enhancement,		
	liquidity support, servicing agent etc. Mention percent		
7.	in bracket as of total value of facility provided.		
	(a) Amount paid		
	(b) Repayment received		
	(c) Outstanding amount		
	Average default rate of portfolios observed in the past. Please provide breakup separately for each		Nil
	asset class i.e. RMBS, Vehicle Loans etc		(may mention
8.	disser class i.e. MVIBS, Verileie Learns etc		average default rate o
			previous 5
			years)
	Amount and number of additional/top up loan given	Nil	Nil
0	on same underlying asset. Please provide breakup		
9.	separately for each asset		
	class i.e. RMBS, Vehicle Loans, etc.		
	Investor complaints	Nil	Nil
10.	(a) Directly/Indirectly received and;		
	(b) Complaints outstanding		

### 9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Domestic	Overseas
Domestic	Overseus
	A 1



### **Indian Overseas Bank GOOD PEOPLE TO GROW WITH**

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

-	Amount	s in	₹	crorel	
- 1	111100111	0 11 1		0,0,0,	

Particulars	2021-22	2020-21
Opening Balance of Amounts transferred to DEAF	1 372.16	1 167.05
Add: Amounts transferred to DEAF during the year	240.69	230.56
Less: Amounts reimbursed by DEAF towards claims	17.65	25.45
Closing Balance of Amounts transferred to DEAF	1 595.20	1 372.16

### 11. Disclosure of complaints

### a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

S No.		Particulars	2021-22	2020-21
Complai	ints rece	eived by the Bank from its customers		
1		Number of complaints pending at beginning of the year	2 026	3 272
2		Number of complaints received during the year	169 599	151 084
3		Number of complaints disposed during the year	168 775	152 330
	3.1	Of which, number of complaints rejected by the Bank	1 667	731
4		Number of complaints Pending at the end of the year	2 850	2 026
Maintain	able co	omplaints received by the Bank from OFFICE OF O	MBUDSMAN	
5		Number of Maintainable complaints received by the Bank from Office Of Ombudsman	1 516	2 379
	5.1	Of 5, number of complaints resolved in favour of the Bank by Office Of Ombudsman	1 488	2 298
	5.2	Of 5, Number of complaints resolved through conciliation/mediation/advisories issued by Office Of Ombudsman	28	78
	5.3	Of 5, Number of complaints resolved after passing of Awards by Office Of Ombudsman against the Bank	0	3
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

### **Indian Overseas Bank GOOD PEOPLE TO GROW WITH**

### b. Top five grounds of complaints received by the bank from customers

Grounds of Complaints, (i.e. Complaints relating to	Number of complain ts pending at the beginnin g of the year	number of complain ts received during the year	%Increase/decrea se in the number of complaints received over the previous year	Number of complain ts pending at the end of the year	of 5, number of complain ts pending beyond 30 days
1	2	3	4	5	6
	Current	Year (FY 202	1-22)		
Internet/Mobile/Electro nic Banking	226	84 147	(+)11.58	1 006	
ATM/Debit cards	1 119	72 501	(+)17.93	1 134	
Credit Cards	24	2 206	(-)33.09	307	
Loans and advances	74	1 545	(+)13.35	112	
Cheques/Draft/bills	7	1 488	(+)380	7	
others	576	7 712	(-)16.38	284	
Total	2 026	169 599		2 850	
	Previous	Year (FY 202	20-21)		
Internet/Mobile/Electronic Banking	718	75 413	(+)196.58	226	
ATM/Debit cards	1 906	61 478	(-)112.15	1 119	
Credit Cards	85	3 297	(+)7.08	24	
Loans and advances	16	1 363	(-)14.38	74	
Cheques/Draft/bills	8	310	(+)79.19	7	
others	539	9 223	(+)51.74	576	
Total	3 272	151 084		2 026	3

### 12. Disclosure of penalties imposed by the Reserve Bank of India

Particulars	2021-22	2020-21
Penalties imposed by RBI		-
Penalties imposed by SEBI / stock exchanges		
Other Penalties		

#### 13. Disclosure on remuneration

SI. No.	Name	Designation	Remuneration* Amount (Rs.) (2021-22)	Remuneration* Amount (Rs.) (2020-21)
1.	Shri Partha Pratim Sengupta	Managing Director & Chief Executive Officer (MD & CEO)	34,71,378.00	23,31,943.12
2.	Shri Karnam Sekar	Ex- MD & CEO		8,06,196.00**
3.	Shri Ajay Kumar Srivastava	Executive Director	32,65,002.00	29,23,332.00
4.	Ms. S Srimathy	Executive Director	29,45,576.33	2,09,749.42**

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

#### 14. Other Disclosures

#### a. Business ratios

Particulars	2021-22	2020-21
i) Interest Income as a percentage to Working Funds	2.17%	6.17%
ii) Non-interest income as a percentage to Working Funds	1.69%	2.02%
iii) Cost of Deposits	4.22%	4.70%
iv) Net Interest Margin	2.41%	2.39%
v) Operating Profit as a percentage to Working Funds	1.98%	2.14%
vi) Return on Assets	0.59%	0.31%
vii) Business (deposits plus advances) per employee (in ₹ crore)	18.69	16.12
viii) Profit per employee (in ₹ crore)	0.08	0.0353

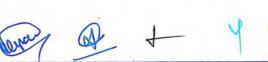
#### b. Bancassurance business

(Amounts in ₹ crore)

	T. Company	1		
S. No.	Nature of income*	2021-22	2020-21	
(a)	For selling Life Insurance Policies	2.14	2.13	
(b)	For selling Non Life Insurance Policies	22.91	23.91	
(c)	For Selling Mutual Fund products	0.47	0.29	
(d)	Others (specify)	Nil		
	Total	25.52	26.33	

\*Fees/Remuneration received in respect of the Bancassurance Business undertaken by the Bank.

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<sup>\*\*</sup>Part of the year



#### c. Marketing and distribution - NIL

#### d. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

(Amounts in ₹ crore)

S.	David and are	2021-22		2020-21	
No.	Particulars	Purchase	Sales	Purchase	Sales
1	PSLC - Agriculture	_		-	
2	PSLC - SF/MF	-	3100.00		4000.00
3	PSLC - Micro Enterprises				
4	PSLC - General		1758.50		2027.50

#### e. Provisions and contingencies

(Amounts in ₹ crore)

	(Amounts in & crore)		
Particulars	2021-22	2020-21	
Provisions for depreciation on Investment / Written back	249.25	-164.99	
Provision towards NPA	3401.01	3 942.66	
Provision towards Standard Assets	187.66	881.44	
Contingent Provision for Standard Adv Covid 19		-	
Provision for Restructured accounts	4.18	-3.45	
Provision made towards Income Tax (including Deferred Tax & Wealth Tax)	69.52	8.24	
Other Provision and Contingencies	141.75	400.43	
Total	4 053.37	5 064.33	

### f. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

- In line with the guidance issued by the Reserve Bank of India in February 2016, the Bank has set up a Steering Committee headed by the Executive Director along with a Working Group consisting of four (4) General Managers which monitors the progress of Ind-AS implementation.
- Bank has also formed a core team of 10 members and ECL team of 7 members drawn from various functional departments for taking forward for implementation of Ind AS.
- ➤ In 2016-17, Bank has engaged a Consultant for Ind AS and carried out GAP Analysis of all the assets and liabilities, revenue and expenditure items as well as treasury portfolio.
- > Bank has undertaken Pan India training to Executives as well as Officials attached to various Administrative Offices.
- Based on the GAP Analysis report, Bank has identified customization requirement in existing system for generating Ind AS compliant financials which includes fair valuation of staff advances, staff deposits, computation of Effective Interest Rate (EIR) for loans classified under Amortized cost, Expected Credit Loss (ECL) model development involving Probability of Default (PD), Loss Given Default (LGD) Exposure at Default (EAD) etc with the help of consultant appointed in the initial stage.
- Proforma financials Statements are being submitted to RBI according to the time lines stipulated by RBI.

#### g. Payment of DICGC Insurance Premium

(Amounts in ₹ crore)

Sr. No.	Particula rs	2021-22	2020-21
i)	Payment of DICGC Insurance Premium	333.64	308.25
ii)	Arrears in payment of DICGC premium	Nil	Nil

h. Disclosure on unamortised Pension and Gratuity Liabilities and amortization of expenditure on account of enhancement in family pension of employees of Banks

#### 1. Pension:

The additional liability on account of enhancement in family pension on account of Government guidelines, works out of Rs.425,85,83,225/- as per the Acturial Valuation.

As per RBI Circular RBI/2021-22/105/DOR.ACC.REC.57/21.04.018/2021-22 dated 04.10.2021 banks are permitted to amortise the total liabilities over the period of five years. The Bank has opted the said provision of RBI and has charged minimum amount of Rs.85,17,16,645/- for the year ended 31 March 2022.

The Balance unamortised expense of Rs.340,68,66,580/- has been carried forward.

Had the bank charged the entire additional liability to the profit and loss account, the net profit for the year ended March 31, 2022 would have been lower by Rs.340.69 Crores.

#### 2. Gratuity:

Unamortised gratuity liabilities as on 31.03.2022 is NIL.

### 15. Disclosure relating to Investment Exposure of Colombo Branch, Sri Lanka

Sri Lanka is going through an economic crisis due to insufficient foreign exchange reserves. Due to the present economic and political situation in Sri Lanka, which has taken place in the current calendar year, Lankan Rupee has depreciated vis-a-vis all major currencies including USD and INR.

The yield on T Bills in Sri Lanka have increased from about 8.5% to 24% during Feb 2022 to May 2022.

Our Colombo Branch is holding T-Bills/Bonds of Central Bank of Sri Lanka (CBSL) issued on behalf of Govt. of Sri Lanka amounting to LKR 753 crore (INR 191 crore). So far the matured T-Bills/bonds have been paid by them promptly on the respective due dates. Out of investment in T-Bills/bonds, the Branch has to hold minimum of LKR 341 core (INR 86 crore) being 20% of their NDTL for the purpose of SLR. As these obligations are denominated in Lankan Rupee and the debt is domestic in nature, presently we are not envisaging any default. Further, these T-Bills/bonds are short term in nature and are maturing in a phased manner last being, on 01.07.2022.



#### 16. Letters of Comfort (LoC)

Banks should disclose the full particulars of all the Letters of Comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the 'Notes to Accounts'.

Particulars for FY 2021-22

Letters of Comfort issued during the year - Ni Letters of Comfort outstanding as on 31.3.2022 - 3

Cumulative position of LOC's outstanding as on March 31,2022:

1. During the year 2009-10, the Bank has issued a Letter of Comfort (LoC) undertaking to maintain a minimum CRAR of 12% in respect of Bangkok branch and to arrange to convert retained earnings to capital funds and/or infuse further capital in order to restore the CRAR to a minimum of 12%, subject to approval from RBI. The assigned capital of Bangkok Branch stands at THB 1798.89 Mio and CRAR is 23.57% as on 31.03.2022.

In the worst case scenario of the entire textile exposure of the branch becoming NPA. We may have to make additional provision to the extent of THB 91.70 Mio being unsecured portion of standard textile advances. If this contingency arises, there would be no additional capital to be remitted as existing reserves are adequate to cover the unsecured amount.

- 2. LOC was issued during 2010-11 to Bank Negara Malaysia upto our Bank's 35% shareholding in the Joint Venture Bank- India International Bank (Malaysia) Berhad (IIBMB). As on 31.03.2022, the deposits of IIBMB are Rs.152.14 Crores and other liabilities are Rs.3.94 Crores (i.e. total liabilities of Rs.156.08 Crores). The net worth of IIBMB as on 31.03.2022 is Rs.582.84 Crores. As the financial year end of IIBMB is 31 December, figure of 31st March 2022 have been taken from unaudited statements.
- 3. Based on the host country regulator's guidelines, during 2019-2020, Bank has issued Letter of Comfort favoring CBSL for meeting all obligations and liabilities arising out of business carried on by IOB-Sri Lanka Branch.

17. In accordance with the RBI Circular No DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated 11.02.2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated 06.08.2020, on "Relief for MSME borrowers either exempted or registered under Goods and Service Tax (GST)", the details of MSME restructured accounts from 01.04.2019 to 31.03.2022 are as under:

No. of Accounts	Aggregate exposure as on 31st March 2022 (Rs. in crore)
10403	553.25

### 18. Amount of provisions made for Income Tax during the year:

	(Rs. in Crore)	
Partículars	2021-22	2020-21
Provision for Income Tax	31.71	23.24
Provision for Deferred Tax	37.81	-15.00
Net Provision	69.52	08.24

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#### DISCLOSURES UNDER ACCOUNTING STANDARDS

### 1. Accounting Standard 18 – Related Party Disclosures

The details are as follows:

(A) Name of the Related Parties and their relationship:

(a) Associates – Regional Rural Banks:

(i) Odisha Gramya Bank

(b) Joint Venture: India International Bank (Malaysia) Berhad Ltd.

(c) Key Management Personnel:

(i) Shri Partha Pratim Sengupta, Managing Director and CEO

(ii) Shri Ajay Kumar Srivastava, Executive Director

(iii) Ms. S Srimathy, Executive Director

(B) Transaction with Related parties:

Details of Salary and Performance Incentive paid to Whole Time Directors during the year 2021-22 and 2020-21:

SI. No.	Name	Designation	Remuneration* Amount (Rs.) (2021-22)	Remuneration* Amount (Rs.) (2020-21)
1.	Shri Partha Pratim Sengupta	Managing Director & Chief Executive Officer (MD & CEO)	34,71,378.00	23,31,943.12
2.	Shri Karnam Sekar	Ex- MD & CEO		8,06,196.00**
3.	Shri Ajay Kumar Srivastava	Executive Director	32,65,002.00	29,23,332.00
4.	Ms. S Srimathy	Executive Director	29,45,576.33	2,09,749.42**

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

\*\*Part of the year

Items/Related Party	Parent (as per	Subsidiaries Associate		Associates/ Joint ventures		Key Management Personnel®		es of Key ent Personnel	Total	
	ownership or control)		Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year
Borrowings#	N.A.	N.A.	0.0000	198.6377	0.0000	0.0000	0.0000	0.0000	0.0000	198.6377
Deposits#	N.A.	N.A.	493.6702	493.6702	0.3279	1.7242	0.0470	0.0939	494.0451	495.4883
Placement of deposits#	N.A.	N.A.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Advances#	N.A.	N.A.	0.0000	0.0000	0.7094	0.7500	0.0630	0.0636	0.7724	0.8136
Investments#	N.A.	N.A.	777.5599	777.5599	0.0000	0.0000	0.0000	0.0000	777.5599	777.5599
Non-funded commitments#	N.A.	N.A.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Items/Related Party	Parent (as per	(as per Subsidiaries		Associates/ Joint ventures		Key Management Personnel ®		es of Key ent Personnel	To	Total	
	ownership or control)	1	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	
Leasing/HP arrangements availed#	N.A.	N.A.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Leasing/HP arrangements provided*	N.A.	N.A.	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Purchase of fixed assets	N.A.	N.A.	0.0	0000	0.0	0000	0.0	0000	0.0000		
Sale of fixed assets	N.A.	N.A.	0.0	0000	0.0	0000	0.0	0000	0.0	0000	
Interest paid	N.A.	N.A.	1.9	951	0.0	0123	0.0	0024	2.0	0098	
Interest received	N.A.	N.A.	18.3	3849	0.0	0220	0.0	0015	18.	4084	
Rendering of services*	N.A.	N.A.	0.0	0000	0.0	0000	0.0	0000	0.0	0000	
Receiving of services*	N.A.	N.A.	0.0	0000	0.0	0000	0.0	0000	0.0	0000	
Management contracts*	N.A.	N.A.	0.0	0000	0.0	0000	0.0	0000	0.0	0000	

N.A. (Not Applicable)

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<sup>#</sup> The outstanding at the year end and the maximum during the year are to be disclosed.

<sup>\*</sup> Contract services etc. and not services like remittance facilities, locker facilities etc.



### 2. Accounting Standard 15 - Employee Benefits

- i. The Bank had adopted Accounting Standard 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India, with effect from 1st April, 2007.
- ii. The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under: -

# (a) Defined Benefit Schemes:

#### Changes in the present value of the obligations

					(Rs.	In Crore)	
Particulars		SION ded)	GRAT (Fund		LEAVE ENCASHMENT (Un Funded)		
	2022	2021	2022	2021	2022	2021	
Present Value of obligation as at the beginning of the year	9 856.98	9 108.28	913.11	1 018.68	506.57	503.96	
Interest Cost	674.21	613.04	57.72	63.13	31.60	31.74	
Current Service Cost	256.02	243.51	72.68	61.19	43.37	36.24	
Benefits Paid	(1 166.10)	(972.06)	(186.44)	(185.96)	(111.59)	(77.18)	
Actuarial loss/(gain) on Obligations	742.11	864.20	343.48	(43.93)	46.18	11.82	
Present Value of Obligation at year end	10 363.22	9 856.98	1 200.55	913.11	516.13	506.57	

# (b) Change in Fair Value of Plan Asset

(Rs. In Crore)

Particulars		SION ded)		ATUITY nded)	ENCAS	AVE SHMENT unded)
	2022	2021	2022	2021	2022	2021
Fair Value of Plan Assets at the beginning of the year	9 856.98	9 108.28	1 295.29	1 400.86		
Expected return on Plan Assets	710.44	695.56	84.63	89.95		
Employer's contribution	915.48	1 127.48		22.00	111.59	77.18
Benefit Paid	(1 166.10)	(972.06)	(186.44)	(185.96)	(111.59)	(77.18)
Actuarial gain/(loss) on Obligations	46.43	(102.28)	31.72	(31.56)		

Fair Value of the end of th	Plan Asset at ne year	10 363.23	9 856.98	1 225.20	1 295.29	-	-
Unfunded Liability	Transitional	-					

## (c) Amount recognized in Balance Sheet

(Rs. In Crore)

Particulars	PENSION	(Funded)		ded)	LEAVE ENCASHMENT (Un Funded)		
	2022	2021	2022	2021	2022	2021	
Estimated Present value of obligations as at the end of the year	10 703.91	9 856.98	1 200.55	913.11	516.13	506.57	
Actual Fair value of Plan Assets as at the end of the year	10 363.23	9 856.98	1 225.20	1 295.29			
Unfunded Net Liability recognized in Balance Sheet	*(340.68)				516.13	506.57	
Funded Net Assets to be recognized in Balance Sheet	_		24.65	382.18	-		

\*The additional liability on account of enhancement in family pension on account of Government guidelines, works out of Rs.425,85,83,225/- as per the Actuarial valuation. As per RBI Circular RBI/2021-22/105/DOR.ACC.REC.57/21.04.018/2021-22 dated 04.10.2021 banks are permitted to amortise the total liabilities over the period of five years. The Bank has opted the said provision of RBI and has charged minimum amount of Rs.85,17,16,645/for the quarter ended 31 March 2022. The balance unamortized expense of Rs.340,68,66,580/- has been carried forward.

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# (d) Expenses Recognized in Profit & Loss

(Rs. In Crore)

Particulars	PENSION (	(Funded)	GRAT (Fund	The second secon	LEAVE ENCASHMENT (Un Funded)		
	2022	2021	2022	2021	2022	2021	
Current Service Cost	256.02	243.51	72.68	61.19	43.37	36.24	
Interest Cost	674.21	613.04	57.72	63.13	31.60	31.74	
Expected return on Plan Asset	(710.44)	(695.56)	(84.63)	(89.95)	0.00	-	
Net Actuarial (Gain)/Loss recognized in the year	695.68	966.49	311.76	(12.37)	46.18	11.82	
Total expenses chargeable in Profit & Loss Account	915.47	1 127.48	357.53	22.00	121.15	79.79	
Amount received from  II Pension optees/ employers contribution of PF	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

# (e) Investment percentage maintained by Pension & Gratuity Trust:

(Figures in %)

	Pensio	n Trust	Gratuity Trust					
Particulars	2022	2021	2022	2021				
a) Debt Instruments								
Central Government Securities	3.06	3.31	8.09	7.47				
State Government Securities	1.85	2.20	24.32	26.20				
Investment in PSU /PFI / Corporate Bonds	3.47	4.13	12.18	12.57				
Other Investments	91.16	89.87	53.42	51.97				
b) Equity Instruments	0.46	0.49	1.99	1.77				

# (f) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted average)

(Figures in %)

Particulars	PENSION (Funded)		GRAT		LEAVE ENCASHMENT (Unfunded)		
	2022	2021	2022	2021	2022	2021	
Discount Rate	7.27	7.11	7.48	7.04	7.48	7.01	
Expected rate of return on Plan Assets	7.30	7.54	7.04	6.82	0		
Expected Rate of Salary increase	5.00	5.00	5.00	5.00	5.00	5.00	
Pension increase	4.00	4.00	-	-	-	-	
Attrition rate	1.00	1.00	3.00	3.00	3.00	3.00	
Moriality	2012- Modif Ultimo	fied	2012-14	Ultimate	2012-14 U	Ultimate	
Method used	Projecte credit	ed unit	Project cre		Projecte credit	ed unit	

### (g) Experience Adjustments

(Rs. In Crore)

	PENSION (Funded)			GRATUITY (Funded)				LEAVE ENCASHMENT (Unfunded)							
Particulars	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Experience adjustment on Plan assets (Loss)/Gain	(46.43)	102.28	(32.05)	44.11	(3.09)	(31.72)	31.56	(20.96)	2.59	(13.50)	1	1	I	1	1
Experience adjustment on Plan Liabilities (Loss)/Gain	(742.11)	(864.20)	(430.22)	(336.01)	(595.21)	(375.22)	(39.11)	356.18	52.77	(172.84)	90.89	11.82	18.52	29.71	23.89

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

# h) The financial assumptions considered for the calculations are as under: -

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated 31.03.2022).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.





Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs.126.00 crores.

#### 3. AS 24 - Discontinuing Operations

The Bank has not closed any of its Overseas Branches during 01.04.2021-31.03.2022. Hence the data relating to this disclosure may be treated as "NIL".

#### 4. AS 27 - Financial Reporting of Interest in Joint Venture

Our Bank (with 35% share) has floated a Joint Venture at Malaysia along with Bank of Bareda (40%) and Union Bank of India (25%) (erstwhile Andhra Bank now merged with Union Bank of India) by name INDIA INTERNATIONAL BANK (MALAYSIA) BHD. IIBMB has an Authorized capital of MYR 500 Mio. The Joint Venture's paid up capital is MYR 330 Mio (previous year MYR 330 Mio).

As on 31.03.2022, Bank's Investment value in the Joint Venture as per Books stands at Rs.193.33 crore (original investment value Rs.199.58 crore as reduced by diminution in value of investment amounting to Rs.6.14 crores).

# 5. Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard-23 - Accounting for Investments in Associates in Consolidated Financial Statements

The details of Subsidiaries, Associates and Joint Ventures of the Bank along with the percentage of share held are:-

Si.No	Name of the Comp	any	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank		Associate	India	35%
2	India International (Malaysia) Berhad	Bank	Joint Venture	Malaysia	35%
3	Universal Sompo Insurance Company Lim	General ited*	Joint Venture	India	18.06%

Bank does not have any subsidiary.

The consolidated financial results are prepared in accordance with AS 21 on "Accounting for Consolidated Financial Statements", AS 23 on "Accounting for Investment in Associates" and AS 27 on "Financial Reporting of Interests in Joint Ventures" issued by the ICAI & guidelines issued by the RBI.

\*Since the shareholding in Universal Sompo General Insurance Company Ltd., is less than 25% the same has not been considered as Joint Venture as per extant RBI guidelines and thus not considered for preparation of consolidated financial statements.

#### 6. Accounting Standard 26 – Intangible Assets

The software acquired for core banking system is treated as intangible asset and amortized over a period of 3 years.

#### 7. Accounting Standard 28 – Impairment of Assets

Fixed Assets owned by the Bank are treated as 'Corporate Assets' and are not 'Cash Generating Units' as defined by AS-28 issued by ICAI. In the opinion of the Management, there is no impairment of any of the Fixed Assets of the Bank.

# 8. Accounting Standard 29 – Provision for Contingent Liabilities and Contingent Assets:

The guidelines issued by the Institute of Chartered Accountant of India in this respect have been incorporated at the appropriate places.

# Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared following the same accounting policies and practices as those followed for the year ended March 31, 2021.

### 10. Accounting Standard 9 – Revenue Recognition

Revenue has been recognized as described in item No. 2 of Significant Accounting Policies – Schedule 17.

# 11. Accounting Standard 22: Accounting for Taxes on Income -

(Rs in Crore)

20.00	31.03.2	2022	31.03.	2021
Particulars	DTA	DTL	DTA	DĩI.
Depreciation on Fixed Assets	19.88		129.69	
Provision for Employee Benefits	181.89		343.94	
Provision for Frauds	184.99		176.44	
Provision for Other Assets	28.92		35.18	
Provision for Restructured Advances	18.08		16.62	
Reserve for Severance Pay	0.82		0.00	
Special Reserve			0.00	
Provision for NPA	3895.58		5 359.16	
Foreign Currency Translation Reserve	294.08			152.05
Others	1638.17		569.55	178.13
Total	6262.41		6 630.58	330.18
Net DTL /DTA	6262.41		6 300.40	

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## 12. Accounting Standard 17 – Segment Reporting

The Bank has adopted Reserve Bank of India's revised guidelines issued in April 2007 on Segment Reporting in terms of which the reportable segments have been divided into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

## Part A: Business Segments

(Rs. In Crore)

Business Segments	Treasu	Jry	Corporate / Bank		Retail Bo	anking	Other Banking C	perations	ŢOTAI	
Particulars	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	7 442.65	8 327.09	6 087.86	5 937.49	7 477.69	7 739.84	463.87	407.49	21 472.07	22 411.91
Result	1 885.46	2 699.11	1 050.51	259.36	2 343.90	2 505.01	322.54	320.18	5 602.41	5 783.66
Unallocated Income									160.81	112.64
Unallocated Expenses	SEME VERY								0.31	0.49
Operating Profit/Loss									5 762.91	5 895.81
Income Taxes									69.52	8.24
Provisions & Contingencies									3 983.85	5 056.09
Extraordinary profit / loss									0.00	0.00
Net Profit									1 709.54	831.47
OTHER INFORMATION										
Segment Assets	113 119.49	108 651.71	82 075.39	70 772.55	93 593.78	84 600.37	150.87	188.56	288 939.53	264 213.19
Unallocated Assets									10 437.63	9 797.16
Total assets			MESSES IN						299 377.16	274 010.35
Segment Liabilities	106 809.35	102 669.88	78 963.58	68 263.42	90 376.63	81 881.94	181.53	131.85	276 328.09	252 947.09
Unallocated Liabilities									0.48	4 118.45
Total Liabilities									276 376.77	257 065.54

# Part B – Geographic segments

(Rs. In Crore)

Particulars	Domesti	С	Internatio	nal	Total	
Particulars	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	21 215.60	22 111.32	417.28	413.23	21 632.88	22 524.55
Assets	292 233.50	267 015.80	7 143.66	6 994.55	299 377.16	274 010.35

# 13. Accounting Standard 20 – Earnings per Share

Particulars	2021-22	2020-21
Net Profit after Tax available for Equity Shareholders (Rs. in Crore)	1 709.54	831.47
Weighted Average Number of Equity Shares	1848,36,27,917	1643,69,88,324
Basic & Diluted Earnings Per Share	Rs.0.92	Rs.0.51
Nominal value per Equity Share	Rs.10.00	Rs.10.00

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# 19. Particulars of Accounts Restructured

												021-22						1				
	Type of Restructu	ring		Unde	er CDR Med	chanisı	m	Under SN	NE Debt F	Restructu	ring Me	echanism		Others In	cluding Co	rporate	*			Total		
SI No.	Asset Classification	on	Standard	- Idard	Doubfful		=	Standard	Sub- standard	Doubfful		_	Standard	Sub- standard	Doubfful		_	Standard	Sub- standard	Doubfful		=
	Details		Star	Sub	Doc	Loss	Total	Star	Sub	Рос	Loss	Total	Star	Sub	Don	Loss	Total	Star	Sub	Dou	Loss	Total
		No. of Borrowers	0	0	25	0	25	17029	1966	72	5	19072	44059	1323	1970	13	47365	61088	3289	2067	18	66462
1	Restructured Accounts as on April 1, 2021	Amount Outstandin g	-	-	4,625.50	-	4,625.50	921.63	116.52	13.96	0.42	1,052.53	1,542.14	125.63	7,328.18	0.26	8,996.21	2463.77	242.15	11967.64	0.68	14674.24
		Provision Thereon	- 8	-	7.37	-	7.37	50.76	23.30	13.96	0.42	88.44	208.47	6.39	27.05	0.26	242.17	259.23	29.69	48.38	0.68	337.98
	Fresh Restructuring	No. of Borrowers	0	0	0	0	0	26418	0	0	0	26418	124626	1526	0	0	126152	151044	1526	0	0	152570
2	during 01.04.2021 to 31.03.2022	Amount Outstandin g	-	-	-			2,387.86	-	•	-	2,387.86	4,765.80	153.76		-	4,919.56	7153.66	153.76	0.00	0.00	7307.42
	including increase in exposure for existing accounts	Provision Thereor:	-	-	-	-	-	238.79	-		-	238.79	424.28	23.06	-	-	447.34	663.07	23.06	0.00	0.00	686.13
	Upgradation of restructured	No. of Borrowers	0	0	0	0	0	136	-136	0	0	0	55	-28	-27	0	0	191	-164	-27	0	O
3	standard category during	Amount Outstandin g	-	-	-	-		5.65	(5.65)	-	-	-	2.29	(1.06)	(1.23)	-	-	7.94	-6.71	-1.23	0.00	0.00
	01.04.2021 to 31.03.2022	Provision Thereon	-	-		-	-	1.41	(1.41)	-	-		0.34	(0.16)	(0.18)	-	0.00	1.75	-1.57	-0.18	0.00	0.00
	Restructured standard	No. of Borrowers	0	<u></u>	0		0	0	0	O	0	0	0	0	0	, 0	0	Ó	0	0	0	0
	which cease to attract higher provisioning	Amount Outstandin g	-		7	(	-	-	-	-		-	-	-	-		-	0.00	0.00	0.00	0.00	0.00
4	and /or additional risk weight at the end of FY and hence need not be shows as restructured standard advances at the beginning	Provision Thereon										-		<u>(                                     </u>				0.00	0.00	0.00	0.00	0.00



	Type of Restructu	ring		Unc	ler CDR Me	chanisı	m	Un	der SME Me	Debt Re		ring			Others					Total		
SI No.	Asset Classification	on	· p	ndard	_			p	ndard	_			ō	ndard	_			ō	ndard	_		
	Details		Standard	Sub-standard	Doubfful	Loss	Total	Standard	Sub-standard	Doubiful	Loss	Total	Standard	Sub-standard	Doubiful	Loss	Total	Standard	Sub-standard	Doubiful	Loss	Total
	Downgradation of the	No. of Borrowers	0	0	0	0	0	-4662	1739	2912	11	0	-13778	7721	6104	5	52	-18440	9460	9016	16	52
5	restructured accounts during	Amount Outstanding	-	-	-		-	(95.54)	12.10	72.00	11.44	-	(302.33)	272.27	310.56	0.08	280.58	-397.87	284.37	382.56	11.52	280.58
	01.04.2021 to 31.03.2022	Provision Thereon	-	-	-		÷	(9.22)	8.37	72.00	11.44	82.59	(82.92)	46.85	48.04	0.08	12.05	-92.14	55.22	120.04	11.52	94.64
	Write off/ sale/ closure/ exit from CDR/	No. of Borrowers	0	0	2	0	2	1927	19	0	0	1946	59995	1735	28	16	61774	61922	1754	30	16	63722
6	recovery action initiated in	Amount Outstanding	-	-	(1,056.47)	-	(1,056.47)	205.18	1.94		-	207.12	1,654.41	535.84	1,511.94	0.32	3,702.51	1859.59	537.78	455.47	0.32	2853.16
	restructured accounts during 01.04.2021 to 31.03.2022	Provision Thereon	-	-	(7.35)	<u>.</u>	(7.35)	7.96	-	-	-	7.96	138.05	20.58	7.69	0.32	166.64	146.01	20.58	0.34	0.32	167.25
	Restructured	No. of Borrowers	0	0	23	0	23	36994	3550	2984	16	43544	94855	8861	8073	2	111791	131849	12411	11080	18	155358
7	Accounts as on March 31 of the 2022 (closing	Amount Outstanding	-		3,569.03		3,569.03	3,014.42	121.03	85.96	11.86	3,233.27	4,247.85	835.10	6,128.03	0.02	11,211.00	7262.27	956.13	9783.02	11.88	18013.30
	Figures)	Provision Thereon	-	-	0.02	_	0.02	273.78	30.26	85.96	11.86	401.86	406.26	79.26	67.58	0.02	553.12	680.04	109.52	153.56	11.88	955.00

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(Rs. in Crore)

										202	20-21											
	Type of Restructur	ring		Under	CDR Mecho	anism		U	nder SME M	Debt Re echanisi		ing			Others					Total		
SI No.	Asset Classification	on	Standard	Sub- standard	Doubiful		_	Standard	Sub- standard	Doubiful		_	Standard	Sub- standard	Doubfful	10	=	Standard	Sub- standard	Doubiful	8	5
	Details		Stan	Sub	Dou	Loss	Total	Star	Sub	Dou	Loss	Total	Star	Sub- stane	Doc	Loss	Total	Star	Sub	рог	Loss	Total
	Destructured	No. of Borrowers		0 1	26	0	27	19043	0	0	0	19043	31076	421	1054	14	32565	50119	422	1080	14	5163
	Restructured Accounts as on April 1, 2019	Amount Outstanding		- 12.92	4,222.66	-	4,235.58	694.21	-	-	-	694.21	688.29	892.78	6,808.68	0.47	8,390.22	1,382.50	901.62	11,022.01	0.38	13,320.0
	April 1, 2017	Provision Thereon		-	0.23		0.23	38.72	-		-	38.72	49.97	9.52	102.04	0.09	161.62	88.69	8.92	95.72	-	200.5
	Fresh Restructuring	No. of Borrowers		0 0	0	0	0	3962	0	0	0	3962	41129	607	376	1	42113	45091	607	376	1	4607
	ouring 01.04.2019 to	Amount Outstanding			484.97	-	484.97	474.64			-	474.64	1,465.06	24.91	296.37	0.17	1,786.51	1,939.70	24.91	781.34	0.17	2,746.1
2	31.03.2020 including increase in exposure for existing accounts	Provision Thereon			(0.21)		(0.21)	23.73	-	-	-	23.73	169.68	3.73	10.65	0.17	184.23	193.41	3.73	10.44	0.17	207.7
	Upgradation of restructured	No. of Borrowers		0 0	0	0	0	1966	0	0	0	1966	7	5	-2	-1	9	1973	5	-2	-1	197
1	standard category during	Amount Outstanding	0.0	0,00	0.00	0.50	0	77.93	0.00	0.00	0.00	77.93	108	40	-545	0	-397	186.35	39.98	-544.93	-0.38	-318,9
	01.04.2019 to 31.03.2020	Provision Thereon	0.0	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	26	3	-7	0	22	26.22	3.42	-7.32	0.00	22.
	Restructured standard advances	No. of Borrowers					-											-	-	-		
	which cease to attract higher provisioning	Amount Outstanding		-			-	-				-	-		1			-	-	-	77	
1	and /or additional risk weight at the end of FY and hence need not be shows as restructured standard advances at the beginning of the next FY	Provision Thereon			a															oun a		



	Type of Restructur	ing		Under (	CDR Mecho	anism		Under \$A	AE Debt R	estructuri	ng Me	chanism			Others					Total		
SI No.	Asset Classification	on	ard	p	2			ard	ard	Į.			ard	ard	Į.			ard	ard	Ho!		
0,	Details		Stande	Sub- standard	Doubtful	Loss	Total	Standar	Sub- standard	Doubfful	Loss	Total	Standard	Sub- standard	Doubiful	Loss	Total	Standard	Sub- standard	Doubiful	Loss	Total
	Downgradation of the	No. of Borrowers		-1	1	0	0	0	1979	74	5	2058	-1078	34!	786	31	80	-1078	2319	861	36	2138
5	restructured accounts during	Amount Outstanding		- (12.92)	12.92			-	117.82	14.38	0.42	132.62	(83.20)	(830.70)	1,114.59	0.73	201.42	(83.20)	(725.80)	1,141.89	1.15	334.04
	01.04.2019 to 31.03.2020	Provision Thereon			7.35	-	7.35		23.56	5.75	0.42	29.73	(4.12)	(10.17)	(72.64)	0.73	(86.20)	(4.12)	13.39	(63.61)	1.15	(49.12)
	Write off/ sale/ closure/ exit	No. of Borrowers		0	-2	0	-2	1952	13	2	0	1967	27063	33	145	1	27242	29015	46	145	1	29207
6	from CDR/ recovery action initiated in	Amount Outstanding		-	(95.05)		(95.05)	36.67	1.30	0.42		38.39	635.51	(0.20)	(343.58)	0.00	291.73	672.18	1.10	(438.21)	0.00	235.07
0	restructured accounts during 01.04.2019 to 31.03.2020	Provision Thereon				-	0.4.	-		-	-		33.26	0.07	(3.59)	0.00	29.74	33.26	0.07	(3.59)	0.00	29.74
	Restructured	No. of Borrov ers		0	25	0	25	17029	1966	72	5	19072	44059	1323	1970	13	47365	61088	3239	2067	18	66462
7	Accounts as on March 31 of the 2020 (closing	Amount Outstanding			4,625.50		4,625.50	921.63	116.52	13.96	0.42	1,052.53	1,542.14	125.63	7,328.18	0.26	8,996.21	2,463.77	242 15	11,967.6	0.68	:4,674.24
	Figures)	Provision Thereon		-	7.37	-	7.37	50.76	23.30	5.58	0.42	80.06	208.49	6.39	27.05	0.26	242.18	259.25	24.57	19.43	0.68	329.61

# 20. Comparative Figures

Previous year's figures have been regrouped / rearranged / reclassified wherever necessary.

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Balance Sheet as at 31.03			ABRIDGED FINANCIAL STATEMENTS	/D= 1-1	acel		(Rs. In I	acs)
	(Rs. In Ia			(Rs. In I	31.03.2021		31.03.2022	31.03.2021
CADITAL & HADILITIES	31.03.2022	31.03.2021	ASSETS	31.00.2022	01.00.2021	INCOME		
CAPITAL & LIABILITIES			7100210			Interest Earned	5.5222	
apital	18902 41	16436 99	Cash and balance with Reserve Bank of India	16705 99	12188 25	On advances/ bills	. 10665 17	10838 20
apildi	18902 41	16436 99		16705 99	12188 25	On Investments	5674 59	5711 68
			Balances with banks and money at call and short notice			On balances with RBI and inter bank funds	230 49	304 50
eserves & Surplus			Balances with banks in India	402 00	222 27	Others	159 62	111 15
atutory Reserves	3562 03	2926 78	Money at call and short notice in India	6043 00	12218 00		16729 87	16965 53
	5036 63	4537 78	Balances outside India	13622 20	6147 81	Other Income		
apital Reserve		6923 33	balarices obiside iriaid			Commission exchange and brokerage	1039 62	948 53
acre Premium	8557 90	4933 80		20067 20	18588 03	Net profit on sale of Investments	742.14	1820 24
venue and Other Reserves	4940 71			2000/ 20		Net Profit on sale of land, buildings and other assets	; 20	1.49
lance in Profit & Loss A/c	-17999 29	-18813 86	INVESTMENTS				899-10	602 8
	4097 98	507 82	In India			Net Profit on exchange transactions	.//10	002 0
			(a) Government Securities	88308 64	85580 50	Income by way of dividends, etc from Subsidiaries /	. 0	(
			(a) Covernment sex sines			Companies and/or joint ventures abroad / in India	2221 96	2185 89
eposits			(b) Other approved securities	99	99	Miscellaneous Income		
emand Deposits	17375 84	16206 83	(c) Shores	1372 18	1142 98		4903 02	5559 02
vings Bank Deposits	96500 83	85958 15	(d) Debentures and Bonds	3106 13	3403 43			
	148282 25	138123 32	(e) Subsidiaries and/ or Joint Ventures			Total Income	21632 89	22524 55
rm Deposits	262158 92	240288 30	(f) Others	1203 85	1647 05	EXPENDITURE		
	202130 72	240200 00	(1) 01 1013	93991 78	91774 95	Interest Expended		
			Outside India	4187 53	3719 27	On deposits	10217 30	10701 36
orrowings orrowings in India				98179 31	95494 22	On RBI/ inter-bank borrowings	199 12	365 65
orrowings in inaia a) from Reserve Bank of India	0			100		Others	1	7
b) from other Banks	184 00	506 50	ADVANCES				10418 73	11067 02
to from other institutions and agencies	2265 00	1600 00	In India			Operating expenses	2,22,22	
.) Horri of let it stitolions and agencies			(a) Bills Purchased and discounted	1224 45	698 40	Payments to and provisions for employees	3485 77	3702 78
errowings outside India	621 64	1565 08	(b) Cash Credits, Overdrafts and looks repayable on demand	36472 06	40371 85	Rent, taxes and lighting	445 40	417 6
210Willigs Obliside illidio	3070 64	3671 58	(c) Term Loans	95020 14	78189 83	Printing and Stationery	19 52	17 40
	77.7.7.7			132716 65	119260 07	Advertisement and publicity	42	34
ther Liabilities & Provisions			Outside India	11526 87	8460 58	Depreciation on Bank's property	172 19	258 00
Ils Payable	700 77	659 26		144243 52	127720 65	Director's fees, allowances and expenses	27	2.3
nter-Office adjustments (net)	3555 94	2252 36				Auditor's fee and expenses including branch auditors	38 97	36 18
	4) 44	40 22	FIXED ASSETS	3364 90	2918 78	Law Chan; 9s	24 24	30 1
terest accrued			TIALD ASSETS	3364 90	2918 78	Postage, telegrams, telephones etc.,	67 19	663
rovisions towards Standard Assets	2067 60	1884 94		3304 70	2.10.0	Renals and maintenance	20 87	72.13
eferred Tax Liability (net)		0	Other Assets				192.50	300 18
thers	4780 71	8268 13	Inter-Office adjustments (net)	0	211150	insurance	853 52	7146
	11146 45	13104 92	Interest accrued	3092 79	3464 52	Others	5451 24	5561 72
			Tax : aid in advance/ deducted at source	4130 64	3452 06		5451 24	3301 /2
			Delicated Tax Asset (net)	6262 40	6300 39	Provisions and Contingencies	12.15.20	
			Non-: anking assets acquired in satisfaction of claims	210 02	210 02	Provisions for depreciation on investment	249 26	164 99
			Other:	3119 65	3672 62	Provision towards non performing assets	3479 93	3995 0
			Onk .	16815 49	17099	Provision towards standard assets		1175 6
						Others (excluding income toxes)	67 00	50 4
	200274 41	274009 60	Toto, Assets	299376 41	274009 60	and the state of t	3983 85	-006 6.
oial Capitol and Liabilities	299376 41	274007 60	TOIL , ASSEIS	211.010		Total Expenses and Provisions	19853 83	21684 83
ontingent Licibilities		100				Profit/ (loss) before ax	1779 06	839 72
laims against the bank not ac'thowledged as debts	4 16	4 20				Current Tax	31 71	22.0
ability on account of outstanding forward	77571.75	12501.52				Delaned fax	3-81	1500
xchange contracts	66771.75	43584 53 12008 99				Profit/ (loss) after fax	1707 54	831 48
guarantees given on behalf of constitutions	13119 38	4390 45				Profit/ (loss) brought forward	-18813 86	-18977 12
cceptances, endorsements and other obligations	5818 66	8288 28				Total	17104 32	-18145 6
ther items for which the bank is contingently liable	10284 95							
The state of the s	97998 90	68276 45				Appropriations		
	5525-12	1 - 3 - 4 - 5 - 6 - 6				Transfer to Statutory Reserve	493 21	1
ills for Collection	17216 22	15547 89				Transfer to Other Reserves	401 76	668 2
Tland						Transfer to Government proposed dividend	0	000 2
						indipier to government proposed dividend	894 5 7	668 2
	er.			1			2	4 4 4 4
PARTIIA PRATIM SENGU				SNNASDA&C	0 .	YOGANANDH & RAM LLP		
M NAGING DIRECTOR &	CEO (			FRX000685N	-1	FRN 0051578/S200052		
(A) (A)				10011	MIN			
	S SRIMA	rus		1 30/100	100	Melohan		
AJAN ADMANISRIVASTAVA ENECUTIVE DIRECTOR	EXECUTIVE P	IDECTOR		100		, 10/2		
	EXECUTIVE	IKECTOK		(GAURAY NANI	DA)	(MANOJ KUMAR JAIN)		
Simathin	(21	00		Partner	1.75	Partner		
ANNIE GEORGE MATHEW	. SURESINGUAL	Corn		M No.0500417		M No. 218610		
DIRECTOR	. St. KL.SI	IOR						
DIRECTOR	/ XX	- New		SNKAPUR & A	SSOCIATES	NANDY HALDER & GANGULI		
	V L	and of		FRN 001545C	. 1	FRN 302017E		
NAVIN PRAKASA SINHA	DEEPAKST	IARMA		//	what	1 100		
DIRECTOR	DIREC			LAN	un	/ // Leee _		
		1.30		la	1/			
				(AVICHAL SN. I	KAPUR)	(PARTHASARATHI CHANDA)		
B CHANDRA REDD				Partner		Partner		
B CHANDRA REDO				Partner M No : 400460	1	Partner M No : 056653		
					1	M No : #56653		

18.05.202

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	(Rs. In la	acs)	ABRIDGED FINANCIAL STATEMENTS	(Rs. In	lacs)	Profit & Loss Account for the year e	(Rs. In la	acs)
OADITAL A LIABILITIES	31.03.2022	31.03.2021		31.03.2022	31.03.2021		31.03.2022	31.03.2021
CAPITAL & LIABILITIES			ASSETS			INCOME		
4.7	(10000 41	41/10/00	0 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	(16705 99	12188 25	Interest Earned On advances/ bills	. (10665 17	10838 20
spital	18902 41	16436 99 16436 99	Cash and balance with Reserve Bank of India	(16705 99	12188 25	On Investments	5674 59	5711 68
	18902 41	16436 77	Balances with banks and money at call and short notice	110703 77	12100 25	On balances with RBI and inter bank funds	(230 49	v304 50
eserves & Surplus			Balances with banks in India	402 00	222 27	Others	159 62	(111.15
atutory Reserves	/3562 03	2926 78	Money at call and short notice in India	v 6043 00	12218 00	Oniois	16729 87	16965 53
		(4537 78	Balances outside India	/13622 20	6147 81	Other Income	1 10/2/0/	1070000
Capital Reserve hare Premium	(5036 63 (8557 90	6923 33	Balances outside Iriala	/13022 20	, 0147 01	Commission exchange and brokerage	(1039 62	V948 53
evenue and Other Reserves	(4940 71	4933 80		20067 20	18588 08	Net profit on sale of Investments	(742 14	√1820 24
	(-17999 29		INIVESTMENTS	20007 20	10300 00	Net Profit on sale of land, buildings and other assets	(1 20	(149
alance in Profit & Loss A/c		6-18813 86	INVESTMENTS			Net Profit on exchange transactions	(898 10	602 87
	4097 98	507 82	In India				7 070 10	7 602 67
			(a) Government Securities	68308 64	85580 50	Income by way of dividends, etc from Subsidiaries / Companies and/ or joint ventures abroad / in India	0	0
eposits			(b) Other approved securities	, 99	(99	Miscellaneous Income	, 2221 96	2185 89
emand Deposits	17375 84	16206 83	(c) Shares	(1372 18	11142 98	Wilderick Control	4903 02	5559 02
		85958 15	(d) Debentures and Bonds	3106 13	3403 43		, 1700 02	000.02
avings Bank Deposits	96500 83			3100 13	10403 43	Total Jacomo	21632 89	22524 55
erm Deposits	148282 25	(138123 32	(e) Subsidiaries and/ or Joint Ventures	(1000.05	1/47.05	Total Income EXPENDITURE	/ 21032 07	22524 55
	262158 92	240288 30	(f) Others	/1203 85	v1647 05			
orrowings			Outride India	93991 78	91774 95 3719 27	Interest Expended On deposits	10219 60	10701 36
orrowings			Outside India	98179 31	95494 22	On RBI/ inter-bank borrowings	(199 12	365 65
prowings in India I from Reserve Bank of India	(0			7017731	73474 22	Others	177 12	2
) from Reserve Bank of India ) from other Banks	(184 00	506 50	ADVANCES				(10418 73	11067 02
) from other institutions and agencies	2265 00	(1600 00	In India			Operating expenses		
, sind mandid and agencies	, 2200 00	100000	(a) Bills Purchased and discounted	V1224 45	698 40	Payments to and provisions for employees	( 3455 77	3702 78
orrowings outside India	621 64	1565 08	(b) Cash Credits, Overdrafts and loans repayable on demand	36472 06	40371 85	Rent, taxes and lighting	(445 40	417 64
THE PARTY OF THE P	(3070 64	3671 58	(c) Term Loans	95020 14	78189 83	Frinting and Stationery	119 52	(1/40
	,		11	132716 65	119260 07	Advertisement and publicity	7 42	: 734
ther Liabilities & Provisions			Outside India	v 11526 37	8460 58	Depreciation on Bank's property	(172 19	258 00
Is Payable	×700 77	7659 26		144243 52	127720 65	Director's fees, allowances and expenses	727	23
ter-Office adjustments (net)	< 3555 94	2252 36				Auditor's fee and expenses including branch auditors	/38 97	/36 18
erest accrued	(41 44	/40 22	FIXED ASSETS	•3364 90	2918 78	Law Charges	/24 24	/ 30 12
	2067 60	1884 94	TIMED ASSETS	3364 90	2918 78	Postage, telegrams, telephones etc.,	(67 19	66 32
ovisions towards Stanciard Assets	7 2067 60	1100474	01111-	1 3304 70	2/10/0	Repairs and maintenance	/ 20 87	17 90
eferred Tax Liability (net)		Const in	Other Assets	.0				300 16
thers	v 4780 71	8268 13	Inter-Office adjustments (net)	0'	0	Insurance	(322 89	The second secon
	11146 45	13104 92	Interest accrued	3092 79	3464 52	Others	(853 52	714 64
			Tax paid in advance/ deducted at source	¥4130 64	3452 06	American American States	5451 24	5561 72
			Deferred Tax Asset (net)	(6262 40	6300 39	Provisions and Contingencies		
			Non-banking assets acquired in satisfaction of claims	(210 02	210 02	Provisions for depreciation on investment	249 26	(-164 99
			Others	3119 65	3672 62	Provision towards non performing assets	3479 93	/3995.01
				16815 49	17099 60	Provision towards standard assets	187 67	1175 66
						Others (excluding income taxes)	67 00	16.1
	299376 41	274009 60	Total Assets	( 299376 41	274009 60		3983 85	5056 09
tal Capital and Liubilities						Total Expenses and Provisions	19853 83	21684 83
ontingent Liabilities	(416	4 20				Profit/ (loss) before tax	( 1777 04	
ontingent Liabilities aims against the bank not acknowledged as debts						Current Tax	,317	/ 23 24
contingent Liabilities  laims against the bank not acknowledged as debts  ability on account of outstanding forward  schange contracts	68771 75	v 43584 53				Current Tax Deferred Tax	,31 7 i √ 37 81	23 24 15 00
ontingent Liabilities  laims against the bank not acknowledged as debts  ability on account of outstanding forward schange contracts  uarantees given on behalf of constitutents	68771 75 (13119 38	¥43584 53 √12008 99				Current Tax Deferred Tax Profit/ (loss) after tax	,31 7 1 √ 37 81 √ 1709 54	23 24 15 00 831 48
contingent Liabilities  aims against the bank not acknowledged as debts  ability on account of outstanding forward  acchange contracts  accuratees given on behalf of constitutents  acceptances, endorsements and other obligations	68771 75 (13119 38 (5818 66	43584 53 (12008 99 (4390 45				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward	,31 7 1 √ 37 81 <b>√ 1709 54</b> ✓ -18813 86	23 24 15 00 831 48 418977 12
contingent Liabilities  aims against the bank not acknowledged as debts  ubility on account of outstanding forward  acchange contracts  ucrantees given on behalf of constitutents  acceptances, endorsements and other obligations	68771 75 13119 38 5818 66 10284 95	\ 43584 53 \(12008 99 \(\dagger 4390 45 \) 8288 28				Current Tax Deferred Tax Profit/ (loss) after tax	,31 7 1 √ 37 81 √ 1709 54	23 24 15 00 831 48 418977 12
contingent Liabilities  aims against the bank not acknowledged as debts  ubility on account of outstanding forward  acchange contracts  ucrantees given on behalf of constitutents  acceptances, endorsements and other obligations	68771 75 (13119 38 (5818 66	43584 53 (12008 99 (4390 45				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total	,31 7 1 √ 37 81 <b>√ 1709 54</b> ✓ -18813 86	23 24 15 00 831 48 418977 12
ontingent Liabilities  aims against the bank not acknowledged as debts  ability on account of outstanding forward  change contracts  ourantees given on behalf of constitutents  acceptances, endorsements and other obligations  mer items for which the bank is contingently liable	68771 75 13119 38 5818 66 10284 95 97998 90	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations	.31 7 1 √ 37 81 √ 1709 54 ✓ -18813 86 ✓ -17104 32	23 24 15 00 831 48 418977 12 -18145 65
contingent Liabilities  caims against the bank not acknowledged as debts ability on account of outstandina forward change contracts because given on behalf of constitutents acceptances, endorsements and other obligations there items for which the bank is contingently liable	68771 75 13119 38 5818 66 10284 95	\ 43584 53 \(12008 99 \(\dagger 4390 45 \) 8288 28				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32	23 24 15 00 831 48 418977 12 -18145 65
contingent Liabilities  coims against the bank not acknowledged as debts oblits on account of outstanding forward change contracts outsides given on behalf of constitutents acceptances, endorsements and other obligations oner items for which the bank is contingently liable	68771 75 13119 38 5818 66 10284 95 97998 90	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32	23 24 15 00 831 48 418977 12 -18145 65
contingent Liabilities  coims against the bank not acknowledged as debts oblits on account of outstanding forward change contracts outsides given on behalf of constitutents acceptances, endorsements and other obligations oner items for which the bank is contingently liable	68771 75 13119 38 5818 66 10284 95 97998 90	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
contingent Liabilities  caims against the bank not acknowledged as debts ability on account of outstanding forward change contracts parantees given on behalf of constitutents acceptances, endorsements and other obligations are items for which the bank is contingently liable as for Collection	68771 75 13119 38 5818 66 10284 95 97998 90	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>				Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32	23 24 15 00 831 48 418977 12 -18145 65
contingent Liabilities  aims against the bank not acknowledged as debts oblitty on account of outstanding forward schange contracts usurantees given on behalf of constitutents acceptances, endorsements and other obligations ther items for which the bank is contingently liable  Is for Collection  PARTHA PRATTILI SENG	68771 75 (13119 38 (5818 66 (10284 95 (97998 90 (17216 22	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>				Current Tax Decemed Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
contingent Liabilities  Identify a grain of the bank not acknowledged as debts abbility on account of outstanding forward schange contracts output of constitutents acceptances, endorsements and other obligations truer items for which the bank is contingently liable alls for Collection	68771 75 (13119 38 (5818 66 (10284 95 (97998 90 (17216 22	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>		S N NAYDA & CC	0 -01	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
contingent Liabilities  aims against the bank not acknowledged as debts oblitty on account of outstanding forward schange contracts usurantees given on behalf of constitutents acceptances, endorsements and other obligations ther items for which the bank is contingently liable  Is for Collection  PARTHA PRATTILI SENG	68771 75 (13119 38 (5818 66 (10284 95 (97998 90 (17216 22	43584 53 √12008 99 √4390 45 €8288 28 <b>68276 45</b>		S N NA Y DA & CO	ipu_	Current Tax Decemed Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 418145 65
contingent Liabilities  caims against the bank not acknowledged as debts obtility on account of outstanding forward change contracts parantees given on behalf of constitutents acceptances, endorsements and other obligations mer items for which the bank is contingently liable as for Collection  PARTHA PRATIAL SENG MANAGING DIRECTOR &	68771 75 13119 38 5818 66 10284 95 97998 90 17216 22	43584 53 √12008 99 √4390 45 8288 28 <b>68276 45</b> ✓15547 89		S V NAYDA & CO	" pou	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
entingent Liabilities  coims against the bank not acknowledged as debts  ability on account of outstanding forward  change contracts  corantees given on behalf of constitutents  acceptances, endorsements and other obligations  mer items for which the bank is contingently liable  is for Collection  PARTILA PRATIAL SENG  MANAGING DIRECTOR A  ALAX KUMBE SRIVASTAVA	68771 75 13119 38 5818 66 10284 95 97998 90 17216 22	43584 53 (12008 99 4390 45 8288 28 68276 45		S N NANDA & CO	iou	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
contingent Liabilities  caims against the bank not acknowledged as debts  ability on account of outstanding forward  change contracts  corantees given on behalf of constitutents  acceptances, endorsements and other obligations  mer items for which the bank is contingently liable  Is for Collection  PARTILA PRATIAL SENG  MANAGING DIRECTOR A  EXECUTIVE DIRECTOR	68771 75 13119 38 5818 66 10284 95 97998 90 17216 22	43584 53 (12008 99 4390 45 8288 28 68276 45		S N NAMDA & CO FRN 969685N J J J J (GAURAV NAND	vow	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 418145 65
contingent Liabilities  caims against the bank not acknowledged as debts  ability on account of outstanding forward  change contracts  brainties given on behalf of constitutents  acceptances, endorsements and other obligations  mer items for which the bank is contingently liable  Is for Collection  PARTILA PRATIAL SENG  MANAGING DIRECTOR A  AJAN KUMBE SRIVASTAVA	68771 75 13119 38 5818 66 10284 95 97998 90 17216 22	43584 53 (12008 99 4390 45 8288 28 68276 45		FRN 960685N	vow	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP FRN 0051575/5200052	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 418145 65
ontingent Liabilities  laims against the bank not acknowledged as debts obility on account of outstanding forward schange contracts uarantees given on behalf of constitutents acceptances, endorsements and other obligations trier items for which the bank is contingently liable  Its for Collection  PARTHA PRATIAL SENG MANAGING DIRECTOR ADAM REMARKATAVA EXECUTIVE DIRECTOR	68771 75 13119 38 (5818 66 10284 95 97998 90 17216 22	43584 53 √12008 99 √4390 45 8288 28 <b>48276 45</b> ✓15547 89		(GAURAV NAND	vow	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP FRN 0051578/S200052  WANOJ KUMAR JAIN)	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 418145 65
AJAY KUMAR SRIVASTAVA EXECUTIVE DIRECTOR	68771 75 13119 38 (5818 66 10284 95 97998 90 17216 22	43584 53 √12008 99 √4390 45 8288 28 <b>48276 45</b> ✓15547 89		(GAURAV NAND Partner M No.0500417	VOU	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP FRN 0051578/8200052  (MANOJ KUMAR JAIN) Partner M No. 218610	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 418145 65
ontingent Liabilities  Jaims against the bank not acknowledged as debts obility on account of outstanding forward schange contracts parametes given on behalf of constitutents acceptances, endorsements and other obligations theritems for which the bank is contingently liable  PARTHA PRATIAL SENG MANAGING DIRECTOR ANAGING DIRECTOR ANNIE GEORGE MATHEW	68771 75 13119 38 5818 66 10284 95 97998 90 17216 22  SUPTA & CEO  SURESTAUNA  DREE	143564 53 112008 99 4390 45 8288 28 68276 45 15547 89		(GAURAV NAND Partner MI No.0500417 S N KAPUR & AS	VOU	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP FRN 0051578/5200052  (MANOJ KUMAR JAIN) Partner M No. 218610  NANDY HALDER & GANGULI	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 418145 65
ontingent Liabilities  Iaims against the bank not acknowledged as debts obility on account of outstanding forward schange contracts outgrantees given on behalf of constitutents acceptances, endorsements and other obligations strier items for which the bank is contingently liable  PARTHA PRATTIAL SENG MANAGING DIRECTOR ANNIE GEORGE MATHEW  PIRECTOR	68771 75 13119 38 (5818 66 10284 95 (77978 90  17216 22  GUPTA & CEO  S SRIMAT EXECUTIVE DI DREC	43584 53 (12008 99 4390 45 8288 28 68276 45 (15547 89		(GAURAV NAND Partner M No.0500417	VOU	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP FRN 0051578/8200052  (MANOJ KUMAR JAIN) Partner M No. 218610	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
ontingent Liabilities  laims against the bank not acknowledged as debts obility on account of outstanding forward schange contracts uarantees given on behalf of constitutents acceptances, endorsements and other obligations trier items for which the bank is contingently liable  PARTHA PRATIAL SENG MANAGING DIRECTOR ALAY KUMAR-SRIVASTAVA EXECUTIVE DIRECTOR  ANNIE GEORGE MATHEW DIRECTOR  NAVIN PRAYASH SENTA	68771 75 13119 38 (5818 66 10284 95 (77978 90  17216 22  SURESTACION DREC	43584 53 (12008 99 4390 45 8288 28 48276 45 (15547 89		(GAURAV NAND Partner M No.0500417 S N KAPUR & AS FRN 001545C	SSOCIATES	Current Tax Deferred Tax Profit/ (loss) after tax Profit/ (loss) brought forward Total  Appropriations Transfer to Statutory Reserve Transfer to Other Reserves Transfer to Government proposed dividend  YOGANANDH & RAM LLP FRN 0051578/5200052  (MANOJ KUMAR JAIN) Partner M No. 218610  NANDY HALDER & GANGULI	,31 71 √ 37 81 /1709 54 /-18813 86 /-17104 32 / 493 21 / 401 76 0	23 24 15 00 831 48 418977 12 18145 65
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Rs in '000s

Rs in '000s

#### Standalone Cash Flow Statement for the Year ended March 31, 2022

	Rs in '000s	Rs in '000s
	Year ended	PY ended
	31.03.2022	31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) After Tax	17 09 54 25	8 31 47 01
Add: Provision for Tax	69 51 72	8 24 24
Net Profit / (Loss) before Tax	17 79 05 97	8 39 71 25
Adjustments for :		
Amortisation of HTM Investments	32 84 25	40 67 49
Loss on Revaluation of Investments	1 91 52 27	13 90
Depreciation on Fixed Assets	1 72 18 61	2 57 99 75
(Profit) / Loss on Sale of Assets	- 1 20 05	- 1 49 24
Transfer from Reserves	- 4 01 20	- 4 23 34
Provision for NPAs	34 70 16 92	39 39 21 01
Provision for Standard Assets	1 87 66 50	11 75 66 17
Depreciation on Investments (net)	2 54 01 18	-1 09 19 27
Provision for Other Items	1 36 98 58	48 24 11
Interest on IOB Bonds	1 54 64 98	2 88 80 29
	45 94 82 04	56 35 80 87
Adjustments for :		
Increase / (Decrease) in Deposits	218 70 62 92	173 36 41 55
Increase / (Decrease) in Borrowings	-12 65 93 99	2 18 84 57
Increase / (Decrease) in Other Liabilities & Provisions	15 29 20 52	-84 26 44 59
(Increase) / Decrease in Investments	-31 63 46 61	-160 09 76 49
(Increase) / Decrease in Advances	-199 93 04 11	-103 26 45 62
(Increase) / Decrease in Other Assets	9 62 69 24	158 02 68 90
	- 59 92 03	-14 04 71 68
Direct Taxes (Net)	-7 48 09 12	-1 21 94 61
NET CASH FLOW GENERATED FROM /(USED IN) OPERATING	55 65 86 86	49 48 85 82

FOR AND ON BEHALF OF THE BOARD

PARTHA PRATIM SENGUPTA MANAGING DIRECTOR & CEO

AJAY KUMAR SRIVASTAVA EXECUTIVE DIRECTOR

simanin ANNIE GEORGE MATHEW DIRECTOR

> NAVIN PRAKASH SINH DIRECTOR

B CHANDRA REDDY DIRECTOR

DIRECTORS

CHENNAI 18.05.2022

SSRIMATHY EXECUTIVE DIRECTOR

DIRECTOR

Year ended Year ended 31.03.2022 31.03.2021 CASH FLOW FROM INVESTING ACTIVITIES Sale / disposal of Fixed Assets 6 88 72 18 71 45 - 54 86 15 - 64 73 33 Purchase of Fixed Assets NET CASH GENERATED FROM/(USED IN) INVESTING - 47 97 43 - 46 01 88 ACTIVITIES (B) CASH FLOW FROM FINANCING ACTIVITIES Proceeds of Equity Share Issue (including Share premium) -19 67 00 00 Redemption of Tier I & Tier II Bonds (Net ) 6 65 00 00 Issue of Basel III Tier II Bonds -3 20 15 82 -1 86 03 85 Interest Paid on Tier II Capital Interest paid on perpetual (AT1) bonds 41 00 00 00 Share Application Money received from GOI 18 12 84 18 4 78 96 15 NET CASH GENERATED FROM/(USED IN) FROM FINANCING ACTIVITIES (C) 59 96 85 58 67 15 68 12 NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR Cash & Balances with RBI 121 88 25 40 31 55 22 13 Balances with Banks & Money at Call 185 88 08 30 209 05 43 44 CASH AND CASH EQUIVALENTS AT THE END OF THE 121 88 25 40 167 05 99 35 Cash & Balances with RBI 200 67 19 93 185 88 08 30 Balances with Banks & Money at Call NET INCREASE / DECREASE IN CASH AND CASH 59 96 85 58 67 15 68 17 **EQUIVALENTS** 

This statement has been prepared in accordance with Indirect Method.

The Previous year figures have been regrouped wherever necessary to conform with the current year presentation.

VIDE OUR REPORT OF EVEN DATE

(GAURAV NANDA)

Partner M No.0500417

S N KAPUR & ASSOCIATES

(AVICHAL SN. KAPUR)

Partner M No: 400460 YOGANANDH & RAM LLP

(MANOJ KUMAR JAIN)

Partner M No. 218610

NANDY HALDER & GANGULI FRN 302017E

(PARTHASARATHI CHANDA)

Partner M No: 056653

CHARTERED ACCOUNTANTS

S N KAPUR & ASSOCIATES Chartered Accountants YOGANANDH & RAM LLP Chartered Accountants

NANDY HALDER & GANGULI Chartered Accountants

#### Independent Auditor's Report

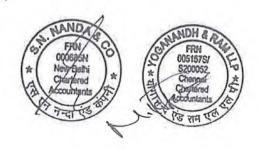
To the Members of Indian Overseas Bank

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

- 1. We have audited the accompanying consolidated financial statements of Indian Overseas Bank (hereinafter referred as the 'the Bank') and its Joint Venture and Associates which comprise the consolidated Balance Sheet as at March 31, 2022, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements') which includes:
  - a) Audited Standalone Financial Statements of the Bank;
  - b) Audited Financial Statements of a foreign Joint Venture (India International Bank (Malaysia) Bhd) and
  - c) Audited Financial Statements of an Associate (Odisha Gramya Bank)

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of such associate and joint venture as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of their consolidated state of affairs of the Bank, its Associate and Joint venture as at March 31, 2022, of its consolidated Profit and its consolidated Cash flows for the year then ended.







#### **Basis for Opinion:**

2. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' 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 Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

#### **Emphasis of Matter:**

- 3. We invite attention to the following:
  - i. Note no. 2(b) of Schedule 18 relating to Bank has not considered its share of accumulated losses in its Revenue and other Reserves of the associate as on 31.03.2022 to the extent of Rs.433 crore.
  - ii. Note no. 2(c) of Schedule 18 relating to Banks Investment in Associate has been carried at cost of Rs.310.33 crore.
- iii. Note No.2(d) of Schedule 18, Bank has consolidated Joint Venture figures proportionately line by line including the capital of Rs.206.08 crores.
- iv. Note No.2(e) of Schedule 18, Bank has shown investment in Joint Venture at carrying cost of Rs 193.44 crores.
- v. Note No. 7.1 of Schedule 18 relating non-providing of any additional provisioning towards various disputed income tax and indirect taxes for the reasons stated therein.
- vi. Note No. 7.3 of Schedule 18 detailing the fact that the bank has decided to continue with the existing tax regime and has recognized Net Deferred Tax, Assets during the year on timing differences in accordance with







Accounting Standard -22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.

vii. Note No. 9.3 (c) of Schedule 18 of the statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 425.86 Crores. The Bank has charged an amount of Rs.85.17 Crores to the profit and loss account for the year ended 31st March 2022 and the balance unamortized expense of Rs.340.69 Crores has been carried forward in terms of RBI Circular No. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021. Had the bank charged the entire additional liability to the profit and loss account, the net profit for the year ended March 31, 2022 would have been lower by Rs. 340.69 Crores.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

#### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the Key Audit Matters to be communicated in our Report.

Sr. No	Key Audit Matter	Auditor's Response
1	Income Recognition, Asset Classification & Provisioning relating to Advances	Principal Audit Procedures
		Our audit approach consisted testing of
	Advances constitute 48.18% of the Bank's total assets.	the design and operating effectiveness of the internal controls and substantive testing as under: -
	The recognition of income on accrual basis in respect of advances extended by the Bank, Classification of Advances into Performing and Non performing and provisioning thereof are in accordance with the extant prudential	Evaluating the design of internal controls relating to implementation of prudential norms on IRAC and other related circulars/directives issued by RBI and also the internal policies and procedures of the Bank.
	norms on Income Recognition and Asset Classification and provisioning (IRAC) norms and other circulars and	<ul> <li>Examining the efficacy of various internal controls over advances to determine the nature, timing and</li> </ul>

directives issued by Reserve bank of India from time to time (Refer 2.1 of Schedule 17, read with Note 2 of Schedule 18 to the financial statements).

Taking into consideration the nature of transactions, compliance with the Reserve Bank of India guidelines, issues involved in the valuation of securities etc., in our opinion classification of Advances into performing and non-performing, recognition of income in respect of such advances and also provisioning relating to Performing/Non-Performing advances are considered to be one of the most significant matter in the audit and therefore determined to be a Key audit matter.

- extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and RBI inspection.
- Examining large advances/stressed advances and other advances on a sample basis including review of valuation reports of independent valuers as provided by the Bank's management.
- Relying on the audit reports of other Statutory Branch Auditors.
- Relying on the returns and financial statements shared by the branch head in respect of unaudited branches.
- Reviewing Memorandum of Changes suggested by the Branch Auditors and take appropriate action.
- Review of various audit and inspection reports made available to us in the relevant areas.
- Placing reliance on the opinions of domain experts on legal matters, titles, valuation and other aspects of securities charged to the bank.
- Review of files of the borrowers selected on sample basis and operations of such accounts.
- Performing relevant analytical procedures.
- Test checking of interest application, levying of other charges, commission etc.,

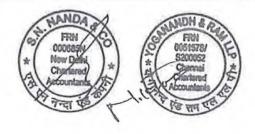
#### 2 Contingent Liability

The contingent liability as defined in AS 29 – Provisions, Contingent Liability and Contingent Assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by the management.

#### **Principal Audit Procedures**

We have carried out the validation of information provided by the management by performing the following procedures

 Evaluating reasonableness of the underlying assumptions.







(Refer 13 of Schedule 17, read with Note 8 (AS 29) of Schedule 18 to the financial statements)

In view of associated uncertainty relating to the outcome of the matters relating to litigations involving Direct and Indirect taxes, various claims filed by other parties not acknowledged as debts, and as a result we have determined the above area as a Key audit matter

- Understanding the current status of the litigations/tax assessments.
- Examination of recent orders and /or communication received from various tax authorities/judicial forums and follow up action thereon.
- Examining the relevant documents on record.
- Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices.
- Getting management confirmation where-ever necessary.

#### 3 IT Systems & Control

The entire Preparation of financial statements is highly dependent on CBS and other supporting software and hardware controls. Adequate and appropriate Information Technology (IT) controls are required to ensure that these IT application process data as expected and changes are made in an appropriate manner. Such controls ensure mitigating the expected risk of erroneous output data. Audit outcome is dependent on the extant IT controls and systems, and accordingly the above areas are determined to be a Key audit matter.

4 Classification and valuation of Investments, Identification of and Provisioning for Non-Performing Investments.

(Refer 4 of Schedule 17, read with Note 1 of Schedule 18 to the financial statements)

Investments constitute 32.79% of the total assets of the bank.

#### **Principal Audit Procedures**

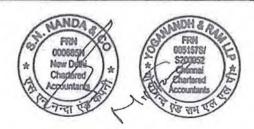
We have carried out our audit procedures with standards on auditing guidelines towards implementation of IT policies and procedures followed by the bank in order to effectively monitor, control, and evaluate the IT applications and controls to ensure effective implementation of such policies and procedures.

We have also relied on the report issued by the IS Auditor and obtained necessary inputs from IS experts wherever necessary.

#### Principal Audit Procedures

We evaluated and understood the Bank's internal control systems to comply with relevant RBI guidelines regarding valuation, classification, identification of Non-Performing Investments, provisioning and depreciation related to Investments.

Evaluating the process adopted for collection of data from various sources for determining the value of investments.







Valuation of Investments are done as per the guidelines, circulars and directives issued by RBI from time to time involving applying the rates quoted on BSE/NSE and other agencies, relying on the financial statements of unlisted companies etc. Taking into consideration the volume of transactions, value of investments being carried in the books of the bank, complexities involved in the valuation of investments we have considered the above area as a Key audit matter.

Assessing and evaluating the system of identification of Non-Performing Investments, income recognition on such investments and also ensuring creation of necessary provision in respect of Non-performing investments.

Our opinion is not modified in respect of the above matters.

# Information other than the consolidated Financial Statements and Auditor's Report Thereon

5. The Bank's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Consolidated Financial Statements and our auditor's report thereon).

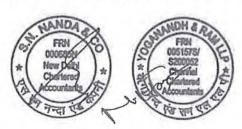
Our opinion on the Consolidated Financial Statements does not cover the other information and Pillar 3 disclosures under the Basel III disclosures and we do not and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard

# Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Bank's Board of Directors are responsible with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Bank including its Associates and Jointly controlled







entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank including its Associate and Joint Venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Bank and of its associate and Joint Venture are responsible for overseeing the financial reporting process of the Bank and of its associate and Joint Venture.

#### Auditor's Responsibilities for the audit of the consolidated Financial Statements

7. Our Objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

 Identify and assess the risks of material misstatement of the Consolidated Financial Statements, 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 management.
- Conclude on the appropriateness of management's 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 Bank 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 statements 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 and its associates and Joint Ventureto cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Bank and its Associate and Joint Venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.

We communicated with those charged with governance of the Bank and its associate and Joint Venture 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 provided 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

i. We did not audit the Financial Statements of one Associate and one Foreign Joint Venture whose Financial Statement/Financial Information reflect Bank's share of total assets of Rs.279.24 crores, Bank's share of total revenue of Rs.8.28 crores, Bank's share of total Net Profit/(Loss) after tax of Rs.(0.27) crores for the year ended 31st March 2022 for the Associate and 31st December 2021 for the Foreign Joint Venture as considered in the consolidated Financial Statements, which have been audited by their respective Independent Auditors. The statements/Financial Information of these entities have been furnished to us and our opinion on the Consolidated Financial Statements, 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.

In respect of Foreign Joint Venture, the Financial Information has been prepared in accordance with Accounting Principles generally accepted in their country of incorporation and has been audited by other auditors under generally accepted Auditing Standards as applicable in their respective countries. The Bank's management has engaged a Consultant to convert the Financial Information from accounting principles generally accepted in their country to Accounting principles generally accepted in India and have been certified by the Management.

Our opinion in so far as it relates to the balances of such Associate and Foreign Joint Venture is based on the report of other auditors and conversion adjustments as provided by Bank's Management.







- ii. The independent auditor's reports on financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the 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 as stated in Paragraph above.
- iii. In the case of Foreign Joint ventures, the financial information has been prepared in accordance with accounting principles generally accepted in the country of incorporation and has been audited by the other auditors under generally accepted Auditing standards as applicable in the country of incorporation. The management of the Bank has engaged consultant to convert the financial information of Joint venture to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances of such Joint Venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Bank.

Our opinion on the consolidated financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters and with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

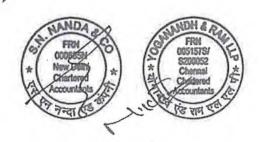
- 9. Subject to the matters indicated in paragraph 5 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, based on our audit and on the consideration of report of the other auditors on separate financial statements and other associates and joint ventures, as noted in the 'other matter' paragraph, we report, to the extent applicable, that;
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements and have found them to be satisfactory;
- b) The transactions of the bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 10. We further report that:







- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us:
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss account and Consolidated Cash flow statement comply with the applicable accounting standards except Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures issued by ICAI and to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- 11. As required by letter No.DOS.ARG.No.6270/09.91.001/2019-20 dated March 17,2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by RBI, we further report on the matters specified in Paragraph 2 of the aforesaid letter as under:
  - a. In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable Accounting Standards except Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - b. There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank.
  - c. As Bank is not registered under the Companies Act,2013 the disqualification from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the Bank.







- d. There are no qualification, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith of the Bank.
- e. The Bank's internal financial controls over financial reporting is not applicable on the Consolidated Financial Statement.

For S N NANDA & CO

Chartered Accountants

FRN 000685N

GAURAV NANDA

Partner

M No: 500417

UDIN: 22500417AKHROW6181

For S N KAPUR & ASSOCIATES

Chartered Accountants

FRN 001545C

AVICHAL SN. KAPUR

Partner

M No: 400460

UDIN: 22400460AKHRJK3961

Place: Chennai Date: 18-05-2022 For YOGANANDH & RAM LLP

Chartered Accountants

FRN 005157S/S200052

MANOJ KUMAR JAIN

Partner

M No: 218610

UDIN: 22218610AKHRGE3170

For NANDY HALDER & GANGULI

**Chartered Accountants** 

FRN 302017E

PARTHASARATHI CHAND

Partner

M No: 056653

UDIN: 22056653AKHRNH9494



CASH FLOW FROM INVESTING ACTIVITIES

#### Consolidated Cash Flow Statement for the Year ended March 31, 2022

	Rs in '000s	Rs in '000s
	Year ended	PY ended
	31.03.2022	31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) After Tax	17 09 27 48	8 31 47 01
Add: Provision for Tax	69 68 77	8 24 24
Net Profit / (Loss) before Tax	17 78 96 25	8 39 71 25
Adjustments for :		
Amortisation of HTM Investments	32 84 25	40 67 49
Loss on Revaluation of Investments	1 91 52 27	13 90
Depreciation on Fixed Assets	1 72 55 89	2 57 99 75
(Profit) / Loss on Sale of Assets	- 1 20 05	- 1 49 24
Transfer from Reserves	66 17 19	- 4 23 34
Provision for NPAs	34 70 16 92	39 39 21 01
Provision for Standard Assets	1 87 66 94	11 75 66 17
Depreciation on Investments (net)	2 54 01 18	-1 09 19 27
Provision for Other Items	1 36 88 24	48 24 11
Interest on IOB Bonds	1 54 64 98	2 88 80 29
	46 65 27 81	56 35 80 87
Adjustments for :		
Increase / (Decrease) in Deposits	218 60 98 13	173 36 41 55
Increase / (Decrease) in Borrowings	-12 65 93 99	2 18 84 57
Increase / (Decrease) in Other Liabilities & Provisions	15 29 30 15	-84 26 44 59
(Increase) / Decrease in Investments	-32 60 71 29	-160 09 76 49
(Increase) / Decrease in Advances	-199 82 30 53	-103 26 45 62
(Increase) / Decrease in Other Assets	9 61 95 79	158 02 68 90
	-1 56 71 74	-14 04 71 68
Direct Taxes (Net)	-7 48 37 00	-1 21 94 61
NET CASH FLOW GENERATED FROM /(USED IN) OPERATING	55 39 15 31	49 48 85 82

FOR AND ON BEHALF OF THE BOARD

PARTHA PRATIM SENGUPTA MANAGING DIRECTOR & CEO

S SRIMATHY

EXECUTIVE DIRECTOR simatum

ANNIE GEORGE MATHEW DIRECTOR

NAVIN PRAKASH SINHA

B CHANDRA REDDY DIRECTOR

AJAY KUMAR SRIVASTAVA **EXECUTIVE DIRECTOR** 

DIRECTO

DEEPAK SHARMA DIRECTOR

Partner

AVICHÁL SN. KAPU

18 71 45 Sale / disposal of Fixed Assets 6 93 80 - 56 23 22 - 64 73 33 Purchase of Fixed Assets - 46 01 88 NET CASH GENERATED FROM/(USED IN) INVESTING - 49 29 41 ACTIVITIES (B) CASH FLOW FROM FINANCING ACTIVITIES Proceeds of Equity Share Issue (including Share premium) -19 67 00 00 Redemption of Tier I & Tier II Bonds (Net ) 6 65 00 00 Issue of Basel III Tier II Bonds -3 20 15 82 Interest Paid on Tier II Capital -1 86 03 85 Interest paid on perpetual (AT1) bonds 41 00 00 00 Share Application Money received from GOI 18 12 84 18 NET CASH GENERATED FROM/(USED IN) FROM 4 78 96 15 FINANCING ACTIVITIES (C) 67 15 68 12 NET INCREASE IN CASH AND CASH EQUIVALENTS 59 68 82 05 (A) + (B) + (C)CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR Cash & Balances with RBI 121 89 20 63 31 55 22 13 209 05 43 44 Balances with Banks & Money at Call 187 93 23 36 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR
Cash & Balances with RB 167 06 65 48 121 88 25 40 Balances with Banks & Money at Call 202 44 60 56 185 88 08 30 67 15 68 12 NET INCREASE / DECREASE IN CASH AND CASH 59 68 82 05 EQUIVALENTS

This statement has been prepared in accordance with Indirect Method.

The Previous year figures represents standalone Cashflow standalone which have been regrouped wherever necessary to conform with the errrent year presentation.

VIDE OUR REPORT OF EVEN DATE

**GAURAV NANDA** Partner

M No.0500417

MANOJ KUMAR JAIN Partner M No. 218610

S N KAPUR & ASSOCIATES FRN 001545C

M No: 400460

NANDY HALDER & GANGULI

YOGANANDH & RAM LLP

FRN 005157S/S200052

Rs in '000s

Year ended

31.03.2022

Rs in '000s

Year ended 31.03.2021

FRN 302017E

PARTHASARATHI CHANDA

M No: 056653

CHENNAL 18.05.2022

DIRECTORS



#### CONSOLIDATED BALANCE SHEET AS AT 31.03.2022

#### CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2022

		AS AT	AS AT			YEAR ENDED	YEAR ENDED
	SCHEDULES	31.03.2022	31.03.2021		SCHEDULES	31.03.2022	31.03.2021
CAPITAL & LIABILITIES		(Rs. in 00	0's)	INCOME		(Rs. in 000	)'s)
Capital	01	19108 49 31	16646 79 41	Interest earned	13	16735 84 20	16975 55 67
Reserves and Surplus	02	4115 69 15	451 88 83	Other income	14	4905 33 28	5485 64 60
Deposits	03	262213 76 35	240352 78 22	TOTAL		21641 17 48	22461 20 28
Borrowings	04	3070 63 66	3671 57 65	EXPENDITURE			
Other Liabilities & Provisions	05	11147 82 21	13106 28 48	Interest expended	15	10419 48 58	11069 45 49
TOTAL		299656 40 68	274229 32 59	Operating expenses	16	5458 97 17	5569 02 92
	_			Provisions & Contingencies (Net)		4053 44 28	5064 36 79
ASSETS				TOTAL	_	19931 90 02	21702 85 20
Cash & Balances with Reserve Bank of India	06	16706 65 48	12189 20 63	PROFIT / LOSS (-)	_		
Balances with Banks				Net Profit / Loss (-) for the year		1709 27 46	758 35 08
and Money at Call and Short Notice	07	20244 60 56	18793 23 36	Profit /Loss (-) brought forward		-18889 51 15	-18979 65 38
nvestments	08	98267 22 08	95484 88 49	Less: Set off against Share Premium		0	0
Advances	09	144253 55 69	127741 42 09	TOTAL		-17180 23 70	-18221 30 30
Fixed Assets	10	3366 03 63	2918 97 22				
Other Assets	11	16818 33 24	17101 60 80	APPROPRIATIONS			
TOTAL		299656 40 68	274229 32 59	Transfer to Statutory Reserve		493 20 56	0
	_			Transfer to Revenue and Other Reserves		0	0
Contingent Liabilities	12	98011 05 59	68296 18 46	Transfer to Capital Reserve	-	111 76 22	568 20 85
Bills for Collection		17216 22 01	15547 89 10	Transfer to Invest. Fluctuation Reserve		290 00 00	100 00 00
Significant Accounting Policies	17			Proposed Dividend (including Dividend Tax)		. 0	0
Notes on Accounts	18			Balance carried over to Balance Sheet		-18075 20 48	-18889 51 15
				TOTAL		-17180 23.70	-18221 30 30
				Basic & Diluted Earnings per share (Rs.)	_	0.92	0.51
				Nominal Value per Equity Share (Rs.)		10.00	10.00

Schedules Form Part of the Balance Sheet

FOR AND ON BEHALF OF THE BOARD

PARTHA PRATIM SENGUPTA MANAGING DIRECTOR & CEO

> AJAY KUMAR SRIVASTAV EXECUTIVE DIRECTOR

NAVIN PRAKASH SINHA

B CHANDRA REDDY DIRECTOR

S SRIMATHY

EXECUTIVE DIRECTOR

ANNIE GEORGE MATHEW

DEEPAK SHARMA DIRECTOR

VIDE OUR REPORT OF EVEN DATE

Schedules Form Part of the Profit & Loss Account

S N NANDA &

GAURAV NANDA

Partner M No.500417 YOGANANDH & RAM LLP

FRN 005157S/S200052

MANOJ KUMAR JAIN

Partner M No. 218610

S N KAPUR & ASSOCIATES FRN 001545C

Partner M No: 400460 NANDY HALDER & GANGULI

PARTHASARATHI CHANDA

Partner M No: 056653

CHARTERED ACCOUNTANTS

**CHENNAI** 18.05.2022

DIRECTORS



SCHEDULE - 1 CAPITAL	AS AT 31.03.2022 (Rs. in 000	AS AT 31.03.2021	SCHEDULE - 2 RESERVES & SURPLUS	AS AT 31.03.2022 (Rs. in 000'	AS AT 31.03.2021 s)
AUTHORISED CAPITAL				•	-,
2500,00,00,000 Equity Shares of Rs.10/- each			B Special Reserve		
(Previous year-2500,00.00.000 Equity shares of Rs. 10/- each)	25000 00 00	25000 00 00	Opening balance	0	0
ISSUED, SUBSCRIBED & PAID UP CAPITAL			Add: Additions	0	0
IOB: 1890 24 12 256 Equity Shares of Rs.10/- each.			Less: Deductions		
(Includes 1821 83 26 570 Equity Shares of Rs.10/- each held by					
GOI) Balance represents propotionate Shares of JV	19108 49 31	16646 79 41	TOTAL - B	0	0
OB: PY 1643 69 88 324 Equity Shares of Rs.10/- each.					
(Includes 1575,29,02,638 Equity Shares of Rs.10/- each held by					
GOI) Balance represents propotionate Shares of JV			C Investment Reserve Account		
SCHEDULE - 2	AS AT	AS AT	Opening Balance	97 95 58	97 95 58
RESERVES & SURPLUS	31.03.2022	31.03.2021	Add: Additions	0	0
	(Rs. in 000	's)	Less: Deductions	0	0
I. SHARE PREMIUM			TOTAL - C	97 95 58	97 95 58
Opening balance	6923 32 50	6923 32 50	D Foreign Currency Translation Reserve		
Add: Additions	1634 57 61		Opening balance	1160 90 51	1200 29 08
Less: Deductions	0		Add: Additions	34 25 79	107 88 55
TOTAL -I	8557 90 11	6923 32 50	Less: Deduction	353 30 41	147 27 12
II. STATUTORY RESERVE			TOTAL - D	841 85 89	1160 90 51
Opening balance	2926 77 62	2926 77 62	E. Investment Fluctuation Reserve Account		
Add: Additions	427 38 56	0	Opening balance	100 00 00	0
Add: Adj. for PY 2020-21	65 82 00		Add: Additions	290 00 00	1000000
Add: Adj. for PY 2020-21 (Trf from Capital Reserve)	142 05 00		Less : Deductions	0	0
TOTAL -II	3562 03 19	2926 77 62	TOTAL - (E)	390 00 00	1000000
III. CAPITAL RESERVE A. Revaluation Reserve			TOTAL - IV (A,B,C,D,E)	4960 44 83	4953 51 36
Opening Balance	2220 45 88	2331 36 26			
Add: Additions	569 12 83	1 92 33	V. PROFIT AND LOSS ACCOUNT	-18001 32 24	-18889 51 14
Less: Deductions / Depreciation	40 02 58	112 82 71			
TOTAL - A	2749 56 13	2220 45 88	TOTAL (I, II, III, IV & V)	4115 69 15	451 88 83
B. On sale of Assets				****	
Opening Balance	2164 23 30	1596 02 45	SCHEDULE - 3	AS AT	AS AT
Add: Additions	111 76 22	568 20 85	DEPOSITS	31.03.2022	31.03.2021
Less: Deduction	142 05 00			(Rs. in 900'	s)
TOTAL - B	2133 94 51	2164 23 30			
			A. I. DEMAND DEPOSITS		
C. Others	200		i) From Banks	11 49 29	25 21 99
Opening Balance	153 09 32	153 13 58	ii) From Others	17378 28 31	16196 61 25
Add: Additions	3 30		TOTAL - I	17389 77 60	16221 83 24
Less: Deduction		4 26	II. SAVINGS BANK DEPOSITS	96501 20 23	85958 46 36
TOTAL - C	153 12 62	153 09 32	III. TERM DEPOSITS		
			i) From Banks	544 96 77	266 01 11
TOTAL - III (A,B,C)	5036 63 26	4537 78 50	ii) From Others	147777 81 76	137906 47 51
			TOTAL - III	148322 78 52	138172 48 62
V. REVENUE & OTHER RESERVES				1 ( ) 4 ( ) ( ) ( )	
A Other Revenue Reserves			TOTAL - A ( I,II & III )	262213 76 35	240352 78 22
Opening Balance	3594 65 27	3486 01 64			
Add: Additions	35 98 08	108 63 63	B. I) Deposits of branches in India	256889 88 19	235544 81 90
Less: Deduction	0	4401 22 22	II) Deposits of branches outside India	5323 88 16	4807 96 32
TOTAL - A	3630 63 36	3594 65 27	TOTAL - B	262213 76 35	240352 78 22

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SCHEDULE - 4	AS AT	AS AT	SCHEDULE - 6	AS AT	AS AT
BORROWINGS	31.03.2022	31.03.2021	CASH AND BALANCES WITH	31.03.2022	31.03.202
	(Rs. in 000	)'s)	RESERVE BANK OF INDIA	(Rs. in 000's	)
I. BORROWINGS IN INDIA			I. Cash on hand (including Foreign	1154 04 35	960 02 63
Reserve Bank of India			currency notes & ATM cash)		
Other Banks	0	0	II. Balances with Reserve Bank of India		
Other Institutions & Agencies	184 00 00	506 50 00	i) in Current Account	13355 89 50	11239 90 83
Innovative Perpetual Debt Instruments ( IPDI )	0	0	ii) in Other Accounts	2196 71 63	-10 72 83
Hybrid Debt Capital Instruments issued as Bonds	0	0			
Subordinated Debt	2265 00 00	1600 00 00	TOTAL	16706 65 48	12189 20 63
TOTAL (I)	2449 00 00	2106 50 00			
			SCHEDULE - 7	AS AT	AS AT
			BALANCES WITH BANKS AND	31.03.2022	31.03.2021
II. BORROWINGS OUTSIDE INDIA	621 63 66	1565 07 65	MONEY AT CALL AND SHORT NOTICE	(Rs. in 000's)	
TOTAL ( I & II)	3070 63 66	3671 57 65	I. In India		
			i) Balances with banks		
III. Secured borrowings included in I & II above	184 00 00	506 50 00	a) In Current Accounts	14 60 32	17 38 08
			b) In Other Deposit Accounts	387 42 48	204 90 84
			ii) Money at Call and Short Notice		
			a) With banks	6043 00 00	12218 00 00
SCHEDULE - 5	AS AT	AS AT	b) With other institutions	0	0
OTHER LIABILITIES & PROVISIONS	31.03.2022	31.03.2021	TOTAL - I	6445 02 80	12440 28 92
	(Rs. in 000	's)	II. Outside India		
I. Bills Payable	700 76 90	659 26 00	a) In Current Accounts	2505 33 41	1013 68 74
II. Inter Office Adjustments ( Net)	3555 93 65	22523593	b) In Other Deposit Accounts	10959 37 60	4421 33 33
III. Interest Accrued	41 43 74	40 22 35	c) Money at Call and Short Notice	334 86 74	917 92 36
V. Others (including provisions)	6849 67 92	10154 44 20			
			TOTAL - II	13799 57 75	6352 94 44
TOTAL	11147 82 21	13106 28 48	TOTAL (I & II)	20244 60 56	18793 23 36

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SCHEDULE - 8	AS AT	AS AT	SCHEDULE - 9	AS AT	AS AT
INVESTMENTS	31.03.2022	31.03.2021	ADVANCES	31.03.2022	31.03.2021
	(Rs. in 000	0's)		(Rs. in 000's	s)
I. INVESTMENTS IN INDIA					
i) Government Securities	88308 63 94	85580 50 17	A. i) Bills Purchased & Discounted	2905 75 04	1647 18 78
ii) Other Approved Securities	98 95	98 95	ii) Cash Credits, Overdrafts and	44605 23 51	45674 57 92
iii) Shares	1393 43 94	1088 64 02	Loans repayable on demand		
iv) Debentures and Bonds	3106 12 70	3403 43 34	iii) Term Loans	96742 57 14	80419 65 39
v) Subsidiaries/ Joint Ventures	0	0			
vi) Other Investments	1203 84 53	1647 04 63	TOTAL	144253 55 69	127741 42 09
(Investments in Mutual Funds, Venture Capital Funds Certificate of Deposits and CP)					
William Control of the Control of th			B. i) Secured by Tangible Assets	116825 49 19	100737 35 95
			(includes advances against Book Debts)		
			ii) Covered by Bank/Government Guarantees	6852 60 01	3673 63 71
TOTAL - I	94013 04 06	91720 61 11	iii) Unsecured	20575 46 49	23330 42 43
II. INVESTMENTS OUTSIDE INDIA			TOTAL	144253 55 69	127741 42 09
i) Government Securities (including					
Local Authorities)	3660 81 89	3238 40 66			
ii) Other Approved Securities	0	0	C. I) Advances in India		
iii) Shares	42 28 93	7 48	i) Priority Sector	82051 69 47	83068 89 12
iv) Debentures and Bonds	316 82 98	300 16 31	ii) Public Sector	8971 66 67	5596 29 51
v) Subsidiaries/ Joint Ventures	193 44 19	193 44 19	iii) Banks		
vi) Other Investments	40 80 03	32 18 74	iv) Others	41693 29 21	30594 88 81
TOTAL - II	4254 18 01	3764 27 38	TOTAL	132716 65 35	119260 07 44
TOTAL (I & II)	98267 22 08	95484 88 49	II) Advances Outside India		
	70207 22 00	75404 00 47	i) Due from Banks	0	0
Gross Investments in India	96496 53 85	94628 21 50	ii) Due from Others	o o	· ·
Less: Depreciation	2416 84 81	2907 60 39	a) Bills Purchased & Discounted	5762 40 66	3011 00 66
Less: Interest on Restructured Investments	2410 04 01	29070039	b) Syndicated Loans	1743 43 04	1346 64 32
Net Investments	94079 69 03	91720 61 11		4031 06 64	4123 69 67
Net Investments	940/9 69 03	91/20 61 11	c) Others	4031 00 04	4123 09 07
Gross Investments Outside India	4206 90 67	3770 44 18			
Less: Depreciation	19 37 63	6 16 80	TOTAL	11536 90 34	8481 34 65
Net Investments	4187 53 04	3764 27 38			
Total Net Investments	98267 22 08	95484 88 49	TOTAL (C-I & C-II)	144253 55 69	127741 42 09
Total Net Investments	90207 22 00	73404 00 47	101AL (C-1 & C-11)	144233 33 07	12//41 42

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AS AT

31.03.2021

AS AT

(Rs. in 000's)

31.03.2022

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SCHEDULE - 11

OTHER ASSETS

SCHEDULE - 10	AS AT	AS AT
FIXED ASSETS	31.03.2022	31.03.2021
	(Rs. in 000	's)
I. Premises		
At cost / revalued as at beginning of the FY	3973 49 58	3977 45 10
Additions during the year *	517 82 24	2 93 45
SUB TOTAL	4491 31 82	3980 38 55
Deductions during the year *	105	6 88 97
	4491 30 77	3973 49 58
Depreciation to date	1262 20 25	1209 35 54
TOTAL -I	3229 10 53	2764 14 04
II. Capital work in progress	11 11	1 11 63
TOTAL - II	11 11	1 11 63
III. Other Fixed Assets (including Furniture &		
Fixtures)		
At cost as at beginning of the FY	2126 18 10	2081 93 27
Additions during the year	110 62 75	68 40 93
SUB TOTAL	2236 80 85	2150 34 20
Deductions during the year	20 58 32	24 48 11
	2216 22 53	2125 86 09
Depreciation to date	2079 40 54	1972 14 54
TOTAL - III	136 81 99	153 71 55
Total (I, II & III)	3366 03 63	2918 97 22

<sup>\*</sup> Includes adjustment on account of conversion of figures relating to foreign branches at the rate of exchange at 31.03.2022

	(143. 111 000	3)
i) Inter Office Adjustments ( Net)		
ii) Interest Accrued	3092 78 58	3464 51 82
iii) Tax paid in advance (Net of Provisions)	4130 97 77	3452 29 54
iv) Stationery & Stamps	3 43 65	4 06 58
v) Non Banking Assets acquired in	210 01 51	210 01 51
satisfaction of claims		
vi) Others (Include Deposits placed with NABARD)	9381 11 74	9970 71 35
TOTAL	16818 33 24	17101 60 80
SCHEDULE - 12	AS AT	ASAT
CONTINGENT LIABILITIES	31.03.2022	31.03.2021
CONTINGENT LIABILITIES		31.03.2021
	(Rs. in 000's)	
i) Claims against the Bank not acknowledged as debts	4 15 85	4 20 09
ii) Liability for partly paid investments	11 60	11 60
iii) Liability on account of outstanding forward	68771 74 82	43585 22 04
exchange contracts	00//1/402	45565 22 0
iv) Guarantees given on behalf of constituents		
a) In India	12704 85 48	11610 46 44
b) Outside India	414 52 80	400 25 53
v) Acceptances, Endorsements &Other obligations	5821 75 16	4390 79 29
vi) Other items for which the bank is contingently liable	*****	
a) Estimated amount of contracts remaining		
to be executed on capital accounts	46 81 80	57 07 88
b) Banks liability under currency swaps	1093 13 00	1093 13 00
c) Interest rate swaps (USD)	0	(
d) Interest rate swaps (INR)	0	(
e) Bank's Liability under Currency Options	0	. (
f) Credit Default Swaps/FRAs/Receivable charges	0	
g) Amount in DEAF with RBI	1595 20 53	1372 15 99
h) Disputed IT demands	7549 61 57	5755 60 99
i) Others	9 12 98	27 15 61
TOTAL	98011 05 59	68296 18 46

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SCHEDULE - 13	Year Ended	Year Ended	SCHEDULE - 15	Year Ended	Year Ended
INTEREST EARNED	31.03.2022	31.03.2021	INTEREST EXPENDED	31.03.2022	31.03.2021
	(Rs. in	n 000's)		(Rs. in 000	's)
i) Interest / discount on advances / bills	10665 88 09	10839 63 46	i) Interest on Deposits	10220 35 04	10703 74 13
ii) Income on investments	5675 81 98	5713 65 62	ii) Interest on Reserve Bank of India /	199 12 28	365 69 50
iii) Iuterest on Balances with Reserve Bank	234 52 20	311 12 07	Inter-Bank Borrowings		
of India and Other Inter-Bank Funds			iii) Others	1 26	1 87
v) Others	159 61 93	111 14 52			
TOTAL	16735 84 20	16975 55 67	TOTAL	10419 48 58	11069 45 49
SCHEDULE - 14	Year Ended	Year Ended	SCHEDULE - 16	Year Ended	Year Ended
OTHER INCOME	31.03.2022	31.03.2021	OPERATING EXPENSES	31.03.2022	31.03.2021
	(Rs. ii	n 000's)		(Rs. in 000	's)
i) Commission, Exchange and Brokerage	1039 84 09	948 75 25	i) Payments to and provisions for employees	3488 89 39	3705 91 26
ii) Profit @ Sale of Investments ( Net )	933 66 42	1820 37 94	ii) Rent, Taxes and Lighting	445 92 66	418 18 51
iii) Net Loss on Revaluation of Investments	-191 52 27	- 13 90	iii) Printing and Stationery	19 53 90	17 41 69
iv) Profit on sale of land, Building & other Assets	1 20 05	1 49 24	iv) Advertisement and Publicity	44 09	35 09
v) Profit on exchange transactions ( Net )	898 47 76	603 14 76	v) Depreciation on Bank's property	172 55 89	258 17 34
vi) Miscellaneous Income	2223 67 23	2112 01 31	vi) Directors' fees, allowances and expenses	40 56	35 32
TOTAL	4905 33 28	5485 64 60	vii) Auditors' fees and expenses	39 11 30	36 32 81
			(including Branch auditor's Fees and Expenses)		
			viii) Law charges	24 25 91	30 12 98
			ix) Postages, telegrams, telephones, etc.	67 51 65	66 65 86
			x) Repairs and Maintenance	22 93 39	19 80 03
			xi) Insurance	322 99 21	300 26 43
			xii) Other Expenditure	854 39 21	715 45 58
			TOTAL	5458 97 17	5569 02 92

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#### **SCHEDULE 17**

# SIGNIFICANT ACCOUNTING POLICIES (CONSOLIDATED ACCOUNTS)

Annexed to and forming part of the Consolidated Accounts for the year ended 31st March 2022.

#### 1. Basis of Preparation

1.1 The Bank's financial statements have been prepared under the historical cost convention on the accrual basis of accounting and ongoing concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India (RBI), circulars and guidelines issued by RBI from time to time. Accounting Standards / Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

The financial statements have been prepared on going concern basis with accrual concept and in accordance with the accounting practices consistently followed unless otherwise stated.

#### Basis of Consolidation

- i. Consolidated financial statements (CFS) of the Bank (comprising of Joint Venture and Associate) have been prepared on the basis of:
  - a) Audited financial statements of Indian Overseas Bank (Bank).
  - b) Consolidation of Joint Venture 'Proportionate Consolidation' as per AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAL.

The Exchange rate used for the preparation of CFS of Overseas Joint Venture are as below:

Profit & Loss – Quarterly Average Rate
Balance Sheet – Spot Rate at the end of the Year.

- c) Accounting for investment in 'Associates' under the 'Equity Method' as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the ICAI.
- ii. The difference between cost to the Bank of its investment in the overseas Joint venture is accounted under translation reserves.
- iii. The Joint Venture and Associate follow Accounting Policies as prescribed by the respective regulatory authorities and as per statutory requirements. In view

of such diverse accounting policies required to be followed, the consolidated financial statements have been prepared by adopting the respective accounting policies of the mandated / statutory requirements. No adjustments are made to the financial statements when they are used in preparing consolidated financial statements.

#### Use of Estimates

1.2 The preparation of financial statements requires the Management to make estimates and assumptions which are considered in the reported amounts of assets and liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### Significant Accounting Policies followed by the Bank.

#### Revenue Recognition and Expense Accounting

- 2.1 Income is recognized on accrual basis on performing assets and on realization basis in respect of non-performing assets as per the prudential norms prescribed by Reserve Bank of India. Recovery in Non-Performing Assets is first appropriated towards interest and the balance, if any, towards principal, except in the case of Suit Filed Accounts and accounts under One Time Settlement, where it would be appropriated towards principal. In case of assets sold to Asset Reconstruction Companies (ARCs), the income is recognized to the extent of cash component of the Sale Consideration received, where the sale consideration is over and above Net Book Value (i.e. Book outstanding less Provisioning).
- 2.2 Interest on bills purchased/Mortgage Backed Securities, Commission (except on Letter of Credit/Letter of Guarantee/Government Business/Insurance), Exchange, Locker Rent and Dividend are accounted for on realization basis.
- 2.3 Income from consignment sale of precious metals is accounted for as Other Income after the sale is complete.
- 2.4 Expenditure is accounted for on accrual basis, unless otherwise stated.
- 2.5 Interest payable on Overdue Term Deposits is provided @ Savings Bank rate, till such time it is transferred to Unclaimed Term Deposits. In respect of Inoperative Savings Bank Accounts, unclaimed Savings Bank accounts and unclaimed Term Deposits, interest is accrued as per RBI guidelines.
- 2.6 Legal expenses in respect of Suit Filed Accounts are charged to Profit and Loss Account. Such amount when recovered is treated as income.

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2.7 In respect of foreign branches, Income and Expenditure are recognized/accounted for as per local laws of the respective countries.

### 3. Foreign Currency Transactions

- 3.1 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates", issued by The Institute of Chartered Accountants of India.
- 3.2 Transactions in respect of Treasury(Foreign):
  - a) Foreign Currency transactions, except foreign currency deposits and lending, 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 date of transaction. Foreign Currency deposits and lendings are initially accounted at the then prevailing FEDAI weekly average rate.
  - b) Closing Balances in NOSTRO and ACU Dollar accounts are stated at closing rates. All foreign currency deposits and lendings including contingent liabilities are stated at the FEDAI weekly average rate applicable for the last week of each quarter. Other assets, liabilities and outstanding forward contracts denominated in foreign currencies are stated at the rates on the date of transaction.
  - c) The resultant profit or loss on revaluation of all assets, liabilities and outstanding forward exchange contracts including contingent liabilities at year-end exchange rates advised by FEDAI is taken to revenue with corresponding net adjustments to "Other Liabilities and Provisions"/"Other Asset Account" except in case of NOSTRO and ACU Dollar accounts where the accounts stand adjusted at the closing rates.
  - d) Income and expenditure items are translated at the exchange rates ruling on the date of incorporating the transaction in the books of accounts.
- 3.3 Translation in respect of overseas branches:
  - a) As stipulated in Accounting Standard 11, all overseas branches are treated as Non Integral Operations.
  - b) Assets and Liabilities (including contingent liabilities) are translated at the closing spot rates notified by FEDAI at the end of each quarter.
  - c) Income and Expenses are translated at quarterly average rate notified by FEDAI at the end of each quarter.
  - d) The resulting exchange differences are not recognized as income or expense for the period but accumulated in a separate account "Foreign Currency Translation Reserve" till the disposal of the net investment.

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#### 4. Investments

- 4.1 Investments in India are classified into "Held for Trading", "Available for Sale" and "Held to Maturity" categories in line with the RBI Guidelines. Disclosures of Investments are made under six classifications viz.,
  - a) Government Securities
  - b) Other Approved securities including those issued by local bodies,
  - c) Shares,
  - d) Bonds & Debentures,
  - e) Subsidiaries / Joint Ventures and
  - f) Units of Mutual Funds and Others.
- 4.2 Interest on Investments, where interest/principal is in arrears for more than 90 days and income from Units of Mutual Funds, is recognized on realization basis as per prudential norms.
- 4.3 Valuation of Investments is done in accordance with the guidelines issued by RBI as under:
- 4.3.1. Individual securities under "Held for Trading" and "Available for Sale" categories are marked to market at quarterly intervals. Central Government securities and State Government securities are valued at market rates declared by FBIL (Financial Benchmarks India Pvt Ltd). Securities of State Government, other Approved Securities and Bonds & Debentures are valued as per the yield curve, credit spread rating-wise and other methodologies suggested by FIMMDA (Fixed Income Money Market and Derivatives Association of India). Quoted equity shares are valued at market rates, Unquoted equity shares and units of Venture Capital Funds are valued at book value /NAV ascertained from the latest available balance sheets, otherwise the same are valued at Re. 1/- per company /Fund.

Treasury Bills, Commercial Papers and Certificate of Deposits are valued at carrying cost. Units held in Mutual fund schemes are valued at Market Price or Repurchase price or Net Asset Value in that order depending on availability.

Valuation of Preference shares is made on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities put out by the PDAI (Primary Dealers Association of India)/FBIL periodically.

Based on the above valuations under each of the six classifications, net depreciation, if any, is provided for and net appreciation, if any, is ignored. Though the book value of individual securities would not undergo any change due to valuation, in the books of account, the investments are stated net of depreciation in the balance sheet.

4.3.2. "Held to Maturity": Such investments are carried at acquisition cost/amortized cost. The excess, if any, of acquisition cost over the face value of each security is amortised on an effective interest rate method, over the remaining period of

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maturity. Investments in subsidiaries, associates and sponsored institutions and units of Venture capital funds are valued at carrying cost.

- 4.4 Investments are subject to appropriate provisioning / de –recognition of income, in line with the prudential norms prescribed by RBI for NPA classification. Bonds and Debentures in the nature of advances are also subject to usual prudential norms and accordingly provisions are made, wherever applicable.
- 4.5 Profit/Loss on Sale of Investments in any category (viz. Held for Trading, Available for Sale and Held to Maturity) is taken to Profit & Loss account. In case of Profit on Sale of Investments in "Held to Maturity" category, Profit net of taxes and the amount required to be transferred to Statutory Reserves is appropriated to "Capital Reserve Account".
- 4.6 Broken period interest, Incentive / Front-end fees, brokerage, commission etc. received on acquisition of securities are taken to Profit and Loss account. Broken Period interest does not arise in case of Treasury Bills. Income is accounted based on the difference between the holding cost and the face value i.e. discount income.
- 4.7 Repo / Reverse Repo transactions are accounted as per RBI guidelines.
- 4.8 Investments held by overseas branches are classified and valued as per guidelines issued by respective overseas Regulatory Authorities.
- 4.9 All the investments are held by adopting the Weighted Average Pricing Method.
- 4.10 All the investments are held in the book on settlement date basis only.
- 4.11 Dividend income on investments is accounted on cash basis.
- 4.12 Investments are shown in the Balance Sheet at net off provision held in respect of Non Performing Investments.
- 4.13 Investments matured for payment are shown under "Other Assets" and underlying provisions held for Non Performing Investments is also netted off from the said investments.
- 4.14 An Investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories, other than shifting / transfer from HFT to AFS Category, is done once in a year with the approval of Board of Directors, at the least of acquisition cost / book value / market value on the date of shifting. The depreciation, if any, on such shifting is provided for and the book value of the security is adjusted accordingly. Such transfer of securities from one category to another is done as per permission from or guidelines of Reserve Bank of India (RBI).

4.15 As per RBI Circular no. RBI/2017-18/147 DBR No. BP BC. 102/21.04.048/2017-18 dated April 2, 2018, from the year 2018-19 an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

The Transfer to Investment Fluctuation Reserve (IFR) is to be the lower of the following: -

- a) Net Profit on sale of investments during the year or
- b) Net profit for the year less mandatory appropriations, until the amount of IFR is atleast 2% of the HFT and AFS Portfolio, on a continuing basis.

#### 5. Advances

- 5.1 Advances in India have been classified as 'Standard', 'Sub-standard', 'Doubtful' and 'Loss assets' and provisions for losses on such advances are made as per prudential norms issued by Reserve Bank of India from time to time. In case of overseas branches, the classification and provision is made based on the respective country's regulations or as per norms of Reserve Bank of India whichever is higher.
- 5.2 Advances are stated net of provisions, except general provisions for standard advances.
- 5.3 For Restructured / Rescheduled Assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advance before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value and interest sacrifice, if any, arising out of the above is reduced from advances.

In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it conforms to the guidelines prescribed by the Regulators.

#### 6. Derivatives

- 6.1 The Bank enters into Derivative Contracts in order to hedge interest bearing assets/liabilities, and for trading purposes.
- 6.2 In respect of derivative contracts which are entered for hedging purposes, the net amount receivable/payable is recognized on accrual basis. Gains or losses on termination of such contracts are deferred and recognized over the remaining contractual life of the derivatives or the remaining life of the assets/ liabilities, whichever is earlier. Such derivative contracts are marked to market and the resultant gain or loss is not recognized, except where the derivative contract is

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designated with an asset/ liability which is also marked to market, in which case, the resulting gain or loss is recorded as an adjustment to the market value of the underlying asset/ liability.

6.3 Derivative contracts entered for trading purposes are marked to market as per the generally accepted practices prevalent in the industry and the changes in the market value are recognized in the profit and loss account. Income and expenses relating to these contracts are recognized on the settlement date. Gain or loss on termination of the trading derivative contracts are recorded as income or expense.

#### 7. Fixed Assets (Property, Plant and Equipment)

7.1 Fixed Assets, except revalued premises, are stated at historical cost.

7.2 Depreciation is provided on straight-line method at the rates considered appropriate by the Management as under:

Premises	2.50%
Furniture	10%
Electrical Installations, Vehicles & Office Equipment	20%
Computers	33 1/3 %
Fire Extinguishers	100%
Computer Software	33 1/3%

Depreciation on revalued portion of the fixed assets is charged to the profit and loss account and equivalent amount is transferred from Revaluation reserve to Revenue Reserves.

- 7.3 Depreciation is provided for the full year irrespective of the date of acquisition / revaluation.
- 7.4 Depreciation is provided on Land and Building as a whole where separate costs are not ascertainable.
- 7.5 In respect of leasehold properties, premium is amortized over the period of lease.
- 7.6 Depreciation on Fixed Assets of foreign branches is provided as per the applicable laws/practices of the respective countries.

#### 8. Staff Benefits

- 8.1 Contribution to Provident Fund is charged to Profit and Loss Account.
- 8.2 Provision for gratuity and pension liability is made on actuarial basis and contributed to approved Gratuity and Pension Fund. Provision for encashment of accumulated leave payable on retirement or otherwise is made based on actuarial valuation at the year-end.

8.3 In respect of overseas branches gratuity is accounted for as per laws prevailing in the respective countries.

#### 9. 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 comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized 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 recognized in the profit and loss account. Deferred tax assets are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain. Deferred Tax Assets are recognized on carry forward of tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

#### 10. Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20, "Earnings Per Share", issued by The Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net profit for the year by the weighted average number of equity shares outstanding for the period. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year-end except where the results are anti-dilutive.

#### 11. Impairment of Assets

The bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceed their estimated recoverable amount.

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### 12. Segment Reporting

The Bank recognizes 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

### Accounting for Provisions, Contingent Liabilities and Contingent Assets

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In accordance with Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized or disclosed in the financial statements.

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### Schedule 18

### NOTES ON ACCOUNTS TO CONSOLIDATED FINANCIAL STATEMENTS 2021-22

The consolidated financial statements (CFS) are prepared in accordance with Accounting Standard 21 (AS 21) on "Accounting for Consolidated Financial Statements", Accounting Standard 23 (AS 23) on "Accounting for Investment in Associates" and Accounting Standard 27 (AS 27) on "Financial Reporting of Interests in Joint Venture" issued by the ICAI, to the extent they are not inconsistent with RBI guidelines.

1. The Consolidated Financial Statements comprise the financial statements of Indian Overseas Bank (Bank) and the following Associates and Joint Ventures of the Bank:

SI. No	Name of the Company	Type of Investment	Country of Incorporation	% of Holding
1	Odisha Gramya Bank	Associate	India	35%
2	India International Bank (Malaysia) Berhad	Joint Venture	Malaysia	35%

The Bank is holding 18.06% in Universal Sompo General Insurance Company Ltd. Since the shareholding in the Company is less than 25%, the same has not been considered as Joint Venture as per extant RBI guidelines and thus not considered for preparation of consolidated Financial Statements.

Bank has prepared the Consolidated Financial Statements for the first time. Previous year figures have been reckoned based on the audited financials for the year ended March 2021.

Bank does not have any subsidiary.

### 2. Financial Statements of Associates / Joint Venture:

a. The audited financial statements of the Associate have been drawn up to the same reporting date as that of the Bank i.e. 31.03.2022 and in case of JV viz: India International Bank (Malaysia) Bhd. (IIBMB), which have been drawn up to 31.12.2021. As certified by the Management, there are no significant transactions or other events during the period from 01.01.2022 to 31.03.2022 requiring adjustment therein.

The disclosures in respect of Joint venture is given to the extent details available with the management. In the case of non-availability of such details, the management is of the view that the details would not materially impact disclosures under the consolidated financial statements.

- b. Bank has not considered its share of accumulated losses of the associate as on 31.03.2022 to the extent of Rs.433 crores.
- c. Investment in associates has been carried at cost of Rs.310.33 crores in Bank's Books.
- d. In line with AS 27, Bank has consolidated Joint Venture figures proportionately line by line including its share of Share capital of Rs.206.08 crores.
- e. Investment in Joint Venture is carried at carrying cost of Rs.193.44 crores.

### 3. Reconciliation

Reconciliation of Inter Branch transactions has been completed up to 31.03.2022 and steps for elimination of outstanding entries are in progress. The Management does not anticipate any material consequential effect on reconciliation / elimination of outstanding entries.

### 4. Capital and Reserves

During the Financial Year 2021-22 Bank has issued Basel III Tier II Bonds aggregating to Rs.665 crores through private placement subscribed by QIBs.

During the Financial year 2021-22, the Bank on 02.06.2021 had issued and aliotted upto 246,54,23,932 equity shares of Rs.10/- each for cash at Issue Price of Rs.16.63 per Equity Share (including a premium of Rs.6.63 per equity share amounting to Rs.1634.58 crores) aggregating to Rs.4100 crores on preferential basis to Government of India (President of India) for capital infusion and share application money was received by the Bank on 31.03.2021. The Government of India shareholding has increased from 95.84% to 96.38%. The paid up capital of the Bank increased from Rs.16436.99 crores to Rs.18902.41 crores.

On account of revaluation of immovable properties during the year FY 2021-22, the Revaluation Reserve of the Bank increased by Rs.529.10 crores and stands at Rs.2,749.56 crores as at 31.03.2022.

#### 5. Investment Fluctuation Reserve

As per RBI circular number RBI/2017-18/147 DBR. No. BP BC .102/ 21.04.048/2017-18 dated April 2, 2018, from the year 2018-2019, an Investment Fluctuation Reserve (IFR) is to be created to build up adequate reserves to protect the bank against increase in yields in future.

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The Transfer to IFR is to be the lower of the following -

- a. Net profit on sale of Investments during the year or
- b. Net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

Accordingly, in compliance with extant RBI Guidelines, Bank had provided Rs.390 crores being 2% of Trading book as on 31.03.2022.

#### 6. Draw down from Reserves

To comply with the RBI-RAR 2021 observations regarding appropriation of 25% of Net Profit of FY 2020-21 to Statutory Reserve, Bank with the approval of Reserve Bank of India vide their letter dated 18.02.2022 has effected the draw-down of reserve during the current financial year as given below:

(Rs. in crores)

		[13. 111 010103]
From	То	Amount
Capital Reserve (Excluding Revaluation Reserve)	Statutory Reserve	142.05
Profit & Loss Account	Statutory Reserve	65.82

#### 7. Taxes

Taking into consideration the decisions of appellate Authorities, certain judicial pronouncements and the opinion of tax experts, no provision is considered necessary in respect of disputed and other demands of income tax aggregating Rs.7409.24 crores (previous year Rs.5,734.33 crores) and Service Tax aggregating to Rs.122.33 crores (previous year Rs.122.33 crores).

Tax expense for the year is Rs.69.52 crores consisting of Current Tax expense of Rs.31.71 crores and Deferred Tax expense of Rs.37.81 crores – refer note No.11 under Disclosures under Accounting Standards.

The Bank, based on internal evaluation, presently has decided to continue with the existing tax regime. Further, the Bank has recognized net Deferred Tax Asset as on 31st March, 2022 aggregating to Rs.6262.41 crores (Previous year Rs.6300.40 crores) on timing differences in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India and adjustments if any to be carried out on reassessment at appropriated stage.

Amount of provision made for Income Tax during the year:

(Rs. in Crores)

Particulars	2021-22	2020-21
Provision for Income Tax	31.71	23.24
Provision for Deferred Tax	37.81	-15.00
Net Provision	69.52	08.24

8. Status on Letters of Comfort (LoC)

The Letters of Comfort (LoCs) issued by the Bank during the current financial year. During the financial year 2021-22, the bank has not issued any Letter of Comfort to meet the requirements of the overseas/Domestic regulators to support the operations of its overseas joint venture.

Letters of Comfort issued during the year - N Letters of Comfort outstanding as on 31.3.2022 - 3

Cumulative position of LOC's outstanding as on March 31,2022:

a. During the year 2009-10, the Bank has issued a Letter of Comfort (LoC) undertaking to maintain a minimum CRAR of 12% in respect of Bangkok branch and to arrange to convert retained earnings to capital funds and/or infuse further capital in order to restore the CRAR to a minimum of 12%, subject to approval from RBI. The assigned capital of Bangkok Branch stands at THB 1798.89 Mio and CRAR is 23.57% as on 31.03.2022.

In the worst case scenario of the entire textile exposure of the branch becoming NPA. We may have to make additional provision to the extent of THB 91.70 Mio being unsecured portion of standard textile advances. If this contingency arises, there would be no additional capital to be remitted as existing reserves are adequate to cover the unsecured amount.

- b. LOC was issued during 2010-11 to Bank Negara Malaysia upto our Bank's 35% shareholding in the Joint Venture Bank- India International Bank (Malaysia) Berhad (IIBMB). As on 31.03.2022, the deposits of IIBMB are Rs.152.14 Crores and other liabilities are Rs.3.94 Crores (i.e. total liabilities of Rs.156.08 Crores). The net worth of IIBMB as on 31.03.2022 is Rs.582.84 Crores. As the financial year end of IIBMB is 31 December, figure of 31st March 2022 have been taken from unaudited statements.
- c. Based on the host country regulator's guidelines, during 2019-2020, Bank has issued Letter of Comfort favoring CBSL for meeting all obligations and liabilities arising out of business carried on by IOB-Sri Lanka Branch.
- 9. Disclosure in terms of Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI)
- 9.1 Accounting Standard 5 Net Profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared following the same accounting policies and practices as those followed for the year ended March 31, 2021.

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### 9.2 Accounting Standard 9 - Revenue Recognition

Revenue has been recognized as described in item No. 2 of Significant Accounting Policies - Schedule 17.

### 9.3. Accounting Standard 15 - Employee Benefits

i. The Bank had adopted Accounting Standard 15 (Revised) "Employees Benefits" issued by the Institute of Chartered Accountants of India, with effect from 1st April, 2007.

ii. The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under: -

### (a) Defined Benefit Schemes:

Changes in the present value of the obligations

IPs In Crorest

	PEN:	SION	GRAT	UITY	LEAVE ENCASHMENT (Un Funded)		
Particulars	(Fun	ded)	(Fund	led)			
	2022	2021	2022	2021	2022	2021	
Present Value of obligation as at the beginning of the year	9 856.98	9-108.28	913.11	1 018.68	506.57	503.96	
Interest Cost	674.21	613.04	57.72	63.13	31.60	31.74	
Current Service	256.02	243.51	72.68	61.19	43.37	36.24	
Benefits Paid	(1 166.10)	(972.06)	(186.44)	(185.96)	(111.59)	(77.18)	
Actuarial loss/(gain) on Obligations	742.11	864.20	343.48	(43.93)	46.18	11.82	
Present Value of Obligation at year end	10 363.22	9 856.98	1 200.55	913.11	516.13	506.57	

### (b) Change in Fair Value of Plan Asset

(Rs. In Crores)

Particulars		SION ded)	15.00	ATUITY nded)	LEAVE ENCASHMENT (Un Funded)		
	2022	2021	2022	2021	2022	2021	
Fair Value of Plan Assets at the beginning of the year	9 856.98	9 108.28	1 295.29	1 400.86			
Expected return on Plan Assets	710.44	695.56	84.63	89.95		44.	
Employer's contribution	915.48	1 127.48		22.00	111.59	77.18	
Benefit Paid	(1 166.10)	(972.06)	(186.44)	(185.96)	(111.59)	(77.18)	
Actuarial gain/(loss) on Obligations	46.43	(102.28)	31.72	(31.56)			
Fair Value of Plan Asset at the end of the year	10 363.23	9 856.98	1 225.20	1 295.29		-	
Unfunded Transitional Liability							

### (c) Amount recognized in Balance Sheet

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					(Rs. In	Crores)	
Particulars	PENSION	(Funded)		ituity ided)	LEAVE ENCASHMENT (Un Funded)		
	2022	2021	2022	2021	2022	2021	
Estimated Present value of obligations as at the end of the year	10 703.91	9 856.98	1 200.55	.913.11	516.13	506.57	
Actual Fair value of Plan Assets as at the end of the year	10 363.23	9 856.98	1 225.20	1 295.29		-	
Unfunded Net Liability recognized in Balance Sheet	*(340.68)			-	516.13	506.57	
Funded Net Assets to be recognized in Balance Sheet		-	24.65	382.18	-	22	

\*The additional liability on account of enhancement in family pension on account of Government guidelines, works out of Rs.425,85,83,225/- as per the Actuarial valuation. As per RBI Circular RBI/2021-22/105/DOR.ACC.REC.57/21.04.018/2021-22 dated 04.10.2021 banks are permitted to amortise the total liabilities over the period of five years. The Bank has opted the said provision of RBI and has charged minimum amount of Rs.85,17,16,645/- for the quarter ended 31 March 2022. The balance unamortized expense of Rs.340,68,66,580/- has been carried forward.

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### (d) Expenses Recognized in Profit & Loss

(Rs. In Crores)

					(Rs. In Cr	ores)	
Particulars	PENSION (	(Funded)	GRAT (Fund		LEAVE ENCASHMENT (Un Funded)		
	2022	2021	2022	2021	2022	2021	
Current Service Cost	256.02	243.51	72.68	61.19	43.37	36.24	
Interest Cost	674.21	613.04	57.72	63.13	31.60	31.74	
Expected return on Plan Asset	(710.44)	(695.56)	(84.63)	(89.95)	0.00	-	
Net Actuarial (Gain)/Loss recognized in the year	695.68	966.49	311.76	(12.37)	46.18	11.82	
Total expenses chargeable in Profit & Loss Account	915.47	1 127.48	357.53	22.00	121.15	79.79	
Amount received from  II Pension optees/ employer's contribution of PF	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

### (e) Investment percentage maintained by Pension & Gratuity Trust:

(Figures in %)

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			1, 13	90103111701	
D	Pensio	n Trust	Gratuity Trust		
Particulars	2022	2021	2022	2021	
a) Debt Instruments					
Central Government Securities	3.06	3.31	8.09	7.47	
State Government Securities	1.85	2.20	24.32	26.20	
Investment in PSU /PFI / Corporate Bonds	3.47	4.13	12.18	12.57	
Other Investments	91.16	89.87	53.42	51.97	
b) Equity Instruments	0.46	0.49	1.99	1.77	

# (f) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted average)

				(FIGU	res in %)		
Particulars	10.70	SION ded)		TUITY ded)	LEAVE ENCASHMENT (Unfunded)		
	2022	2021	2022	2021	2022	2021	
Discount Rate	7.27	7.11	7.48	7.04	7.48	7.01	

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Expected rate of return on Plan Assets	7.30	7.54	7.04	6.82	0	1
Expected Rate of Salary increase	5.00	5.00	5.00	5.00	5.00	5.00
Pension increase	4.00	4.00		-	-	-
Attrition rate	1.00	1.00	3.00	3.00	3.00	3.00
Mortality	2012-14 M Ultimo	20 Mars 20 Mars 1	2012-14 U	lltimate	2012-14 Ultimate	
Method used	Projecte credit	d unit	Projecte credit	d unit	Projected uni credit	

### (g) Experience Adjustments

(Rs. In Crores)

	PENSION (Funded)			GRATUITY (Funded)					LEAVE ENCASHMENT (Unfunded)						
Particulars	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Experience adjustment on Plan assets (Loss)/Gain	(46.43)	102.28	(32.05)	44.11	(3.09)	(31.72)	31.56	(20.96)	2.59	(13.50)	1	1	1		1
Experience adjustment on Plan Liabilities (Loss)/Gain	(742.11)	(864.20)	(430.22)	(336.01)	(595.21)	(375.22)	(39.11)	356.18	52.77	(172.84)	90.89	11.82	18.52	29.71	23.89

The estimates of future salary increases, considered in actuarial valuation, take into account actual return on plan assets, inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

In respect of overseas branches, disclosures if any required for Employee Benefit Schemes are not made in the absence of information.

### h) The financial assumptions considered for the calculations are as under: -

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on the date of valuation (Balance sheet dated 31.03.2022).

Expected Rate of Return: The Overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Bank's best estimate expected to be paid in next Financial Year for Gratuity is Rs.126.00 crores.

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### 9.4 Accounting Standard 17 – Segment Reporting on the Consolidated Financials

The Bank has adopted Reserve Bank of India's revised guidelines issued in April 2007 on Segment Reporting in terms of which the reportable segments have been divided into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

### Part A: Business Segments

(Rs. In Crore)

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		TOTAL	
Particulars	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	7 450.77	8 327.09	6 088.04	5 937.49	7 477.69	7 739.84	463.87	407.49	21 480.37	22 411.91
Result	1 885.19	2 699.11	1 050.58	259.36	2 343.91	2 505.01	322.54	320.18	5 602.22	5 783.66
Unallocated Income									160.81	112.64
Unallocated Expenses									0.31	0.49
Operating Profit/Loss									5 762.72	5 895.81
Income Taxes									69.69	8.24
Provisions & Contingencies	<b>从外流力的变织</b>								3 983.91	5 056.09
Extraordinary profit / loss									0.00	0.00
Net Profit							3.5		1 709.12	831.47
OTHER INFORMATION										
Segment Assets	113 119.49	108 651.71	82 075.39	70 772.55	93 593.78	84 600.37	150.87	188.56	288 939.53	264 213.19
Unallocated Assets						10			10 437.63	9 797.16
Total assets									299 377.16	274 010.35
Segment Liabilifies	106 809.35	102 669.88	78 963.58	68 263.42	90 373.63	81 881.94	181.53	131.85	276 328.09	252 947.09
Uncillocated Liabilities									48.68	4 118.45
Total Liabilities									276 376.77	257 065.54

Note No.1 - The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs.113119.49 crores regarding Treasury Operations (Assets) of Standalone has been retained in the Consolidated Segment Result.

Note No.2 - The segment report of JV-IIBMB does not have the details of Segment Assets and Liabilities. Hence, the figure of Rs. 106809.35 crores regarding Treasury Operations (Liabilities) of Standalone has been retained in the Consolidated Segment Result.

### Part B - Geographic segments

IRs In Crorel

Particulars	Domesti	С	Internatio	nal	Total		
raniculais	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
Revenue	21 215.60	22 111.32	425.57	413.23	21 641.17	22 524.55	
Assets	292 233.50	267 015.80	7 143.66	6 994.55	299 377.16	274 010.35	

<sup>\*</sup>Figures for FY 2020-21 are based on Standalone financial figures.

### 9.5 Accounting Standard 18 – Related Party Disclosures

The details are as follows:

(A) Name of the Related Parties and their relationship:

- (a) Associates Regional Rural Banks: Odisha Gramya Bank
- (b) Joint Venture: India International Bank (Malaysia) Berhad Ltd.
- (c) Key Management Personnel:
  - (i) Shri Partha Pratim Sengupta, Managing Director and CEO
  - Shri Ajay Kumar Srivastava, Executive Director
- (iii) Ms. S Srimathy, Executive Director

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(B) Transaction with Related parties:

Details of Salary and Performance Incentive paid to Whole Time Directors during the year 2021-22 and 2020-21:

SI. No.	Name	Designation	Remuneration* Amount (Rs.) (2021-22)	Remuneration* Amount (Rs.) (2020-21)
1.	Shri Partha Pratim Sengupta	Managing Director & Chief Executive Officer (MD & CEO)	34,71,378.00	23,31,943.12
2.	Shri Karnam Sekar	Ex- MD & CEO		8,06,196.00**
3.	Shri Ajay Kumar Srivastava	Executive Director	32,65,002.00	29,23,332.00
4.	Ms. S Srimathy	Executive Director	29,45,576.33	2,09,749.42**

<sup>\*</sup>Remuneration Includes salary & allowances, salary arrears, performance incentives, leave encashment arrears and gratuity arrears.

Amount in Rs. Crores

Items/Related Party	Parent (as per ownership or	Subsidiaries	Associates/ J	oint ventures	Key Manager	ment Personnel ®		es of Key ent Personnel	Total	
	control)		Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstanding at the year end	Maximum during the year	Outstandin g at the year end	Maximum during the year
Borrowings	N.A.	N.A.	0.00	198.64	0.00	0.00	0.00	0.00	0.00	198.64
Deposits	N.A.	N.A.	493.67	493.67	0.33	1.72	0.05	0.09	494.04	495.49
Placement of deposits	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Advances	N.A.	N.A.	0.00	0.00	0.71	0.75	0.06	.0.06	0.77	0.81
Investments	N.A.	N.A.	777.56	777.56	0.00	0.00	0.00	.0.00	777.56	777.56
Non-funded commitments	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasing/HP arrangements availed	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leasing/HP arrangements provided	N.A.	N.A.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of fixed assets	N.A.	N.A.		0.00		0.00	0.00		0.00	
Sale of fixed assets	N.A.	N.A.		0.00		0.00	0.00		0.00	
Interest paid	N.A.	N.A.		1.99		0.01	0.00		2.01	
Interest received	N.A.	N.A.	18.38		0.02		0.00		18.41	
Rendering of services*	N.A.	N.A.		0.00		0.00	0.00		0.00	
Receiving of services*	N.A.	N.A.	(	0.00	0.00		0.00		0.00	
Management contracts*	N.A.	N.A.	(	0.00		0.00	0.00		0.00	

N.A. (Not Applicable)

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<sup>\*\*</sup>Part of the year

<sup>\*</sup> Contract services etc. and not services like remittance facilities, locker facilities etc.



### 9.6 Accounting Standard 20 – Earnings per Share

Particulars	2021-22	2020-21
Net Profit after Tax available for Equity Shareholders (Rs. in Crores)	1 709.54	831.47
Weighted Average Number of Equity Shares	1848,36,27,917	1643,69,88,324
Basic & Diluted Earnings Per Share	Rs:0.92	Rs.0.51
Nominal value per Equity Share	Rs.10.00	Rs.10.00

### 9.7 Accounting Standard 22: Accounting for Taxes on Income

(Rs. in Crores)

	31.03.2	2022	31.03.		
Particulars	DTA	DTL	DTA	DTL	
Depreciation on Fixed Assets	19.88		129.69		
Provision for Employee Benefits	181.89		343.94		
Provision for Frauds	184.99		176.44		
Provision for Other Assets	28.92		35.18		
Provision for Restructured Advances	18.08		16.62		
Reserve for Severance Pay	0.82		0.00		
Special Reserve			0.00		
Provision for NPA	3895.58		5 359.16		
Foreign Currency Translation Reserve	294.08			152.05	
Others	1638.17		569.55	178.13	
Total	6262.41		6 630.58	330.18	
Net DTL /DTA	6262.41		6 300.40		

### 9.8 AS 24 – Discontinuing Operations

The Bank has not closed any of its Overseas Branches during 01.04.2021-31.03.2022. Hence the data relating to this disclosure may be treated as "NIL".

### 9.9 Accounting Standard 26 – Intangible Assets

The software acquired for core banking system is treated as intangible asset and amortized over a period of 3 years.

### 9.10 Accounting Standard 28 – Impairment of Assets

Fixed Assets owned by the Bank are treated as 'Corporate Assets' and are not 'Cash Generating Units' as defined by AS-28 issued by ICAI. In the opinion of the Management, there is no impairment of any of the Fixed Assets of the Bank.

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## 9.11 Accounting Standard 29 – Provision for Contingent Liabilities and Contingent Assets:

The guidelines issued by the Institute of Chartered Accountant of India in this respect have been incorporated at the appropriate places.

10. Information relating to vendors registered under Micro, Small and Medium Enterprises Development Act, 2006 and from whom goods and services have been procured by the Bank has been disclosed to the extent information was made available to the Bank by the vendors. There are no overdue pending of principal amount and/ or interest and accordingly no additional disclosures have been made for the FY 2021-22.

### 11. Comparative Figures

Previous year's figures have been regrouped / rearranged / reclassified wherever necessary.

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#### **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:

**Ajay Kumar Srivastava**Managing Director and Chief Executive Officer

Madhaw Chandra Jha Chief Financial Officer

Place: Chennai

Date: March 24, 2025

#### INDIAN OVERSEAS BANK

#### **Head Office**

763, Anna Salai, Chennai – 600 002, Tamil Nadu, India

E-mail: investor@iobnet.co.in

Website: www.iob.in

#### **Contact Person**

#### Madhaw Chandra Jha

Chief Financial Officer Telephone: +91 44 2851 8800 E-mail: investor@iobnet.co.in

#### LEAD MANAGERS

#### **IDBI Capital Markets & Securities Limited**

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade Colaba, Mumbai – 400005, Maharashtra, India

### **Emkay Global Financial Services Limited**

7th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai – 400028, Maharashtra, India

#### **Systematix Corporate Services Limited**

The Capital, A Wing 603-606, 6th Floor Plot No. C-70 G Block, Bandra Kurla Complex Bandra East Mumbai – 400 051 Maharashtra, India

#### Elara Capital (India) Private Limited

One International Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Mumbai – 400 013 Maharashtra, India

#### STATUTORY AUDITORS OF OUR BANK

## M/s. R. Devendra Kumar & Associates, Chartered Accountants

205, Blue Rose Industrial Estate, Western Express Highway, Borivali (East), Mumbai - 400 066

## M/s. Laxmi Tripti & Associates, Chartered Accountants

800. M V K 8th Floor, Sangita Ellipse, Sahakar Road, Vile Parle (East), Mumbai-400057

#### M/s. Tej Raj & Pal, Chartered Accountants

Plot No 1278/2256/4294, Govinda Prasad, Bomikhal, Bhubaneswar, Dist – Khurda, Odisha - Pincode-751010

## M/s. Sanjeev Omprakash Garg & Co., Chartered Accountants

B-141,

Dr Govind Narayan Singh Model Town, Chuna Bhatti, Bhopal

#### LEGAL COUNSEL TO THE ISSUER AS TO THE INDIAN LAW

#### **Saraf and Partners**

2402, Tower 2, One International Centre Senapati Bapat Marg, Prabhadevi West, Mumbai – 400 013, Maharashtra, India

#### LEGAL COUNSEL TO THE LEAD MANAGERS AS TO THE INDIAN LAW

#### **Dentons Link Legal**

Aiwan-e-Ghalib Complex Mata Sundari Lane New Delhi – 110 002 Delhi, India

#### SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

Email: investor@iobnet.co.in

LEI Number: 335800QFIPQ9AFX1CS84

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Bank, in consultation with the Lead Managers, shall identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

	APPLICATION FORM
	(a) Name of the Bidder:
Indian Overseas Bank	(b) Form No.:
Indian Overseas Bank	(c) Date:
Head Office: 763, Anna Salai, Chennai – 600 002, Tamil Nadu, India	(-)
Website: www.iob.in, Tel: +91 44 2851 8800	

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] MILLION 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 (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970, AS AMENDED ("THE BANKING COMPANIES ACT"), THE BANKING REGULATION ACT, 1949, AS AMENDED (THE "BANKING REGULATION ACT"), INDIAN OVERSEAS BANK (SHARES AND MEETINGS) REGULATIONS, 2003, AS AMENDED (THE "INDIAN OVERSEAS BANK REGULATIONS") AND THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970, AS AMENDED (THE "NATIONALISED BANKS SCHEME"), BY INDIAN OVERSEAS BANK (THE "BANK") (AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARE AND OUR BANK MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs participating through Schedule II of the FEMA Rules. Further, except as provided in (ii) above, other nonresident QIBs including foreign venture capital investors and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Also, please note that AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules are not permitted to participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold only outside the United States in "Offshore Transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see "Selling Restrictions" of the accompanying preliminary placement document dated March 19, 2025 (the "PPD"). Also see, "Transfer Restrictions" of the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ONLY ELIGIBLE QIBS ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE THROUGH SCHEDULE II OF THE FEMA RULES, IN THIS ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS, INCLUDING THE BANKING COMPANIES ACT, IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFS IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. AIFS AND 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 THE ISSUE.

To,	STATUS (Please tick for applicable category)							
The Board of Directors Indian Overseas Bank	FI	Scheduled Commercial Bank and Financial Institutions	IC	Insurance Companies				
Head Office: 763, Anna Salai, Chennai – 600 002, Tamil Nadu,	MF	Mutual Funds	VCF	Venture Capital Funds				
India	NIF	National Investment Fund	FPI	Foreign Portfolio Investor*				
Dear Sir/ Madam,	IF	Insurance Funds	AIF	Alternative Investment Funds**				
On the basis of the serially numbered PPD of the Bank and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the	SI- NBFC	Systematically Important Non – Banking Financial	ОТН	Others (Please specify)				
Allotment of the Equity Shares in the Issue, on the terms and price	L							

indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or other applicable laws, including foreign exchange related laws; or (b) been prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and are eligible to invest in this Issue. We are not a promoter of the Bank (as defined in the SEBI ICDR Regulations) or any person related to the promoter of the Bank, directly or indirectly.

Companies

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the Preliminary Placement Document. \*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. \*\*Sponsor and Manager should be Indian owned and controlled.

Further, we confirm that we do not have any right under a shareholders' agreement, veto rights or right to appoint any nominee director on the Board. We confirm that we are either an Eligible QIB resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules nor a FVCI or a multilateral or bilateral development financial institution participating in this Issue. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation of the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020 and that we are neither an entity of a country which shares a land border with India nor is the beneficial owner of our investment situated in or a citizen of such country and that our investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations"). We further understand and agree that our names, address, contact details, PAN number and bank account details will be recorded by the Bank and the percentage of our post-Issue shareholding in the Bank will be disclosed in the Placement Document pursuant and, the Bank will place our name in the register of members of the Bank or the relevant depository will record our name in the beneficial owner records maintained by the respective depositories, as a holder of such Equity Shares that may be Allotted to us. Further, we are aware and agree that if we together with any other QIBs belonging to the same group or under common control are Allotted more than 5% of the Equity Shares in the Issue, the Bank will disclose our name along with the name of such other Allottees and the number of Equity Shares Allotted to us and such other Allottees on the websites of National Stock Exchange of India Limited and BSE Limited (together referred to as the "Stock Exchanges"), and we consent to such disclosure. We are aware that, in accordance with Section 12B of the Banking Regulation Act, 1949 and the Master Direction - Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 issued by the RBI on January 16, 2023 read together with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the Reserve Bank of India on January 16, 2023, no person (along with his relatives, associate enterprises or persons acting in concert with) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, a Bidder's aggregate holding in the paid-up share capital of our Bank, whether beneficial or otherwise: after subscription to the Equity Shares in the Issue by such Bidder, his or her relatives, associate enterprises or persons acting in concert with such Bidder, aggregated with any pre-Issue shareholding in the Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; or after subscription to the Equity Shares in the Issue aggregated with any pre-Issue shareholding in our Bank of such Bidder, his or her relatives, associate enterprises or persons acting in concert; shall not amount to 5% or more of the total paid-up share capital of our Bank or would not entitle such Bidder to exercise 5% or more of the total voting rights of our Bank, except with the prior approval of the RBI. Accordingly, we hereby represent that our (direct or indirect) aggregate holding in the paid-up share capital of the Issuer, whether beneficial or otherwise: (i) after subscription to the Equity Shares in the Issue by us, our relatives, our associate enterprises or persons acting in concert with us, aggregated with any pre-Issue shareholding in the Bank of us, our relatives, our associate enterprises or persons acting in concert; or (ii) after subscription to the Equity Shares in the Issue by us aggregated with any pre-Issue shareholding in the Bank of us, our relatives, our associate enterprises or persons acting in concert with us shall not amount to 5% or more of the total paid-up share capital of the Bank or would not entitle us to exercise 5% or more of the total voting rights of the Bank, except with the prior approval of the RBI. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us 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 any reporting obligations. and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("FPI") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "Eligible FPIs"), have submitted separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount of Equity Shares to be Allotted under each such scheme. We undertake that we will sign and submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the undersigned is duly authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue. We note that the Board of Directors of the Bank, or any duly authorized committee thereof is entitled, in consultation with the LMs (as defined hereunder) in its absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the CAN and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to or on Bid/ Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole and absolute discretion of the Bank, in consultation with the IDBI Capital Markets & Securities Limited, Systematix Corporate Services Limited, Elara Capital (India) Private Limited and Emkay Global Financial Services Limited ("LMs"); and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Bank is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Bank to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" of the PPD (ii) and the terms, conditions and agreements mentioned herein, are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Bank and the LMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "Risk Factors" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from

the Bank, the LMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment and in compliance with the restrictions included in the section titled "Transfer Restrictions" in the PPD: (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our 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; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Bank in consultation with the LMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) the number of Equity Shares Allotted to us pursuant to the Issue ,together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression Eligible QIBs 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (8) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Banking Companies Act, the Banking Regulation Act, the Indian Overseas Bank Regulations and the Nationalised Banks Scheme, other applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that 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 U.S. Securities Act and applicable state securities laws. By submitting this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and in reliance on the applicable laws of the jurisdiction where those offers and sales are made.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is 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 cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case Bids are being made on behalf of an Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

	BIDDER DETAILS (In Block Letters)
NAME OF	
BIDDER*	
NATIONALITY	
REGISTERED	
ADDRESS	
CITY AND CODE	
COUNTRY	
PHONE NO.	FAX NO.
MOBILE NO.	
EMAIL ID	
FOR ELIGIBLE	SEBI FPI REGISTRATION NO.
FPIs**	
FOR MF	SEBI MF REGISTRATION NO
FOR AIFs***	SEBI AIF REGISTRATION NO.
FOR VCFs***	SEBI VCF REGISTRATION NO.
FOR SI-NBFC	RBI REGISTRATION DETAILS
FOR	IRDAI REGISTRATION DETAILS.
INSURANCE	
COMPANIES	

\*Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Bank and the LMs.

<sup>\*\*\*</sup> Allotments made to AIFs and VCFs 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. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

NO. OF EQUITY SH	ARES BID FOR	PRICE PER EQUITY	SHARE (RUPEES)					
(In Figures)	(In Words)	(In Figures)	(In Words)					
	BID AMOUNT (RUPEES)							
	(In Figures)		(In Words)					

<sup>\*\*</sup> In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.

DEPOSITORY ACCOUNT DETAILS													
Depository Name		National Securities Depository					epos	itory			Central Depository Services (India) Limited		
		Limited											
Depository	Participant												
Name													
DP – ID		I	N										
Beneficiary	Account										(16-digit beneficiary A/c. No. to be mentioned above)		
Number													

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Bid Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), [•], ("Bid/ Issue Closing Date")

ESCROW BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER										
Name of the Account	IOB ESCROW ACCOUNT 2025	Escrow Account								
Name of Bank	Indian Overseas Bank	Address of the Branch of the Bank	IOB BUILDINGS, 762, ANNA SALAI, ANNA SALAI,CHENNAI - 600 002							
Account No.	01090113644001	IFSC	IOBA0000109							
LEI Number	335800QFIPQ9AFX1CS84	Email	investor@iobnet.co.in							
Contact No	+91 98840 36103									

The Bid Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with this Application Form on or before the closure of the Bid/Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favor of "IOB ESCROW ACCOUNT 2025". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Bank and the LMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)

Bank Account	IFSC Code
Number	
Bank Name	Bank Branch
	Address
	DETAILS OF CONTACT PERSON
Name:	
Address:	
Tel. No:	Fax No:
Mobile No.	Email:

OTHER DETAILS			
PAN**			
Signature of Authorised Signatory (may be signed either physically or digitally)			

#### ENCLOSURES ATTACHED

- Copy of PAN Card or PAN allotment letter\*\*
- FIRC
- Copy of the SEBI registration certificate as a Mutual Fund
- Copy of the SEBI registration certificate as an Eligible FPI
- Copy of the SEBI registration certificate as an AIF
- Copy of the SEBI registration certificate as a VCF
- Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- Copy of the IRDA registration certificate
- Intimation of being part of the same group
- Certified true copy of the power of attorney
- Other, please specify \_\_\_\_\_\_\_

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.

Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Bank in consultation with the LMs.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you either in physical or electronic form or both are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

<sup>\*</sup>A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

<sup>\*\*</sup>Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.